REFINITIV

DELTA REPORT

10-Q

GCBC - GREENE COUNTY BANCORP INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1009
CHANGES	486
DELETIONS	254
ADDITIONS	269

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

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OF 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER MARCH 31, 2023 2024
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT

Commission File Number: 0-25165

graphic

GREENE COUNTY BANCORP, INC.

(Exact Name of Registrant as Specified in its Charter)

United States	14-1809721
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
302 Main Street, Catskill, New York	12414
(Address of principal executive office)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Trading symbol	Name of exchange on which registered
Common Stock, $0.10 par value	GCBC	The Nasdaq Stock Market

Securities Registered Pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Emerging Growth Company ☐
Non-accelerated filer ☒	Smaller reporting company ☒	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).YES ☐ NO ☒

As of February 8, 2024 May 9, 2024, the registrant had 17,026,828 shares of common stock outstanding at $0.10 par value per share.

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GREENE COUNTY BANCORP, INC.

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PART I. FINANCIAL INFORMATION

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Greene County Bancorp, Inc.

Consolidated Statements of Financial Condition
At December 31, 2023 March 31, 2024 and June 30, 2023
(Unaudited)
(In thousands, except share and per share amounts)

ASSETS	December 31, 2023	June 30, 2023	March 31, 2024	June 30, 2023
Cash and due from banks	$ 12,147	$ 15,305	$ 11,234	$ 15,305
Interest-bearing deposits	163,933	181,140	244,589	181,140
Total cash and cash equivalents	176,080	196,445	255,823	196,445
Long-term certificates of deposit	3,822	4,576	3,083	4,576
Securities available-for-sale, at fair value	307,809	281,133	345,519	281,133
Securities held-to-maturity, at amortized cost, net of allowance for credit losses of $485 at December 31, 2023	700,853	726,363		
Securities held-to-maturity, at amortized cost, net of allowance for credit losses of $498 at March 31, 2024			700,371	726,363
Equity securities, at fair value	325	306	343	306
Federal Home Loan Bank stock, at cost	7,654	1,682	2,219	1,682
Loans receivable	1,457,175	1,408,866	1,477,635	1,408,866

Allowance for credit losses on loans	(20,309)	(21,212)	(20,382)	(21,212)
Net loans receivable	1,436,866	1,387,654	1,457,253	1,387,654
Premises and equipment, net	15,232	15,028	15,651	15,028
Bank-owned life insurance	56,003	55,063	56,618	55,063
Accrued interest receivable	14,499	12,249	16,762	12,249
Foreclosed real estate	302	302	302	302
Prepaid expenses and other assets	17,243	17,482	17,567	17,482
Total assets	$ 2,736,688	$ 2,698,283	$ 2,871,511	$ 2,698,283
LIABILITIES AND SHAREHOLDERS' EQUITY				
Noninterest-bearing deposits	$ 137,424	$ 159,039	$ 131,452	$ 159,039
Interest-bearing deposits	2,197,413	2,278,122	2,425,655	2,278,122
Total deposits	2,334,837	2,437,161	2,557,107	2,437,161
Borrowings from Federal Home Loan Bank, short-term	125,000	-		
Borrowings from Federal Home Loan Bank, long-term	4,374	-		
Borrowings, short-term			2,000	-
Borrowings, long-term			34,156	-
Subordinated notes payable, net	49,588	49,495	49,635	49,495
Accrued expenses and other liabilities	27,593	28,344	29,428	28,344
Total liabilities	2,541,392	2,515,000	2,672,326	2,515,000
SHAREHOLDERS' EQUITY				
Preferred stock, Authorized - 1,000,000 shares; Issued - None	-	-	-	-
Common stock, par value $0.10 per share; Authorized - 36,000,000 shares; Issued – 17,222,680 shares at December 31, 2023 and June 30, 2023; Outstanding – 17,026,828 shares at December 31, 2023, and June 30, 2023	1,722	1,722		
Common stock, par value $0.10 per share; Authorized - 36,000,000 shares; Issued – 17,222,680 shares at March 31, 2024 and June 30, 2023; Outstanding – 17,026,828 shares at March 31, 2024, and June 30, 2023			1,722	1,722
Additional paid-in capital	10,156	10,156	10,156	10,156
Retained earnings	203,396	193,721	208,632	193,721
Accumulated other comprehensive loss	(19,070)	(21,408)	(20,417)	(21,408)
Treasury stock, at cost 195,852 shares at December 31, 2023, and June 30, 2023	(908)	(908)		
Treasury stock, at cost 195,852 shares at March 31, 2024, and June 30, 2023			(908)	(908)
Total shareholders' equity	195,296	183,283	199,185	183,283
Total liabilities and shareholders' equity	$ 2,736,688	$ 2,698,283	$ 2,871,511	$ 2,698,283

See notes to consolidated financial statements

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Greene County Bancorp, Inc.
Consolidated Statements of Income
For the Three and Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023
(Unaudited)
(In thousands, except share and per share amounts)

	For the three months ended December 31,		For the six months ended December 31,		For the three months ended March 31,		For the nine months ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Interest income:								
Loans	$ 17,776	$ 14,801	$ 34,981	$ 28,183	$ 18,063	$ 15,676	$ 53,044	$ 43,859
Investment securities - taxable	805	690	1,573	1,354	1,116	722	2,689	2,076
Mortgage-backed securities	1,573	1,364	3,066	2,854	1,625	1,422	4,691	4,276
Investment securities - tax exempt	4,334	3,504	8,624	6,581	4,426	3,836	13,050	10,417
Interest-bearing deposits and federal funds sold	1,105	169	2,021	196	841	277	2,862	473
Total interest income	25,593	20,528	50,265	39,168	26,071	21,933	76,336	61,101

Interest expense:								
Interest on deposits	12,558	3,738	23,165	5,748	12,944	5,559	36,109	11,307
Interest on borrowings	647	867	1,273	1,663	832	1,148	2,105	2,811
Total interest expense	13,205	4,605	24,438	7,411	13,776	6,707	38,214	14,118
Net interest income	12,388	15,923	25,827	31,757	12,295	15,226	38,122	46,983
Provision for credit losses	170	244	627	(255)	290	(944)	917	(1,199)
Net interest income after provision for credit losses	12,218	15,679	25,200	32,012	12,005	16,170	37,205	48,182
Noninterest income:								
Service charges on deposit accounts	1,227	1,234	2,457	2,451	1,011	1,132	3,468	3,583
Debit card fees	1,120	1,138	2,253	2,280	1,120	1,082	3,373	3,362
Investment services	206	198	449	378	265	213	714	591
E-commerce fees	30	29	59	55	24	26	83	81
Bank-owned life insurance	574	340	936	680	615	340	1,551	1,020
Net loss on sale of available-for-sale securities	-	(251)	-	(251)	-	-	-	(251)
Other operating income	321	207	623	400	377	266	1,000	666
Total noninterest income	3,478	2,895	6,777	5,993	3,412	3,059	10,189	9,052
Noninterest expense:								
Salaries and employee benefits	5,654	5,449	11,145	10,877	6,102	6,193	17,247	17,070
Occupancy expense	593	513	1,130	1,037	688	617	1,818	1,654
Equipment and furniture expense	238	221	376	379	151	150	527	529
Service and data processing fees	614	664	1,205	1,366	661	674	1,866	2,040
Computer software, supplies and support	471	369	982	750	319	407	1,301	1,157
Advertising and promotion	102	145	199	221	122	115	321	336
FDIC insurance premiums	314	205	626	447	326	191	952	638
Legal and professional fees	417	1,697	800	2,148	319	507	1,119	2,655
Other	923	688	1,708	1,523	546	1,002	2,254	2,525
Total noninterest expense	9,326	9,951	18,171	18,748	9,234	9,856	27,405	28,604
Income before provision for income taxes	6,370	8,623	13,806	19,257	6,183	9,373	19,989	28,630
Provision for income taxes	663	1,425	1,630	3,023	322	1,282	1,952	4,305
Net income	$ 5,707	$ 7,198	$ 12,176	$ 16,234	$ 5,861	$ 8,091	$ 18,037	$ 24,325
Basic and diluted earnings per share	$ 0.34	$ 0.42	$ 0.72	$ 0.95	$ 0.34	$ 0.48	$ 1.06	$ 1.43
Basic and diluted average shares outstanding	17,026,828	17,026,828	17,026,828	17,026,828	17,026,828	17,026,828	17,026,828	17,026,828

See notes to consolidated financial statements

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Greene County Bancorp, Inc.
Consolidated Statements of Comprehensive Income
For the Three and Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023
(Unaudited)
(In thousands)

	For the three months ended December 31,		For the six months ended December 31,		For the three Ma
	2023	2022	2023	2022	2024
Net Income	$ 5,707	$ 7,198	$ 12,176	$ 16,234	$ 5,861
Other comprehensive income (loss):					
Unrealized holding gain (losses) on available-for-sale securities, gross	8,257	2,445	3,192	(6,587)	
Unrealized holding (losses) gains on available-for-sale securities, gross					(1,839
Tax effect	2,207	654	854	(1,760)	(492
Unrealized holding gain (losses) on available-for-sale securities, net	6,050	1,791	2,338	(4,827)	
Unrealized holding (losses) gains on available-for-sale securities, net					(1,347

Reclassification adjustment for loss on sale of available-for-sale securities realized in net income, gross	-	251	-	251	-
Tax effect	-	67	-	67	-
Reclassification adjustment for loss on sale of available-for-sale securities realized in net income, net	-	184	-	184	-
Total other comprehensive income (loss), net of taxes	6,050	1,975	2,338	(4,643)	
Total other comprehensive (loss) income, net of taxes					(1,347
Comprehensive income	$ 11,757	$ 9,173	$ 14,514	$ 11,591	$ 4,514

See notes to consolidated financial statements.

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Greene County Bancorp, Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the Three Months Ended December 31, 2023 March 31, 2024 and 2022 2023
(Unaudited)
(In thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Tr
Balance at September 30, 2023	$ 1,722	$ 10,156	$ 198,318	$ (25,120)	$ (908)	$ 184,168					
Balance at December 31, 2022							$ 1,722	$ 10,156	$ 180,263	$ (23,026)	$
Dividends declared			(629)			(629)			(547)		
Net income			5,707			5,707			8,091		
Other comprehensive income, net of taxes				6,050		6,050				2,927	
Balance at December 31, 2023	$ 1,722	$ 10,156	$ 203,396	$ (19,070)	$ (908)	$ 195,296					
Balance at March 31, 2023							$ 1,722	$ 10,156	$ 187,807	$ (20,099)	$

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at September 30, 2022	$ 1,722	$ 10,156	$ 173,617	$ (25,001)	$ (908)	$ 159,586
Dividends declared			(552)			(552)
Net income			7,198			7,198
Other comprehensive income, net of taxes				1,975		1,975
Balance at December 31, 2022	$ 1,722	$ 10,156	$ 180,263	$ (23,026)	$ (908)	$ 168,207

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholders' equity
Balance at December 31, 2023	$ 1,722	$ 10,156	$ 203,396	$ (19,070)	$ (908)	$ 195,296
Dividends declared			(625)			(625)
Net income			5,861			5,861
Other comprehensive loss, net of taxes				(1,347)		(1,347)
Balance at March 31, 2024	$ 1,722	$ 10,156	$ 208,632	$ (20,417)	$ (908)	$ 199,185

Greene County Bancorp, Inc.
Consolidated Statements of Changes in Shareholders' Equity

For the Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023
(Unaudited)
(In thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at June 30, 2023	$ 1,722	$ 10,156	$ 193,721	$ (21,408)	$ (908)	$ 183,283
Cumulative effect adjustment for ASU 2016-13 Current Expected Credit Losses			(510)			(510)
Dividends declared			(1,991)			(1,991)
Net income			12,176			12,176
Other comprehensive income, net of taxes				2,338		2,338
Balance at December 31, 2023	$ 1,722	$ 10,156	$ 203,396	$ (19,070)	$ (908)	$ 195,296

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholders' equity
Balance at June 30, 2022	$ 1,722	$ 10,156	$ 165,127	$ (18,383)	$ (908)	$ 157,714
Dividends declared			(1,645)			(1,645)
Net income			24,325			24,325
Other comprehensive loss, net of taxes				(1,716)		(1,716)
Balance at March 31, 2023	$ 1,722	$ 10,156	$ 187,807	$ (20,099)	$ (908)	$ 178,678

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at June 30, 2022	$ 1,722	$ 10,156	$ 165,127	$ (18,383)	$ (908)	$ 157,714
Dividends declared			(1,098)			(1,098)
Net income			16,234			16,234
Other comprehensive loss, net of taxes				(4,643)		(4,643)
Balance at December 31, 2022	$ 1,722	$ 10,156	$ 180,263	$ (23,026)	$ (908)	$ 168,207

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholders' equity
Balance at June 30, 2023	$ 1,722	$ 10,156	$ 193,721	$ (21,408)	$ (908)	$ 183,283
Cumulative effect adjustment for ASU 2016-13 Current Expected Credit Losses			(510)			(510)
Dividends declared			(2,616)			(2,616)
Net income			18,037			18,037
Other comprehensive income, net of taxes				991		991
Balance at March 31, 2024	$ 1,722	$ 10,156	$ 208,632	$ (20,417)	$ (908)	$ 199,185

See notes to consolidated financial statements.

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Greene County Bancorp, Inc.
Consolidated Statements of Cash Flows
For the Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023
(Unaudited)
(In thousands)

	2023	2022	2024	2023
Cash flows from operating activities:				

Net Income	$ 12,176	$ 16,234	$ 18,037	$ 24,325
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	440	429	685	647
Deferred income tax (benefit) expense	(48)	671		
Deferred income tax expense			394	146
Net amortization of investment premiums and discounts	657	1,410	580	1,951
Net amortization of deferred loan costs and fees	177	101	289	197
Amortization of subordinated debt issuance costs	93	93	140	139
Provision for credit losses	627	(255)	917	(1,199)
Bank-owned life insurance income	(936)	(680)	(1,551)	(1,020)
Net loss on sale of available-for-sale securities	-	251	-	251
Net gain on equity securities	(19)	(8)	(37)	(22)
Net loss on sale of foreclosed real estate	-	5	-	5
Net increase (decrease) in accrued income taxes	678	(2,119)	33	(2,089)
Net increase in accrued interest receivable	(2,250)	(3,151)	(4,513)	(5,075)
Net increase in prepaid expenses and other assets	(1,060)	(238)	(689)	(767)
Net decrease in accrued expense and other liabilities	(2,275)	(2,701)		
Net (decrease) increase in accrued expense and other liabilities			(440)	239
Net cash provided by operating activities	8,260	10,042	13,845	17,728
Cash flows from investing activities:				
Securities available-for-sale:				
Proceeds from maturities	82,091	129,742	104,739	180,225
Proceeds from sale of securities	-	1,675	-	1,675
Purchases of securities	(107,484)	(75,377)	(170,192)	(104,456)
Proceeds from principal payments on securities	1,757	9,764	2,498	10,446
Securities held-to-maturity:				
Proceeds from maturities	27,168	36,451	36,394	49,576
Purchases of securities	(13,824)	(32,162)	(24,341)	(42,060)
Proceeds from principal payments on securities	11,185	14,247	12,796	16,133
Net (purchase) redemption of Federal Home Loan Bank Stock	(5,972)	644	(537)	5,342
Purchase of long-term certificate of deposit	-	(245)	-	(1,225)
Maturity of long-term certificates of deposit	745	245	1,480	735
Surrender of bank owned life insurance	23,100	-	23,100	-
Purchase of bank owned life insurance	(23,104)	-	(23,104)	-
Net increase in loans receivable	(48,702)	(138,357)	(69,478)	(158,426)
Proceeds from sale of foreclosed real estate	-	63	-	63
Purchases of premises and equipment	(644)	(517)	(1,308)	(817)
Net cash used in investing activities	(53,684)	(53,827)	(107,953)	(42,789)
Cash flows from financing activities				
Net increase (decrease) in short-term FHLB advances	125,000	(16,100)		
Proceeds from long-term FHLB advances	4,374	-		
Cash flows from financing activities:				
Net increase (decrease) in short-term advances			2,000	(123,700)
Proceeds from long-term advances			34,156	-
Payment of cash dividends	(1,991)	(1,098)	(2,616)	(1,645)
Net (decrease) increase in deposits	(102,324)	52,790		
Net increase in deposits			119,946	259,719
Net cash provided by financing activities	25,059	35,592	153,486	134,374
Net decrease in cash and cash equivalents	(20,365)	(8,193)		
Net increase in cash and cash equivalents			59,378	109,313
Cash and cash equivalents at beginning of period	196,445	69,009	196,445	69,009
Cash and cash equivalents at end of period	$ 176,080	$ 60,816	$ 255,823	$ 178,322
Non-cash investing activities:				
Foreclosed loans transferred to foreclosed real estate			$ -	$ 462
Cash paid during period for:				
Interest	$ 24,354	$ 7,198	$ 38,357	$ 14,415

Income taxes	**$**	**1,000**	**$**	**4,471**	**$**	**1,525**	**$**	**6,248**

See notes to consolidated financial statements

Greene County Bancorp, Inc.
Notes to Consolidated Financial Statements
At and for the Three and Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023

(1) Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

Within the accompanying unaudited interim consolidated financial statements and related notes to the consolidated financial statements, the June 30, 2023 data was derived from the audited consolidated financial statements and notes of Greene County Bancorp, Inc. (the "Company") and its wholly owned subsidiaries, The Bank of Greene County (the "Bank") and the Bank's wholly owned subsidiaries, Greene County Commercial Bank (the "Commercial Bank") and Greene Property Holdings, Ltd. The interim consolidated financial statements at and for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022 2023 are unaudited.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. To the extent that information and notes required by GAAP for complete financial statements are contained in or are consistent with the audited financial statements incorporated by reference to Greene County Bancorp, Inc.'s Annual Report on Form 10-K for the year ended June 30, 2023, such information and notes have not been duplicated herein. In the opinion of management, all adjustments (consisting of only normal recurring items) necessary for a fair presentation of the financial position and results of operations and cash flows at and for the periods presented have been included. Certain previous years' amounts in the unaudited consolidated financial statements and notes thereto, have been reclassified to conform to the current year's presentation. All material inter-company accounts and transactions have been eliminated in the consolidation. The results of operations and other data for the three and six nine months ended December 31, 2023 March 31, 2024 are not necessarily indicative of results that may be expected for the entire fiscal year ending June 30, 2024. These consolidated financial statements consider events that occurred through the date the consolidated financial statements were issued and should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K.

On March 23, 2023, the Company effected a 2-for-1 stock split in the form*Nature of a stock dividend on its outstanding shares of common stock. All share and per share data throughout this Quarterly Report on Form 10-Q have been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of $0.10 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from "Additional paid-in capital" to "Common stock". Operations*

Nature of Operations

The Company's primary business is the ownership and operation of its subsidiaries. At December 31, 2023 March 31, 2024, the Bank has 18 full-service offices, and lending centers, an operations center, customer call center, and wealth management center, located in its market area consisting of the Hudson Valley and Capital District Regions of New York State. The Bank is primarily engaged in the business of attracting deposits from the general public in the Bank's market area, and investing such deposits, together with other sources of funds, in loans and investment securities. The Commercial Bank's primary business is to attract deposits from, and provide banking services to, local municipalities. Greene Property Holdings, Ltd. was formed as a New York corporation that has elected under the Internal Revenue Code to be a real estate investment trust. Currently, certain mortgages and loan notes held by the Bank are transferred and beneficially owned by Greene Property Holdings, Ltd. The Bank continues to service these loans.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses on loans and on unfunded commitments.

Interest-bearing deposits

Included At March 31, 2024, included within interest bearing deposits, is $23.1 million $23.2 million of restricted cash. The restriction is due to the surrender of bank owned life insurance during the quarter ended December 31, 2023.

Allowance for Credit Losses on Loans

The Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("CECL") approach requires an estimate of the credit losses expected over the life of a loan (or pool of loans). The allowance is a valuation account that is deducted from, or added to, the loans' amortized cost basis to present the net, lifetime amount expected to be collected on the loans. Loan losses are charged off against the allowance when management believes a loan balance is confirmed to be uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and amounts expected to be charged-off.

Collateral dependent loans that are on nonaccrual status, with a balance of $250,000 or greater are evaluated on an individual basis and excluded from the pooled loan evaluation. The fair value of collateral for collateral dependent loans less selling costs will be compared to the loan balance to determine if a CECL reserve is required. When management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs.

The loan portfolio is segmented based on the level at which the Company develops and documents a systematic methodology to determine its allowance for credit losses. Management developed the following segments for estimating loss based on type of borrower and collateral which is generally based upon federal call report segmentation and have been combined as needed to ensure loans of similar risk profiles are appropriately pooled: residential real estate, commercial real estate, consumer loan, home equity and commercial loans.

Management estimates the allowance for credit losses on loans by using relevant information, from internal and external sources, related to past events, current conditions, and reasonable and supportable forecasts that affect the collectability of loans. Historical loss experience was considered by the Company for estimating expected credit losses and determined the need to use peer data, with similar risk profiles, to develop and calculate the CECL reserve models.

Historical credit loss experience for the Company and peer losses by loan segments, provide a foundation for estimating an expected credit loss. The observed credit losses are converted to probability of default (“PD”) rate curves through the use of loss given default (“LGD”) risk factors that converts default rates to estimated loss for each loan segment. This is based on industry-level, observed relationships between the PD and LGD variables for each segment. The historical PD curves correspond to economic variables through historical economic cycles, which establishes a quantitative relationship between forecasted economic conditions and loan performance.

Using the historical quantitative relationship between economic conditions and loan performance, management developed a model, using selected external economic forecasts that is highly correlated for each loan segment. These forecasts are then applied over a period that management has determined to be reasonable and supportable. Beyond the period over which management can develop or source a reasonable and supportable forecast, the model will revert to long-term average economic conditions using a straight-line methodology.

The allowance for credit losses on loans is measured on a collective basis, when similar risk characteristics are present, with both a quantitative and qualitative analysis that is applied on a quarterly basis. The respective quantitative reserve for each segment is calculated using a PD/LGD modeling methodology, with segment-specific regression models. The discounted cash flows methodology uses expected credit losses estimated over the effective life of each loan by measuring the difference between the net present value of modeled cash flows and amortized cost basis. Contractual cash flows over the contractual life of the loans are the basis for modeled cash flows, adjusted for modeled defaults and expected prepayments and discounted at the loan-level stated interest rate.

Management applies a qualitative adjustment for each segment as of the balance sheet date. The qualitative adjustments include limitations inherent in the quantitative model; changes in lending policies and procedures; changes in international, national, regional, and local economic conditions; changes in the nature and volume of the portfolio and terms of loans; the experience, ability and depth of lending management and staff; changes in the volume and severity of past due loans; changes in value of underlying collateral; existence and effect of any concentrations of credit and changes in the levels of such concentrations; and the effect of external factors; such as competition, legal and regulatory requirements.

Allowance for Credit Losses on Unfunded Commitments

The Company estimates expected credit losses over the contractual period in which the Company has exposure to a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on unfunded commitments exposure is recognized in other liabilities and is adjusted as an expense in other noninterest expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over the estimated contractual life. The Company considers the following segments of unfunded commitments exposure; home equity line of credits, commercial line of credits, consumer loans, the residential and commercial real estate loans committed but not closed and the unfunded portion of the construction loans. The probable funding amount by segment is multiplied by the respective reserve percentage calculated in the allowance for credit losses on loans to calculate a reserve on unfunded commitments.

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Allowance for Credit Losses on Securities Held-to-Maturity(“HTM”)

The Company is required to utilize the CECL approach to estimate expected credit losses. Management measures expected credit losses on HTM debt securities on a collective basis by major security types that share similar risk characteristics. Management classifies the HTM portfolio into the following major security types: U.S. Treasury securities, state and political subdivisions, mortgage-backed securities-residential, mortgage-backed securities-multi-family, corporate debt securities and other securities.

Expected losses are calculated on a pooled basis using a probability of default/loss given default(PD/LGD) model, based on historical credit loss data from a reliable source. Management utilizes municipal and corporate default and loss rates which provides decades of data across all municipal and corporate sectors and geographies. Management may exercise discretion to make adjustments based on environmental factors. The model calculates the expected loss for each security over the contractual life. If the risk of a held-to-maturity debt security no longer matches the collective assessment pool, it is removed and individually assessed for credit deterioration.

U.S. Treasury and mortgage-backed securities are issued by U.S. government entities and agencies. These securities are either explicitly and/or implicitly guaranteed by the U.S. government as to timely repayment of principal and interest, are highly rated by major rating agencies, and have a long history of zero credit losses. Therefore, the Company determined a zero credit loss assumption, and did not calculate or record an allowance for credit loss for these securities.

Allowance for Credit Losses on Securities Available-for-sale (“AFS”)

The credit loss model for AFS debt securities requires credit losses to be presented as an allowance rather than a direct write-down of debt securities. AFS debt securities continue to be recorded at fair value with changes in fair value reflected in other comprehensive income. When the fair value of an AFS debt security falls below the amortized cost basis it is evaluated to determine if any of the decline in value is attributable to credit loss. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. The cash flows are estimated using information relevant to the collectability of the security, including information about past events, current conditions and reasonable and supportable forecasts. Decreases in fair value attributable to credit loss are recorded directly to earnings with a corresponding allowance for credit losses, limited to the amount that the fair value is less than the amortized cost basis. If the credit quality subsequently improves, the allowance is reversed up to a maximum of the previously recorded credit losses. When the Company intends to sell an impaired AFS debt security, or if it is more likely than not that the Company will be required to sell the security prior to recovering the amortized cost basis, the entire fair value adjustment will immediately be recognized in earnings with no corresponding allowance for credit losses.

Investments in Federal Home Loan Bank ("FHLB") stock are required for membership and are carried at cost since there is no market value available. The FHLB New York continues to pay dividends and repurchase stock. As such, the Company has not recognized any credit loss on its holdings of FHLB stock.

Accrued Interest Receivable

Accrued interest receivable balances are presented separately on the consolidated statements of financial condition and are not included in amortized cost when determining the allowance for credit losses. Accrued interest receivable that is deemed uncollectible is written off timely. For loans, write off typically occurs upon becoming over 90 to 120 days past due and therefore the amount of such write offs are immaterial. Historically, the Company has not experienced uncollectible accrued interest receivable on investment securities.

Derivative Instruments

The Company enters into interest rate swap agreements that are not designated as hedges for accounting purposes. As the interest rate swap agreements have substantially equivalent and offsetting terms, they do not present any material exposure to the Company's consolidated statements of income. The Company records its interest rate swap agreements at fair value and is presented on a gross basis within other assets and other liabilities on the consolidated statements of financial condition. Changes in the fair value of assets and liabilities arising from these derivatives are included, net, in other operating income in the consolidated statement of income.

(2) Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In June 2016, the FASB issued an Update (ASU 2016-13) to its guidance on "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". ASU 2016-13 requires credit losses on most financial assets measured at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the current expected credit loss (CECL) model). Under this model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications) from the date of initial recognition of that instrument. The ASU also replaces the current accounting model for purchased credit impaired loans and debt securities. The allowance for credit losses for purchased financial assets with a more-than insignificant amount of credit deterioration since origination ("PCD assets"), should be determined in a similar manner to other financial assets measured on an amortized cost basis. However, upon initial recognition, the allowance for credit losses is added to the purchase price ("gross up approach") to determine the initial amortized cost basis. The subsequent accounting for PCD financial assets is the same expected loss model described above. Further, the ASU made certain targeted amendments to the existing impairment model for debt securities available-for-sale (AFS). For an AFS debt security for which there is neither the intent nor a more-likely-than-not requirement to sell, an entity will record credit losses as an allowance rather than a write-down of the amortized cost basis. An entity will apply the amendments in this Update through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, which aligns the implementation date for nonpublic entities' annual financial statements with the implementation date for their interim financial statements and clarifies the scope of the guidance in the amendments in ASU 2016-13. In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments. The amendments to Topic 326 and other topics in ASU 2019-04 include items related to the amendments in Update 2016-13 discussed at the June 2018 and November 2018 Credit Losses TRG meetings. The amendments clarify or address stakeholders' specific issues about certain aspects of the amendments in Update 2016-13 on a number of different topics, including the following: accrued interest, transfers between classifications or categories for loans and debt securities, recoveries, consideration of prepayments in determining the effective interest rate, consideration of estimated costs to sell when foreclosure is probable, vintage disclosures, line-of-credit arrangements converted to term loans, and contractual extensions and renewals. The effective dates and transition requirements for the amendments related to this Update are the same as the effective dates and transition requirements in Update 2016-13. In November 2019, the FASB issued ASU 2019-11 Codification Improvements to Topic 326 Financial Instruments Credit Losses provides additional clarification to specific issues about certain aspects of the amendments in Update 2016-13 related to measuring the allowance for loan losses under the new guidance.

For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, excluding small reporting companies such as the Company, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In November 2019, FASB issued ASU 2019-10, Financial Instruments – Credit Losses which amends the implementation effective date for small reporting companies, such as the Company, and non-public business entities, for fiscal years beginning after December 15, 2022. All entities may adopt the amendments in this Update earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

The Company adopted CECL on July 1, 2023 ("Day-one") using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. Results for reporting periods beginning after July 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company recorded a net decrease to retained earnings of $510,000 as of July 1, 2023 for the cumulative effect of adopting ASC 326. The transition adjustment includes a $1.3 million decrease to the allowance for credit losses on loans, a $503,000 increase to the allowance for credit losses on investment securities held-to-maturity, a $1.5 million increase to the allowance for credit losses on unfunded commitment exposures, and a $186,000 impact to the deferred tax asset. Refer to Note 3 Securities and Note 4 Loans and Allowance for Credit Losses on Loans, included in this Form 10-Q for more information.

In March 2022, the FASB issued ASU No. 2022-02, amendments related to Troubled Debt Restructurings (TDRs) for all entities after they adopt ASU 2016-13 and amendments related to vintage disclosures that affect public business entities with investments in financing receivables, under Financial Instruments-Credit Losses (Topic 326). The ASU eliminates the guidance on TDRs and requires an evaluation on all loan modifications to determine if they result in a new loan or a continuation of the existing loan. The ASU also requires that entities disclose current-period gross charge-offs by year of origination and eliminates the recognition and measurement guidance for TDRs in Subtopic 310-40. The effective dates for the amendments in this Update are the same as the effective dates in ASU 2016-13. The amendments in this Update should be applied prospectively, except for the transition method related to the recognition and measurement of TDRs. An entity has the option to apply a modified retrospective transition method, resulting in a cumulative-effect adjustment to retained earnings in the period of adoption. The Company adopted this standard on a prospective basis as of July 1, 2023, concurrent with the adoption of ASU 2016-13.

In March 2020, the FASB issued an Update (ASU 2020-04), Reference Rate Reform (Topic 848). On January 7, 2021, the FASB issued (ASU 2021-01), which refines the scope of ASC 848 and clarifies some of its guidance. The ASU and related amendments provide temporary optional expedients and exceptions to the existing guidance for applying GAAP to affected contract modifications and hedge accounting relationships in the transition away from the London Interbank Offered Rate ("LIBOR") or other interbank offered rate on financial reporting. The guidance also allows a one-time election to sell and/or reclassify to AFS or trading HTM debt securities that reference an interest rate affected by reference rate reform. The amendments in this ASU are effective March 12, 2020 through December 31, 2022 and permits relief solely for reference rate reform actions and permits different elections over the effective date for legacy and new activity. The Company adopted the standard during the quarter ended September 30, 2023, and it did not have a material impact on the consolidated financial statements as the Company's LIBOR exposure was minimal and limited to a couple of participation loans and risk participation agreements.

In December 2022, the FASB issued an Update (ASU 2022-06), Reference Rate Reform (Topic 848) Deferral of the Sunset Date of Topic 848. The ASU extends the period of time companies can utilize the reference rate reform relief guidance provided by ASU 2020-04 and ASU 2021-01. The guidance, which was effective upon issuance, defers the sunset date from December 31, 2022 to December 31, 2024, after which companies will no longer be permitted to apply the relief guidance in Topic 848. The adoption did not have a material impact on the consolidated financial statements and related disclosures.

Accounting Standards Issued Not Yet Adopted

In March 2023, the FASB issued (ASU 2023-02), Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method. ASU 2023-02 permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. The election can be made for each individual qualifying tax credit investment. Under the proportional amortization method, the initial cost of an investment is amortized in proportion to the amount of tax credits and other tax benefits received, with the amortization and tax credits recognized as a component of income tax expense. To qualify for the proportional amortization method, all of the following conditions must be met: (1) it is probable that the income tax credits allocated to the tax equity investor will be available; (2) the tax equity investor does not have the ability to exercise significant influence over the operating and financial policies of the underlying project; (3) substantially all of the projected benefits are from income tax credits and other income tax benefits; (4) the tax equity investor's projected yield based solely on the cash flows from the income tax credits and other income tax benefits is positive; and (5) the tax equity investor is a limited liability investor in the entity for both legal and tax purposes. Under the proportional amortization method, the investment shall be tested for impairment when events or changes in circumstances indicate that it is more likely than not that the carrying amount of the investment will not be realized. An impairment loss shall be measured as the amount by which the carrying amount of an investment exceeds its fair value. ASU 2023-02 is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2023, with early adoption permitted. The Company's adoption of this standard is not expected to have a material impact on the consolidated financial statements.

(3) Securities

The following tables summarize the amortized cost and fair value of securities available-for-sale by major type:

(In thousands)	At December 31, 2023 Amortized Cost (1)	Unrealized Gains	Unrealized Losses	Fair Value	At March 31, 2024 Amortized cost (1)	Unrealized gains	Unrealized losses	Fair value
U.S. government sponsored enterprises	**$ 13,048**	**$ -**	**$ 1,989**	**$ 11,059**	**$ 13,045**	**$ -**	**$ 2,095**	**$ 10,950**
U.S. Treasury securities	**18,292**	**-**	**1,575**	**16,717**	**45,075**	**-**	**1,942**	**43,133**
State and political subdivisions	**162,736**	**1,099**	**1**	**163,834**	**170,252**	**725**	**1**	**170,976**
Mortgage-backed securities-residential	**27,925**	**-**	**3,540**	**24,385**	**33,277**	**30**	**3,929**	**29,378**
Mortgage-backed securities-multi-family	**90,805**	**-**	**17,557**	**73,248**	**90,692**	**-**	**18,175**	**72,517**
Corporate debt securities	**19,831**	**41**	**1,306**	**18,566**	**19,845**	**20**	**1,300**	**18,565**
Total securities available-for-sale	**$ 332,637**	**$ 1,140**	**$ 25,968**	**$ 307,809**	**$ 372,186**	**$ 775**	**$ 27,442**	**$ 345,519**

(In thousands)	At June 30, 2023 Amortized Cost (1)	Unrealized Gains	Unrealized Losses	Fair Value	At June 30, 2023 Amortized cost (1)	Unrealized gains	Unrealized losses	Fair value
U.S. government sponsored enterprises	**$ 13,054**	**$ -**	**$ 2,231**	**$ 10,823**	**$ 13,054**	**$ -**	**$ 2,231**	**$ 10,823**
U.S. Treasury securities	**18,349**	**-**	**1,849**	**16,500**	**18,349**	**-**	**1,849**	**16,500**
State and political subdivisions	**137,343**	**670**	**2**	**138,011**	**137,343**	**670**	**2**	**138,011**
Mortgage-backed securities-residential	**29,586**	**-**	**3,985**	**25,601**	**29,586**	**-**	**3,985**	**25,601**

Mortgage-backed securities-multi-family	**91,016**	**-**	**18,930**	**72,086**	**91,016**	**-**	**18,930**	**72,086**
Corporate debt securities	**19,805**	**-**	**1,693**	**18,112**	**19,805**	**-**	**1,693**	**18,112**
Total securities available-for-sale	**$ 309,153**	**$ 670**	**$ 28,690**	**$ 281,133**	**$ 309,153**	**$ 670**	**$ 28,690**	**$ 281,133**

(1) Amortized cost excludes accrued interest receivable of $3.6 million $4.8 million and $2.9 million at December 31, 2023 March 31, 2024 and June 30, 2023, respectively, which is included in accrued interest receivable in the consolidated statements of financial condition.

There was no allowance for credit losses on securities available-for-sale at the quarter ended December 31, 2023 March 31, 2024.

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The following tables summarize the amortized cost, fair value, and allowance for credit loss on securities held-to-maturity by major type:

	At December 31, 2023						**At March 31, 2024**					
(In thousands)	**Amortized Cost (1)**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Allowance(2)**	**Net Carrying Value**	**Amortized cost (1)**	**Unrealized gains**	**Unrealized losses**	**Fair value**	**Allowance(2)**	**Net ca**
U.S. Treasury securities	**$ 33,747**	**$ -**	**$ 1,808**	**$ 31,939**	**$ -**	**$ 33,747**	**$ 33,767**	**$ -**	**$ 1,849**	**$ 31,918**	**$ -**	**$**
State and political subdivisions	**463,515**	**6,243**	**31,654**	**438,104**	**46**	**463,469**	**462,643**	**6,518**	**34,182**	**434,979**	**45**	
Mortgage-backed securities-residential	**34,912**	**-**	**2,969**	**31,943**	**-**	**34,912**	**33,947**	**-**	**3,319**	**30,628**	**-**	
Mortgage-backed securities-multi-family	**145,915**	**-**	**17,282**	**128,633**	**-**	**145,915**	**145,234**	**-**	**17,981**	**127,253**	**-**	
Corporate debt securities	**23,212**	**5**	**2,660**	**20,557**	**438**	**22,774**	**25,246**	**20**	**2,572**	**22,694**	**452**	
Other securities	**37**	**-**	**-**	**37**	**1**	**36**	**32**	**-**	**-**	**32**	**1**	
Total securities held-to-maturity	**$ 701,338**	**$ 6,248**	**$ 56,373**	**$ 651,213**	**$ 485**	**$ 700,853**	**$ 700,869**	**$ 6,538**	**$ 59,903**	**$ 647,504**	**$ 498**	**$**

	At June 30, 2023						**At June 30, 2023**					
(In thousands)	**Amortized Cost (1)**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Allowance(2)**	**Net Carrying Value**	**Amortized cost (1)**	**Unrealized gains**	**Unrealized losses**	**Fair value**	**Allowance(2)**	**Net ca**
U.S. Treasury securities	**$ 33,705**	**$ -**	**$ 2,438**	**$ 31,267**	**$ -**	**$ 33,705**	**$ 33,705**	**$ -**	**$ 2,438**	**$ 31,267**	**$ -**	**$**
State and political subdivisions	**478,756**	**5,178**	**30,662**	**453,272**	**-**	**478,756**	**478,756**	**5,178**	**30,662**	**453,272**	**-**	
Mortgage-backed securities-residential	**37,186**	**-**	**3,625**	**33,561**	**-**	**37,186**	**37,186**	**-**	**3,625**	**33,561**	**-**	
Mortgage-backed securities-multi-family	**155,046**	**-**	**20,324**	**134,722**	**-**	**155,046**	**155,046**	**-**	**20,324**	**134,722**	**-**	
Corporate debt securities	**21,632**	**-**	**3,426**	**18,206**	**-**	**21,632**	**21,632**	**-**	**3,426**	**18,206**	**-**	
Other securities	**38**	**-**	**-**	**38**	**-**	**38**	**38**	**-**	**-**	**38**	**-**	

Total securities held-to-maturity	**$ 726,363**	**$ 5,178**	**$ 60,475**	**$ 671,066**	**$ -**	**$ 726,363**	**$ 726,363**	**$ 5,178**	**$ 60,475**	**$ 671,066**	**$ -**	**$**

(1) Amortized cost excludes accrued interest receivable of $4.5 million $5.3 million and $3.9 million at December 31, 2023 March 31, 2024 and June 30, 2023, respectively, which is included in accrued interest receivable in the consolidated statements of financial condition.

(2) The Company adopted ASU 2016-13 (CECL) on July 1, 2023. For periods subsequent to adoption, an allowance is calculated under the CECL methodology. The periods prior to adoption did not have an allowance for credit losses under applicable GAAP for those periods.

U.S. Treasury and mortgage-backed securities are issued by U.S. government entities and agencies. These securities are either explicitly and/or implicitly guaranteed by the U.S. government as to timely repayment of principal and interest, are highly rated by major rating agencies, and have a long history of zero credit losses. Therefore, the Company determined a zero credit loss assumption, and did not calculate or record an allowance for credit loss for these securities. An allowance for credit losses on investment securities held-to-maturity as of December 31, 2023 March 31, 2024 has been recorded for certain municipal securities issued by state and political subdivisions and corporate debt securities to account for expected lifetime credit loss using the CECL methodology.

The Company's current policies generally limit securities investments to U.S. Government government and securities of government sponsored enterprises, federal funds sold, municipal bonds, corporate debt obligations, subordinated debt of banks and certain mutual funds. In addition, the Company's policies permit investments in mortgage-backed securities, including securities issued and guaranteed by Fannie Mae, Freddie Mac, and GNMA, and collateralized mortgage obligations issued by these entities. As of December 31, 2023 March 31, 2024, all mortgage-backed securities including collateralized mortgage obligations were securities of government sponsored enterprises, no private-label mortgage-backed securities or collateralized mortgage obligations were held in the securities portfolio. The Company's investments in state and political subdivisions securities generally are municipal obligations that are general obligations supported by the general taxing authority of the issuer, and in some cases are insured. The obligations issued by school districts are supported by state aid. Primarily, these investments are issued by municipalities within New York State.

The Company's current securities investment strategy utilizes a risk management approach of diversified investing among three categories: short-, intermediate- and long-term. The emphasis of this approach is to increase overall investment securities yields while managing interest rate risk. The Company will only invest in high quality securities as determined by management's analysis at the time of purchase. The Company generally does not engage in any derivative or hedging transactions, such as balance sheet interest rate swaps or caps.

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The following table summarizes the activity in the allowance for credit losses on securities held-to-maturity:

(In thousands)	Three months ended December 31, 2023	Six months ended December 31, 2023	Three months ended March 31, 2024	Nine months ended March 31, 2024
Balance beginning of period	$ 498	$ -	$ 485	$ -
Adoption of ASU 2016-13 (CECL) on July 1, 2023	-	503	-	503
Benefit for credit losses	(13)	(18)		
Provision (benefit) for credit losses			13	(5)
Balance end of period	$ 485	$ 485	$ 498	$ 498

The following table shows fair value and gross unrealized losses, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2023 March 31, 2024.

	Less Than 12 Months			More Than 12 Months			Total			Less thar	
(In thousands, except number of securities)	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair value	Unreal loss
Securities available-for-sale:											
U.S. government sponsored enterprises	$ -	$ -	-	$ 11,059	$ 1,989	5	$ 11,059	$ 1,989	5	$ -	$
U.S. Treasury securities	778	41	2	15,939	1,534	6	16,717	1,575	8	27,318	
State and political subdivisions	-	-	-	83	1	1	83	1	1	-	
Mortgage-backed securities-residential	-	-	-	24,379	3,540	26	24,379	3,540	26	1,972	
Mortgage-backed securities-multi-family	-	-	-	73,248	17,557	31	73,248	17,557	31	-	
Corporate debt securities	-	-	-	16,623	1,306	16	16,623	1,306	16	-	
Total securities available-for-sale	778	41	2	141,331	25,927	85	142,109	25,968	87	29,290	
Securities held-to-maturity:											
U.S. Treasury securities	-	-	-	31,939	1,808	8	31,939	1,808	8	-	
State and political subdivisions	11,853	182	131	298,626	31,472	2,149	310,479	31,654	2,280	13,610	
Mortgage-backed securities-residential	3	-	2	31,940	2,969	27	31,943	2,969	29	-	

Mortgage-backed securities-multi-family	-	-	-	128,633	17,282	52	128,633	17,282	52	-
Corporate debt securities	3,090	409	3	16,582	2,251	16	19,672	2,660	19	-
Total securities held-to-maturity	14,946	591	136	507,720	55,782	2,252	522,666	56,373	2,388	13,610
Total securities	$ 15,724	$ 632	138	$ 649,051	$ 81,709	2,337	$ 664,775	$ 82,341	2,475	$ 42,900 $

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The following table shows fair value and gross unrealized losses, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2023.

	Less Than 12 Months			More Than 12 Months			Total			Less than	
(In thousands, except number of securities)	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair value	Unreali losse
Securities available-for-sale:											
J.S. government sponsored enterprises	$ -	$ -	-	$ 10,823	$ 2,231	5	$ 10,823	$ 2,231	5	$ -	$
J.S. Treasury securities	761	57	2	15,739	1,792	6	16,500	1,849	8	761	
State and political subdivisions	-	-	-	82	2	1	82	2	1	-	
Mortgage-backed securities-residential	476	29	7	25,125	3,956	21	25,601	3,985	28	476	
Mortgage-backed securities-multi-family	2,679	182	1	69,407	18,748	30	72,086	18,930	31	2,679	
Corporate debt securities	2,352	40	2	15,760	1,653	15	18,112	1,693	17	2,352	
Total securities available-for-sale	6,268	308	12	136,936	28,382	78	143,204	28,690	90	6,268	
Securities held-to-maturity:											
U.S. Treasury securities	-	-	-	31,267	2,438	8	31,267	2,438	8	-	
State and political subdivisions	40,412	520	448	295,479	30,142	2,018	335,891	30,662	2,466	40,412	
Mortgage-backed securities-residential	1,982	120	12	31,579	3,505	18	33,561	3,625	30	1,982	
Mortgage-backed securities-multi-family	5,362	245	2	129,360	20,079	54	134,722	20,324	56	5,362	
Corporate debt securities	10,236	2,012	9	7,970	1,414	10	18,206	3,426	19	10,236	2
Total securities held-to-maturity	57,992	2,897	471	495,655	57,578	2,108	553,647	60,475	2,579	57,992	2
Total securities	$ 64,260	$ 3,205	483	$ 632,591	$ 85,960	2,186	$ 696,851	$ 89,165	2,669	$ 64,260	$ 3

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There were no transfers of securities available-for-sale to held-to-maturity during the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. During the three and six nine months ended December 31, 2023 March 31, 2024, there were no sales of securities and no gains or losses were recognized. **During the three and six months ended December 31, 2022 March 31, 2023, there were no sales of securities and no gains or losses were recognized.** During the nine months ended March 31, 2023, a loss of $251,000 was recognized from one sale of an available-for-sale security. The proceeds were used to fund higher yielding loans.

The estimated fair values of debt securities at December 31, 2023 March 31, 2024, by contractual maturity are shown below. Expected maturities may differ from contractual maturities, because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

(In thousands)

	Amortized Cost	Fair Value	Amortized cost	Fair value
Securities available-for-sale				
Within one year	$ 163,173	$ 164,266	$ 198,521	$ 198,954
After one year through five years	40,328	37,375	39,286	36,160
After five years through ten years	8,906	7,342	8,910	7,273
After ten years	1,500	1,193	1,500	1,237
Total securities available-for-sale	213,907	210,176	248,217	243,624
Mortgage-backed and asset-backed securities	118,730	97,633	123,969	101,895
Total securities available-for-sale	332,637	307,809	372,186	345,519
Securities held-to-maturity				
Within one year	59,515	59,094	63,451	62,980
After one year through five years	164,587	160,857	163,298	159,412
After five years through ten years	157,796	147,834	159,777	148,919
After ten years	138,613	122,852	135,162	118,312
Total securities held-to-maturity	520,511	490,637	521,688	489,623
Mortgage-backed securities	180,827	160,576	179,181	157,881

Total securities held-to-maturity	**701,338**	**651,213**	**700,869**	**647,504**
Total securities	**$ 1,033,975**	**$ 959,022**	**$ 1,073,055**	**$ 993,023**

At December 31, 2023 March 31, 2024 and June 30, 2023, securities with an aggregate fair value of $809.1 million $905.5 million and $904.8 million, respectively, were pledged as collateral for deposits in excess of FDIC insurance limits for various municipalities placing deposits with the Commercial Bank. At December 31, 2023 March 31, 2024 and June 30, 2023, securities with an aggregate fair value of $24.3 million $40.5 million and $20.8 million, respectively, were pledged as collateral for potential borrowings at the Federal Reserve Bank discount window and the Bank Term Funding Program. The Company did not participate in any securities lending programs during the three and six nine months ended December 31, 2023 March 31, 2024 or 2022. 2023.

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Federal Home Loan Bank Stock

Federal law requires a member institution of the Federal Home Loan Bank ("FHLB") system to hold stock of its district FHLB according to a predetermined formula. This stock is restricted in that it can only be sold to the FHLB or to another member institution, and all sales of FHLB stock must be at par. As a result of these restrictions, FHLB stock is carried at cost. FHLB stock is held as a long-term investment and its value is determined based on the ultimate recoverability of the par value. Estimated credit loss of this investment is evaluated quarterly and is a matter of judgment that reflects management's view of the FHLB's long-term performance, which includes factors such as the following: its operating performance; the severity and duration of declines in the fair value of its net assets related to its capital stock amount; its commitment to make payments required by law or regulation and the level of such payments in relation to its operating performance; the impact of legislative and regulatory changes on the FHLB, and accordingly, on the members of the FHLB; and its liquidity and funding position. After evaluating these considerations, the Company concluded that the par value of its investment in FHLB stock will be recovered and, therefore, no credit loss was recorded during the three and six nine months ended December 31, 2023 March 31, 2024 or 2022. 2023.

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(4) Loans and Allowance for Credit Losses on Loans

The Company adopted ASU 2016-13 (CECL) effective July 1, 2023. The loan segmentation has been redefined under CECL and therefore prior year tables are presented separately.

With the adoption of CECL, the Company's revised loan segments at December 31, 2023 March 31, 2024 are as follows:

(In thousands)	December 31, 2023	March 31, 2024
Residential real estate	$ 401,656	$ 411,555
Commercial real estate	911,731	924,777
Home equity	26,167	27,659
Consumer	4,691	4,721
Commercial	112,930	108,923
Total gross loans(1)(2)	1,457,175	1,477,635
Allowance for credit losses on loans	(20,309)	(20,382)
Loans receivable, net	$ 1,436,866	$ 1,457,253

(1) Loan balances include net deferred fees/cost of $54,000 $167 at December 31, 2023 March 31, 2024.

(2) Loan balances exclude accrued interest receivable of $6.4 million $6.7 million at December 31, 2023 March 31, 2024, which is included in accrued interest receivable in the consolidated statement of financial condition.

Nonaccrual Loans

Management places loans on nonaccrual status once the loans have become 90 days or more delinquent. A nonaccrual loan is defined as a loan in which collectability is questionable and therefore interest on the loan will no longer be recognized on an accrual basis. A loan is not placed back on accrual status until the borrower has demonstrated the ability and willingness to make timely payments on the loan. A loan does not have to be 90 days delinquent in order to be classified as nonaccrual. Loans on nonaccrual status totaled $5.6 million at December 31, 2023 March 31, 2024, of which there were two residential loans totaling $449,000 $446,000, one commercial loan totaling $1.7 million, and two three commercial real estate loans totaling $1.4 million $1.6 million, that were in the process of foreclosure. foreclosure at March 31,2024. Included in nonaccrual loans were $1.7 million of loans which were less than 90 days past due at December 31, 2023 March 31, 2024, but have a recent history of delinquency greater than 90 days past due. These loans will be returned to accrual status once they have demonstrated a history of timely payments. Loans on nonaccrual status totaled $5.5 million at June 30, 2023, of which three residential real estate loans totaling $625,000 and two commercial real estate loans totaling $1.4 million were in the process of foreclosure. Included in nonaccrual loans were $3.1 million of loans which were less than 90 days past due at June 30, 2023, but have a recent history of delinquency greater than 90 days past due. The activity in nonperforming loans during the six nine months ended December 31, 2023 March 31, 2024, included $403,000 $482,000 in loan repayments, $19,000 $93,000 in loans returning to performing status, $46,000 $182,000 in charge-offs or transfers to foreclosed, and $665,000 $940,000 of loans placed into nonperforming status.

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The following table sets forth information regarding delinquent and/or nonaccrual loans at December 31, 2023 March 31, 2024:

(In thousands)	30-59 days past due	60-89 days past due	90 days or more past due	Total past due	Current	Total Loans	Loans on Non-accrual	30-59 days past due	60-89 days past due	90 days or more past
Residential real estate	$ 3,470	$ 609	$ 1,323	$ 5,402	$ 396,254	$ 401,656	$ 2,524	$ 1,710	$ -	$ 1
Commercial real estate	1,829	54	1,247	3,130	908,601	911,731	1,682	631	-	1
Home equity	300	35	13	348	25,819	26,167	50	50	-	
Consumer	13	-	-	13	4,678	4,691	-	22	7	
Commercial loans	7	-	1,392	1,399	111,531	112,930	1,392	1	106	1
Total gross loans	$ 5,619	$ 698	$ 3,975	$ 10,292	$ 1,446,883	$ 1,457,175	$ 5,648	$ 2,414	$ 113	$ 3

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Allowance for Credit Losses on Loans

The Company's July 1, 2023 adoption of CECL resulted in a significant change to our methodology for estimating the allowance for credit losses. The allowance for credit losses for the loan portfolio is established through a provision for credit losses based on the results of life of loan quantitative models, reserves associated with collateral-dependent loans evaluated individually and adjustments for the impact of current economic conditions not accounted for in the quantitative models. The discounted cash flow methodology is used to calculate the CECL reserve for the residential real estate, commercial real estate, home equity and commercial loan segments. The Company uses a four-quarter reasonable and supportable forecast period based on the one year percent change in national GDP and the national unemployment rate, as economic variables. The forecast will revert to long-term economic conditions over a four-quarter reversion period on a straight-line basis. The remaining life method will be utilized to determine the CECL reserve for the consumer loan segment. A qualitative factor framework has been developed to adjust the quantitative loss rates for asset-specific risk characteristics or current conditions at the reporting date. The Company elected to use the practical expedient to evaluate loans individually, if they are collateral dependent loans that are on nonaccrual status with a balance of $250,000 or greater, which is consistent with regulatory requirements. The fair value of the collateral dependent loan less selling expenses will be compared to the loan balance to determine if a CECL reserve is required.

In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for credit losses. Such agencies may require the Company to recognize additions to the allowance based on their judgment about information available to them at the time of their examination. The Company charges loans off against the allowance for credit losses when it becomes evident that a loan cannot be collected within a reasonable amount of time, or that it will cost the Company more than it will receive and all possible avenues of repayment have been analyzed, including the potential of future cash flow, the value of the underlying collateral, and strength of any guarantors or co-borrowers. Generally, consumer loans and smaller business loans (not secured by real estate) in excess of 90 days are charged-off against the allowance for credit losses, unless equitable arrangements are made. Included within consumer loan charge-offs and recoveries are deposit accounts that have been overdrawn in excess of 60 days. For loans secured by real estate, a charge-off is recorded when it is determined that the collection of all or a portion of a loan may not be collected and the amount of that loss can be reasonably estimated. The allowance for credit losses is increased by a provision for credit losses (which results in a charge to expense) and recoveries of loans previously charged off, and is reduced by charge-offs.

The following tables set forth the activity and allocation of the allowance for credit losses on loans by segment:

	Activity for the three months ended December 31, 2023						Activity for the three months ended March 31, 2024					
(In thousands)	Residential Real Estate	Commercial Real Estate	Home Equity	Consumer	Commercial	Total	Residential real estate	Commercial real estate	Home equity	Consumer	Commercial	Total
Balance at September 30, 2023	$ 3,869	$ 12,356	$ 188	$ 490	$ 3,346	$ 20,249						
Balance at December 31, 2023							$ 4,010	$ 12,523	$ 192	$ 486	$ 3,098	$ 20,309
Charge-offs	-	-	-	(154)	(6)	(160)	-	-	-	(117)	(143)	(260)
Recoveries	-	-	-	28	9	37	-	1	-	46	9	56
Provision	141	167	4	122	(251)	183	128	(28)	7	87	83	277
Balance at December 31, 2023	$ 4,010	$ 12,523	$ 192	$ 486	$ 3,098	$ 20,309						

Balance at March 31, 2024							$ 4,138	$ 12,496	$ 199	$ 502	$ 3,047	$ 20,382

	Activity for the six months ended December 31, 2023						Activity for the nine months ended March 31, 2024					
(In thousands)	Residential Real Estate	Commercial Real Estate	Home Equity	Consumer	Commercial	Total	Residential real estate	Commercial real estate	Home equity	Consumer	Commercial	Total
Balance at June 30, 2023	$ 2,794	$ 14,839	$ 46	$ 332	$ 3,201	$ 21,212	$ 2,794	$ 14,839	$ 46	$ 332	$ 3,201	$ 21,212
Adoption of ASU No. 2016-13	1,182	(2,889)	117	137	121	(1,332)	1,182	(2,889)	117	137	121	(1,332)
Charge-offs	-	-	-	(276)	(13)	(289)	-	-	-	(393)	(156)	(549)
Recoveries	-	1	-	54	18	73	-	2	-	100	27	129
Provision	34	572	29	239	(229)	645	162	544	36	326	(146)	922
Balance at December 31, 2023	$ 4,010	$ 12,523	$ 192	$ 486	$ 3,098	$ 20,309						
Balance at March 31, 2024							$ 4,138	$ 12,496	$ 199	$ 502	$ 3,047	$ 20,382

The allowance for credit losses on unfunded commitments as of December 31, 2023 March 31, 2024 was $1.6 million $1.3 million.

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Credit monitoring process

Management closely monitors the quality of the loan portfolio and has established a loan review process designed to help grade the quality and profitability of the Company’s loan portfolio. The credit quality grade helps management make a consistent assessment of each loan relationship’s credit risk. Consistent with regulatory guidelines, the Company provides for the classification of loans considered being of lesser quality. Such ratings coincide with the “Substandard,” “Doubtful” and “Loss” classifications used by federal regulators in their examination of financial institutions. For the commercial real estate and commercial loans, generally, an asset is considered Substandard substandard if it is inadequately protected by the current net worth and paying capacity of the obligors and/or the collateral pledged. Substandard assets include those characterized by the distinct possibility that the insured financial institution will sustain some loss if the deficiencies are not corrected. Assets classified as Doubtful doubtful have all the weaknesses inherent in assets classified Substandard substandard with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, highly questionable and improbable. Assets classified as Loss loss are those considered uncollectible and of such little value that their continuance as assets without the establishment of a full loss reserve and/or charge-off is not warranted. Assets that do not currently expose the Company to sufficient risk to warrant classification in one of the aforementioned categories but otherwise possess weaknesses are designated “Special Mention.” Residential real estate, home equity and consumer loans are graded as either nonperforming or performing. Nonperforming loans are loans that are generally over 90 days past due or on nonaccrual status.

Residential mortgage loans, including home equity loans, which are collateralized by residences are generally made in amounts up to 85.0% of the appraised value of the property. In the event of default by the borrower the Company will acquire and liquidate the underlying collateral. By originating the loan at a loan-to-value ratio of 85.0% or less, the Company limits its risk of loss in the event of default. However, the market values of the collateral may be adversely impacted by declines in the economy. Home equity loans may have an additional inherent risk if the Company does not hold the first mortgage. The Company may stand in a secondary position in the event of collateral liquidation resulting in a greater chance of insufficiency to meet all obligations.

Construction loan repayments to a degree, are dependent upon the successful and timely completion of the construction of the subject property within specified cost limits. The Company completes inspections during the construction phase prior to any disbursements. The Company limits its risk during the construction as disbursements are not made until the required work for each advance has been completed. Construction delays may further impair the borrower’s ability to repay the loan.

Loans collateralized by commercial real estate and multi-family dwellings, such as apartment buildings generally are larger than residential loans and involve a greater degree of risk. Commercial real estate loans often involve large loan balances to single borrowers or groups of related borrowers. Payments on these loans depend to a large degree on the results of operations and management of the properties or underlying businesses, and may be affected to a greater extent by adverse conditions in the real estate market or the economy in general. Accordingly, the nature of commercial real estate loans makes them more difficult for management to monitor and evaluate. The Company has formed relationships with other community banks within our region to participate in larger commercial loan relationships. These types of loans are generally considered to be riskier due to the size and complexity of the loan relationship. By entering into a participation agreement with the other bank, the Company can obtain the loan relationship while limiting its exposure to credit loss. Management completes its due diligence in underwriting these loans and monitors the servicing of these loans.

Consumer loans generally have shorter terms and higher interest rates than residential mortgage loans. In addition, consumer loans expand the products and services offered by the Company to better meet the financial services needs of its customers. Consumer loans generally involve greater credit risk than residential mortgage loans because of the difference in the nature of the underlying collateral. Repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment of the outstanding loan balance because of the greater likelihood of damage, loss or depreciation in the underlying collateral. The remaining deficiency often does not warrant further substantial collection efforts against the borrower beyond obtaining a deficiency judgment. In addition, consumer loan collections depend on the borrower's personal financial stability. Furthermore, the application of various federal and state laws, including federal and state bankruptcy and insolvency laws, may limit the amount that can be recovered on such loans.

Commercial lending involves risks that are different from those associated with residential and commercial real estate mortgage lending. Real estate lending is generally considered to be collateral-based, with loan amounts based on fixed loan-to-collateral values, and liquidation of the underlying real estate collateral is viewed as the primary source of repayment in the event of borrower default. Although commercial loans may be collateralized by equipment or other business assets, the liquidation of collateral in the event of a borrower default is often an insufficient source of repayment because equipment and other business assets may be obsolete or of limited use, among other things. Accordingly, the repayment of a commercial loan depends primarily on the creditworthiness of the borrower (and any guarantors), while liquidation of collateral is a secondary and often insufficient source of repayment. The Company has formed relationships with other community banks within our region to participate in larger commercial loan relationships. These types of loans are generally considered to be riskier due to the size and complexity of the loan relationship. By entering into a participation agreement with the other bank, the Company can obtain the loan relationship while limiting its exposure to credit loss. Management completes its due diligence in underwriting these loans and monitors the servicing of these loans.

The following tables illustrate the Company's credit quality by loan class by vintage:

	At December 31, 2023												
(In thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total	2024	2023	2022	
Residential real estate													
By payment activity status:													
Performing	$ 25,674	$ 60,830	$ 96,270	$ 83,565	$ 33,900	$ 98,868	$ -	$ 25	$ 399,132	$ 42,113	$ 62,176	$ 94,349	$
Non-performing	-	-	-	185	173	2,166	-	-	2,524	-	-	-	
Total residential real estate	25,674	60,830	96,270	83,750	34,073	101,034	-	25	401,656	42,113	62,176	94,349	
Current period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial real estate													
By internally assigned grade:													
Pass	50,679	212,331	248,273	129,556	78,840	150,593	4,563	246	875,081	78,939	214,833	244,311	
Special mention	-	1,120	5,602	311	442	6,448	652	-	14,575	-	946	2,482	
Substandard	332	1,114	-	598	4,655	15,303	73	-	22,075	330	1,692	3,205	
Total commercial real estate	51,011	214,565	253,875	130,465	83,937	172,344	5,288	246	911,731	79,269	217,471	249,998	
Current period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-	-	
Home equity													
By payment activity status:													
Performing	3,298	3,088	362	498	327	1,558	16,932	54	26,117	4,716	2,964	349	
Non-performing	-	-	-	-	-	2	48	-	50	-	-	-	
Total home equity	3,298	3,088	362	498	327	1,560	16,980	54	26,167	4,716	2,964	349	
Current period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-	-	
Consumer													
By payment activity status:													
Performing	1,445	1,586	923	401	159	92	85	-	4,691	1,921	1,407	799	
Non-performing	-	-	-	-	-	-	-	-	-	-	-	-	
Total Consumer	1,445	1,586	923	401	159	92	85	-	4,691	1,921	1,407	799	
Current period gross charge-offs	204	13	47	4	-	-	8	-	276	318	13	49	
Commercial													
By internally assigned grade:													
Pass	6,653	11,536	15,134	15,786	5,970	19,435	26,468	-	100,982	6,308	11,015	14,019	
Special mention	-	-	55	-	-	456	4,352	-	4,863	-	55	86	
Substandard	-	-	1,794	1,273	93	1,283	2,642	-	7,085	-	-	1,719	
Total Commercial	$ 6,653	$ 11,536	$ 16,983	$ 17,059	$ 6,063	$ 21,174	$ 33,462	$ -	$ 112,930	$ 6,308	$ 11,070	$ 15,824	$
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ 13	$ -	$ 13	$ -	$ -	$ -	$

The Company had no loans classified doubtful or loss at December 31, 2023 March 31, 2024.

Individually Evaluated Loans

As of December 31, 2023 March 31, 2024, collateral dependent loans evaluated individually had an amortized cost basis of $5.8 million $5.7 million, with an allowance for credit losses on loans of $2.0 million $1.9 million.

Loan Modifications to Borrowers Experiencing Financial Difficulties

As mentioned in Note 2 Recent Accounting Pronouncements,
On July 1, 2023, the Company's July 1, 2023 adoption of Company adopted ASU 2022-02, eliminates which eliminated the recognition and measurement of TDRs. Upon adoption of this guidance, TDRs and enhanced the Company will no longer recognize an allowance disclosure requirements for credit losses for the economic concession granted to a borrower for changes in the timing and amount of contractual cash flows when a loan is restructured. The adoption of ASU 2022-02 results in a change to reporting for certain loan modifications to for borrowers experiencing financial difficulties. difficulty. Refer to Note 2 for recently adopted accounting standards.

With the adoption of ASU 2022-02 these loan modifications require enhanced reporting on the type of modifications granted and the financial magnitude of the concessions granted. When the Company modifies a loan with for borrowers experiencing financial difficulty, such modifications generally include one or a combination of the following: an extension of the maturity date at date; a stated rate of interest lower than not at the current market rate for new debt with similar risk; a change in the scheduled payment amount; or principal forgiveness. The Company works with loan customers experiencing financial difficulty and may enter into loan modifications to achieve the best mutual outcome given the financial circumstances of the borrower.
There were no
The following tables present the amortized cost basis of the loans during the six months ended December 31, 2023 that were modified to borrowers experiencing financial difficulty since by type of concession granted:

	For the three and nine months ended March 31, 2024			
	Term extension		Term extension and interest rate reduction	
(Dollars in thousands)	Amortized cost	Percentage of total class	Amortized cost	Percentage of total class
Commercial real estate	$ 3,948	0.427 %	$ 130	0.014 %
Total	$ 3,948		$ 130	

The following table presents the adoption financial effect of ASU 2022-02 effective July 1, 2023. the modifications made to borrowers experiencing financial difficulty:

	For the three and nine months ended March 31, 2024	
Loan type	**Term extension**	**Interest rate reduction**
Commercial real estate	Added a weighted-average 9 months to the life of the loans	Interest rates were reduced by an average of 1.75%

The Company closely monitors the performance of loans that are modified in accordance with ASU 2022-02. Loans modified during the three and nine months ended March 31, 2024 are performing within their modified terms.

Prior to the adoption of ASU 2016-13 (CECL)

Prior to July 1, 2023, the Company calculated the allowance for loan losses using the incurred loss methodology. The following tables are disclosures related to the allowance for loan losses in prior periods.

Loan segments and classes at June 30, 2023 are summarized as follows:

(In thousands)	June 30, 2023
Residential real estate:	
Residential real estate	$ 372,443
Residential construction and land	19,072
Multi-family	66,496
Commercial real estate:	
Commercial real estate	693,436

Commercial construction		121,958
Consumer loan:		
Home equity		22,752
Consumer installment		4,612
Commercial loans		108,022
Total gross loans(1)		1,408,791
Allowance for loan losses		(21,212)
Deferred fees and cost, net		75
Loans receivable, net	$	1,387,654

(1) Loan balances exclude accrued interest receivable of $5.5 million at June 30, 2023, which is included in accrued interest receivable in the consolidated statement of financial condition.

Loan balances by internal credit quality indicator at June 30, 2023:

(In thousands)	*Performing*	*Special Mention*	*Substandard*	*Total*
Residential real estate	*$ 366,403*	*$ 2,305*	*$ 3,735*	*$ 372,443*
Residential construction and land	*19,072*	*-*	*-*	*19,072*
Multi-family	*66,410*	*86*	*-*	*66,496*
Commercial real estate	*665,548*	*11,671*	*16,217*	*693,436*
Commercial construction	*121,958*	*-*	*-*	*121,958*
Home equity	*22,698*	*-*	*54*	*22,752*
Consumer installment	*4,530*	*-*	*82*	*4,612*
Commercial loans	*100,225*	*2,352*	*5,445*	*108,022*
Total gross loans	*$ 1,366,844*	*$ 16,414*	*$ 25,533*	*$ 1,408,791*

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(In thousands)	*Performing*	*Special mention*	*Substandard*	*Total*
Residential real estate	*$ 366,403*	*$ 2,305*	*$ 3,735*	*$ 372,443*
Residential construction and land	*19,072*	*-*	*-*	*19,072*
Multi-family	*66,410*	*86*	*-*	*66,496*
Commercial real estate	*665,548*	*11,671*	*16,217*	*693,436*
Commercial construction	*121,958*	*-*	*-*	*121,958*
Home equity	*22,698*	*-*	*54*	*22,752*
Consumer installment	*4,530*	*-*	*82*	*4,612*
Commercial loans	*100,225*	*2,352*	*5,445*	*108,022*
Total gross loans	*$ 1,366,844*	*$ 16,414*	*$ 25,533*	*$ 1,408,791*

The following table sets forth information regarding delinquent and/or nonaccrual loans at June 30, 2023:

(In thousands)	*30-59 days past due*	*60-89 days past due*	*90 days or more past due*	*Total past due*	*Current*	*Total Loans*	*Loans on Non-accrual*	*30-59 days past due*	*60-89 days past due*	*90 days or more past due*	*Total past due*	*Current*	*Total loans*	*Loans ac*
Residential real estate	*$ -*	*$ 504*	*$ 1,604*	*$ 2,108*	*$ 370,335*	*$ 372,443*	*$ 2,747*	*$ -*	*$ 504*	*$ 1,604*	*$ 2,108*	*$ 370,335*	*$ 372,443*	*$*
Residential construction and land	*-*	*-*	*-*	*-*	*19,072*	*19,072*	*-*	*-*	*-*	*-*	*-*	*19,072*	*19,072*	
Multi-family	*-*	*-*	*-*	*-*	*66,496*	*66,496*	*-*	*-*	*-*	*-*	*-*	*66,496*	*66,496*	
Commercial real estate	*-*	*235*	*652*	*887*	*692,549*	*693,436*	*1,318*	*-*	*235*	*652*	*887*	*692,549*	*693,436*	
Commercial construction	*-*	*-*	*-*	*-*	*121,958*	*121,958*	*-*	*-*	*-*	*-*	*-*	*121,958*	*121,958*	

Home equity	*48*	*-*	*13*	*61*	*22,691*	*22,752*	*54*		*48*	*-*	*13*	*61*	*22,691*	*22,752*
Consumer installment	*63*	*1*	*63*	*127*	*4,485*	*4,612*	*63*		*63*	*1*	*63*	*127*	*4,485*	*4,612*
Commercial loans	*-*	*-*	*19*	*19*	*108,003*	*108,022*	*1,276*		*-*	*-*	*19*	*19*	*108,003*	*108,022*
Total gross loans	*$ 111*	*$ 740*	*$ 2,351*	*$ 3,202*	*$ 1,405,589*	*$ 1,408,791*	*$ 5,458*	*$*	*111 $*	*740 $*	*2,351 $*	*3,202*	*$ 1,405,589*	*$ 1,408,791 $*

The Company had no accruing loans delinquent 90 days or more at June 30, 2023. The borrowers have made arrangements with the Bank to bring the loans current within a specified time period and have made a series of payments as agreed.

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Impaired Loan Analysis

The tables below detail additional information on impaired loans at the date or periods indicated:

	At June 30, 2023			For the three months ended December 31, 2022		For the six months ended December 31, 2022		At June 30, 2023			For the three months ended March 31, 2023	
(In thousands)	Recorded Investment	Unpaid Principal	Related Allowance	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized	Recorded investment	Unpaid principal	Related allowance	Average recorded investment	Interes incom recognize
With no related allowance recorded	With no related allowance recorded:							With no related allowance recorded:				
Residential real estate	$ 1,020	$ 1,020	$ -	$ 923	$ 2	$ 954	$ 2	$ 1,020	$ 1,020	$ -	$ 775	$
Commercial real estate	1,518	1,518	-	372	6	218	8	1,518	1,518	-	755	1
Home equity	-	-	-	128	-	128	-	-	-	-	43	
Consumer Installment	-	-	-	4	-	5	1	-	-	-	4	
Commercial loans	334	334	-	341	4	343	8	334	334	-	338	
Impaired loans with no allowance	2,872	2,872	-	1,768	12	1,648	19	2,872	2,872	-	1,915	2
With an allowance recorded:												
Residential real estate	2,086	2,086	597	2,301	5	2,120	7	2,086	2,086	597	2,421	
Commercial real estate	3,777	3,777	245	3,805	41	3,517	73	3,777	3,777	245	3,851	4
Commercial construction	-	-	-	102	-	102	-					
Home equity	-	-	-	-	-	160	4	-	-	-	-	
Commercial loans	1,572	1,572	1,171	2,591	11	2,799	27	1,572	1,572	1,171	1,839	
Impaired loans with allowance	7,435	7,435	2,013	8,799	57	8,698	111	7,435	7,435	2,013	8,111	6
Total impaired:												
Residential real estate	3,106	3,106	597	3,224	7	3,074	9	3,106	3,106	597	3,196	
Commercial real estate	5,295	5,295	245	4,177	47	3,735	81	5,295	5,295	245	4,606	6
Commercial construction	-	-	-	102	-	102	-					
Home equity	-	-	-	128	-	288	4	-	-	-	43	
Consumer Installment	-	-	-	4	-	5	1	-	-	-	4	
Commercial loans	1,906	1,906	1,171	2,932	15	3,142	35	1,906	1,906	1,171	2,177	
Total impaired loans	$ 10,307	$ 10,307	$ 2,013	$ 10,567	$ 69	$ 10,346	$ 130	$ 10,307	$ 10,307	$ 2,013	$ 10,026	$ 8

Prior to the adoption of ASU 2022-02 on July 1, 2023, the Company accounted for loan modifications to borrowers experiencing financial difficulty when concessions were granted as TDRs. The following tables are disclosures related to TDRs in prior periods.

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The table below details loans that have been modified as a troubled debt restructuring during the year ended June 30, 2023.

(Dollars in thousands)	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Current Outstanding Recorded Investment	Number of contracts	Pre-Modification outstanding recorded investment	Post-Modification outstanding recorded investment	Current outstanding reco investment
For the year ended June 30, 2023								
Residential real estate	2	$ 778	$ 778	$ 778	2	$ 778	$ 778	$
Commercial real estate	3	$ 1,428	$ 1,480	$ 1,470	3	$ 1,428	$ 1,480	$ 1
Commercial loans	1	$ 379	$ 379	$ -	1	$ 379	$ 379	$

There was one commercial loan in the amount of $379,000 that had been modified as a troubled debt restructuring during the three months ended September 30, 2022 that subsequently defaulted during the quarter ended March 31, 2023. There were no other loans that had been modified as a troubled debt restructuring during the twelve months prior to June 30, 2022 or 2021, which have subsequently defaulted during the twelve months ended June 30, 2023 or 2022.

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The following tables set forth the activity and allocation of the allowance for loan losses by loan class during and at the periods indicated. The allowance is allocated to each loan class based on historical loss experience, current economic conditions, and other considerations.

	Activity for the three months ended December 31, 2022					Activity for the three months ended March 31, 2			
(In thousands)	Balance at September 30, 2022	Charge-offs	Recoveries	Provision	Balance at December 31, 2022	Balance at December 31, 2022	Charge-offs	Recoveries	Provision
Residential real estate	$ 2,471	$ -	$ 2	$ 19	$ 2,492	$ 2,492	$ -	$ -	$ 146
Residential construction and land	177	-	-	16	193	193	-	-	(21
Multi-family	159	-	-	8	167	167	-	-	32
Commercial real estate	15,392	-	-	58	15,450	15,450	9	-	(1,869
Commercial construction	1,044	-	-	56	1,100	1,100	-	-	380
Home equity	44	-	-	(6)	38	38	-	-	11
Consumer installment	274	137	29	118	284	284	117	27	51
Commercial loans	2,586	7	11	(25)	2,565	2,565	103	12	326
Total	$ 22,147	$ 144	$ 42	$ 244	$ 22,289	$ 22,289	$ 229	$ 39	$ (944

	Activity for the six months ended December 31, 2022					Activity for the nine months ended March 31, 2023				
(In thousands)	Balance at June 30, 2022	Charge-offs	Recoveries	Provision	Balance at December 31, 2022	Balance at June 30, 2022	Charge-offs	Recoveries	Provision	Balance at March 31, 2023
Residential real estate	$ 2,373	$ -	$ 5	$ 114	$ 2,492	$ 2,373	$ -	$ 5	$ 260	$ 2,638
Residential construction and land	141	-	-	52	193	141	-	-	31	172
Multi-family	119	-	-	48	167	119	-	-	80	199
Commercial real estate	16,221	-	-	(771)	15,450	16,221	9	-	(2,640)	13,572

Commercial construction	1,114	-	-	(14)	1,100	1,114	-	-	366	1,480
Home equity	89	-	-	(51)	38	89	-	-	(40)	49
Consumer installment	349	304	75	164	284	349	421	102	215	245
Commercial loans	2,355	11	18	203	2,565	2,355	114	30	529	2,800
Total	$ 22,761	$ 315	$ 98	$ (255)	$ 22,289	$ 22,761	$ 544	$ 137	$ (1,199)	$ 21,155

	Allowance for loan losses		Loans receivable	
	Ending balance June 30, 2023 Impairment analysis		Ending balance June 30, 2023 Impairment analysis	
(In thousands)	Individually evaluated	Collectively evaluated	Individually evaluated	Collectively evaluated
Residential real estate	$ 597	$ 2,016	$ 3,106	$ 369,337
Residential construction and land	-	181	-	19,072
Multi-family	-	197	-	66,496
Commercial real estate	245	12,775	5,295	688,141
Commercial construction	-	1,622	-	121,958
Home equity	-	46	-	22,752
Consumer installment	-	332	-	4,612
Commercial loans	1,171	2,030	1,906	106,116
Total	$ 2,013	$ 19,199	$ 10,307	$ 1,398,484

22 *Foreclosed real estate*

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	Allowance for Loan Losses		Loans Receivable	
	Ending Balance June 30, 2023 Impairment Analysis		Ending Balance June 30, 2023 Impairment Analysis	
(In thousands)	Individually Evaluated	Collectively Evaluated	Individually Evaluated	Collectively Evaluated
Residential real estate	$ 597	$ 2,016	$ 3,106	$ 369,337
Residential construction and land	-	181	-	19,072
Multi-family	-	197	-	66,496
Commercial real estate	245	12,775	5,295	688,141
Commercial construction	-	1,622	-	121,958
Home equity	-	46	-	22,752
Consumer installment	-	332	-	4,612
Commercial loans	1,171	2,030	1,906	106,116
Total	$ 2,013	$ 19,199	$ 10,307	$ 1,398,484

Foreclosed real estate (FRE)

FRE (“FRE”) consists of properties acquired through mortgage loan foreclosure proceedings or in full or partial satisfaction of loans. The following table sets forth information regarding FRE at:

(In thousands)	December 31, 2023	June 30, 2023	March 31, 2024	June 30, 2023
Commercial loans	$ 302	$ 302	$ 302	$ 302
Total foreclosed real estate	$ 302	$ 302	$ 302	$ 302

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(5) Fair Value Measurements and Fair Value of Financial Instruments

Management uses its best judgment in estimating the fair value of the Company’s financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sale transaction on the dates indicated. The estimated fair value amounts have been measured as of December 31, 2023 March 31, 2024 and June 30, 2023 and have not been reevaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period-end.

The following information should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only provided for a limited portion of the Company's assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful.

The FASB ASC Topic on "*Fair Value Measurement*" established a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are not adjusted for transaction costs. A fair value hierarchy exists within GAAP that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

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For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used are as follows:

		Fair Value Measurements Using				Fair value measurements using	
(In thousands)	December 31, 2023	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	March 31, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable i (Level 2)
Assets:							
U.S. Government sponsored enterprises	$ 11,059	$ -	$ 11,059	$ -			
U.S. government sponsored enterprises					$ 10,950	$ -	$ 10
U.S. Treasury securities	16,717	-	16,717	-	43,133	-	43
State and political subdivisions	163,834	-	163,834	-	170,976	-	170
Mortgage-backed securities-residential	24,385	-	24,385	-	29,378	-	29
Mortgage-backed securities-multi-family	73,248	-	73,248	-	72,517	-	72
Corporate debt securities	18,566	-	18,566	-	18,565	-	18
Securities available-for-sale	307,809	-	307,809	-	345,519	-	345
Equity securities	325	325	-	-	343	343	

Total securities measured at fair value	$ 308,134	$ 325	$ 307,809	$ -			
Interest rate swaps					591	-	
Total					$ 346,453	$ 343	$ 346
Liabilities:							
Interest rate swaps					$ 591	$ -	$
Total					$ 591	$ -	$

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		Fair Value Measurements Using				Fair value measurements using	
(In thousands)	June 30, 2023	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	June 30, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Assets:							
U.S. Government sponsored enterprises	$ 10,823	$ -	$ 10,823	$ -			
U.S. government sponsored enterprises					$ 10,823	$ -	$ 10,823
U.S. Treasury securities	16,500	-	16,500	-	16,500	-	16,500
State and political subdivisions	138,011	-	138,011	-	138,011	-	138,011
Mortgage-backed securities-residential	25,601	-	25,601	-	25,601	-	25,601
Mortgage-backed securities-multi-family	72,086	-	72,086	-	72,086	-	72,086
Corporate debt securities	18,112	-	18,112	-	18,112	-	18,112
Securities available-for-sale	281,133	-	281,133	-	281,133	-	281,133
Equity securities	306	306	-	-	306	306	-
Total securities measured at fair value	$ 281,439	$ 306	$ 281,133	$ -			
Total					$ 281,439	$ 306	$ 281,133

Certain investments that are actively traded and have quoted market prices have been classified as Level 1 valuations. Other available-for-sale investment securities have been valued by reference to prices for similar securities or through model-based techniques in which all significant inputs are observable and, therefore, such valuations have been classified as Level 2.

In addition to disclosures of the fair value of assets on a recurring basis, FASB ASC Topic on "*Fair Value Measurement*" requires disclosures for assets and liabilities measured at fair value on a nonrecurring basis, such as collateral dependent loans evaluated individually for expected credit losses in the period in which a re-measurement at fair value is performed. The Company uses the fair value of underlying collateral, less costs to sell, to estimate the allowance for credit losses for individually evaluated collateral dependent loans. Management may modify the appraised values, for qualitative factors such as economic conditions and estimated liquidation expenses ranging from 10% to 40%. Such modifications to the appraised values could result in lower valuations of such collateral. Based on the valuation techniques used, the fair value measurements for collateral dependent loans evaluated individually are classified as Level 3.

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Fair values for foreclosed real estate are initially recorded based on market value evaluations by third parties, less costs to sell ("initial cost basis"). Any write-downs required when the related loan receivable is exchanged for the underlying real estate collateral at the time of transfer to foreclosed real estate are charged to the allowance for credit losses. Values are derived from appraisals, similar to collateral dependent loans evaluated individually, of underlying collateral. Subsequent to foreclosure, valuations are updated periodically and assets are marked to current fair value, not to exceed the initial cost basis. In the determination of fair value subsequent to foreclosure, management may modify the appraised values, for qualitative factors such as economic conditions and estimated liquidation expenses ranging from 10% to 60%. Such modifications to the appraised values could result in lower valuations of such collateral. Based on the valuation techniques used, the fair value measurements for foreclosed real estate are classified as Level 3.

		December 31, 2023		June 30, 2023			March 31, 2024		June 30, 2023	
(In thousands)	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Fair value hierarchy	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Collateral dependent evaluated loans	3	$ 5,772	$ 3,774	$ 7,578	$ 5,565	3	$ 5,656	$ 3,765	$ 7,578	$ 5,565
Foreclosed real estate	3	$ 302	$ 302	$ 302	$ 302	3	$ 302	$ 302	$ 302	$ 302

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The carrying amounts reported in the statements of financial condition for total cash and cash equivalents, long term certificates of deposit, accrued interest receivable and accrued interest payable approximate their fair values. Fair values of securities are based on quoted market prices (Level 1), where available, or matrix pricing (Level 2), which is a mathematical technique, used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices. The carrying amount of Federal Home Loan Bank stock approximates fair value due to its restricted nature. The fair values for loans are measured using the "exit price" notion which is a reasonable estimate of what another party might pay in an orderly transaction. Fair values for variable rate loans that reprice frequently, with no significant credit risk, are based on carrying value. Fair values for fixed rate loans are estimated using discounted cash flows and interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Fair values disclosed for demand and savings deposits are equal to carrying amounts at the reporting date. The carrying amounts for variable rate money market deposits approximate fair values at the reporting date. Fair values for long term certificates of deposit are estimated using discounted cash flows and interest rates currently being offered in the market on similar certificates. Fair value for Federal Home Loan Bank long term borrowings are estimated using discounted cash flows and interest rates currently being offered on similar borrowings. The carrying value of short-term Federal Home Loan Bank borrowings approximates its fair value. Fair value for subordinated notes payable is estimated based on a discounted cash flow methodology or observations of recent highly-similar transactions. Fair value for interest rate swaps include any accrued interest and are valued using the present value of cash flows discounted using observable forward rate assumptions.

The carrying amounts and estimated fair value of financial instruments are as follows:

	December 31, 2023		Fair Value Measurements Using			March 31, 2024		Fair value measurements using		
(In thousands)	Carrying Amount	Fair Value	(Level 1)	(Level 2)	(Level 3)	Carrying Amount	Fair Value	(Level 1)	(Level 2)	(Level 3)
Cash and cash equivalents	$ 176,080	$ 176,080	$ 176,080	$ -	$ -	$ 255,823	$ 255,823	$ 255,823	$ -	$ -
Long term certificates of deposit	3,822	3,713	-	3,713	-	3,083	3,004	-	3,004	-
Securities available-for-sale	307,809	307,809	-	307,809	-	345,519	345,519	-	345,519	-
Securities held-to-maturity	700,853	651,213	-	651,213	-	700,371	647,504	-	647,504	-
Equity securities	325	325	325	-	-	343	343	343	-	-
Federal Home Loan Bank stock	7,654	7,654	-	7,654	-	2,219	2,219	-	2,219	-
Net loans receivable	1,436,866	1,337,650	-	-	1,337,650	1,457,253	1,359,969	-	-	1,359,969
Accrued interest receivable	14,499	14,499	-	14,499	-	16,762	16,762	-	16,762	-
Interest rate swaps asset	1,156	1,156	-	1,156	-	591	591	-	591	-
Deposits	2,334,837	2,334,088	-	2,334,088	-	2,557,107	2,556,046	-	2,556,046	-
Borrowings	129,374	129,697	-	129,697	-	36,156	36,133	-	36,133	-
Subordinated notes payable, net	49,588	46,982	-	46,982	-	49,635	46,320	-	46,320	-
Accrued interest payable	1,020	1,020	-	1,020	-	793	793	-	793	-

Interest rate swaps liability	1,156	1,156	-	1,156	-	591	591	-	591	-

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(In thousands)	June 30, 2023 Carrying Amount	Fair Value	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)	June 30, 2023 Carrying Amount	Fair Value	Fair value measurements using (Level 1)	(Level 2)	(Level 3)
Cash and cash equivalents	$ 196,445	$ 196,445	$ 196,445	$ -	$ -	$ 196,445	$ 196,445	$ 196,445	$ -	$ -
Long term certificate of deposit	4,576	4,383	-	4,383	-	4,576	4,383	-	4,383	-
Securities available-for-sale	281,133	281,133	-	281,133	-	281,133	281,133	-	281,133	-
Securities held-to-maturity	726,363	671,066	-	671,066	-	726,363	671,066	-	671,066	-
Equity securities	306	306	306	-	-	306	306	306	-	-
Federal Home Loan Bank stock	1,682	1,682	-	1,682	-	1,682	1,682	-	1,682	-
Net loans receivable	1,387,654	1,272,361	-	-	1,272,361	1,387,654	1,272,361	-	-	1,272,361
Accrued interest receivable	12,249	12,249	-	12,249	-	12,249	12,249	-	12,249	-
Deposits	2,437,161	2,437,357	-	2,437,357	-	2,437,161	2,437,357	-	2,437,357	-
Subordinated notes payable, net	49,495	47,669	-	47,669	-	49,495	47,669	-	47,669	-
Accrued interest payable	936	936	-	936	-	936	936	-	936	-

(6) Derivative Instruments

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, primarily by managing the amount, sources and duration of its assets and liabilities. The Company has interest rate derivatives that result from a service provided to certain qualifying customers and, therefore, are not used to manage interest rate risk in the Company's assets or liabilities. The Company manages a matched book with respect to its derivative instruments in order to minimize its net risk exposure resulting from such transactions.

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Derivatives Not Designated as Hedging Instruments

The Company enters into interest rate swap agreements with its commercial customers to provide them with a long-term fixed rate, while simultaneously entering into offsetting interest rate swap agreements with a counterparty to swap the fixed rate to a variable rate to manage interest rate exposure. These interest rate swap agreements are not designated as hedges for accounting purposes. As the interest rate swap agreements have substantially equivalent and offsetting terms, they do not present any material exposure to the Company's consolidated statements of income. The Company records its interest rate swap agreements at fair value and are presented within other assets and other liabilities on the consolidated statements of financial condition. Changes in the fair value of assets and liabilities arising from these derivatives are included, net, in other operating income in the consolidated statements of income. Under terms of the agreements with the third-party counterparties, the Company provides cash collateral to the counterparty, when required, for the initial trade. Subsequent to the trade, the margin is exchanged in either direction, based upon the estimated fair value of the underlying contracts. Cash collateral represents the amount that is exchanged under master netting agreements that allows the Company to offset the derivative position with the related collateral. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements.

The following table present the notional amount and fair values of interest rate derivative positions:

	At December 31, 2023						At March 31, 2024					
	Asset Derivatives			Liability Derivatives			Asset derivatives			Liability derivatives		
(In thousands)	Statement of Financial Condition Location	Notional Amount	Fair Value	Statement of Financial Condition Location	Notional Amount	Fair Value	Statement of financial condition location	Notional amount	Fair value	Statement of financial condition location	Notional amount	Fair value
Interest rate derivatives	Other Assets	$ 25,680	$ 1,156	Other Liabilities	$ 25,680	$ 1,156	Other assets	$ 38,777	$ 591	Other liabilities	$ 38,777	$ 591
Less cash collateral			-	Other Liabilities		(1,160)			-	Other liabilities		(450)
Total after netting			$ 1,156			$ (4)			$ 591			$ 141

There were no interest rate swap agreements for the Company at June 30, 2023.

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Risk Participation Agreements

Risk participation agreements ("RPAs") are guarantees issued by the Company to other parties for a fee, whereby the Company agrees to participate in the credit risk of a derivative customer of the other party. Under the terms of these agreements, the "participating bank" receives a fee from the "lead bank" in exchange for the guarantee of reimbursement if the customer defaults on an interest rate swap. The interest rate swap is transacted such that any and all exchanges of interest payments (favorable and unfavorable) are made between the lead bank and the customer. In the event that an early termination of the swap occurs and the customer is unable to make a required close out payment, the participating bank assumes that obligation and is required to make this payment.

RPAs in which the Company acts as the lead bank are referred to as "participations-out," in reference to the credit risk associated with the customer derivatives being transferred out of the Company. Participations-out generally occur concurrently with the sale of new customer derivatives. The At March 31, 2024, the Company's exposure was reduced due to participations-outs at December 31, 2023 by $344,000, in the amount of $164,000, with a notional amount of $8.0 million. There were no participations-outs at June 30, 2023.

RPAs in which the Company acts as the participating bank are referred to as "participations-in," in reference to the credit risk associated with the counterparty's derivatives being assumed by the Company. The Company's maximum credit exposure is based on its proportionate share of the settlement amount of the referenced interest rate swap. Settlement amounts are generally calculated based on the fair value of the swap plus outstanding accrued interest receivables from the customer. The credit exposure associated with risk participations-ins was $1.0 million $397,000 and zero as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively. The RPAs participations-ins are spread out over four financial institution counterparties and terms range between 4 to 13 years. At December 31, 2023 March 31, 2024 and June 30, 2023, the Company held RPAs with a notional amount of $110.2 million $109.8 million and $82.0 million, respectively.

(7) Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed in a manner similar to that of basic earnings per share except that the weighted-average number of common shares outstanding is increased to include the number of incremental common shares that would have been outstanding under the treasury stock method if all potentially dilutive common shares (such as stock options) issued became vested during the period. There were no dilutive or anti-dilutive securities or contracts outstanding during the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023.

On March 23, 2023, the Company effected a 2-for-1 stock split in the form of a stock dividend on its outstanding shares of common stock. Weighted-average number of shares and earnings per share have been retroactively adjusted in all periods presented as if the new shares had been issued and outstanding at the same time as the original shares.

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	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
Net Income	$ 5,707,000	$ 7,198,000	$ 12,176,000	$ 16,234,000
Weighted Average Shares – Basic	17,026,828	17,026,828	17,026,828	17,026,828
Weighted Average Shares - Diluted	17,026,828	17,026,828	17,026,828	17,026,828
Earnings per share - Basic	$ 0.34	$ 0.42	$ 0.72	$ 0.95
Earnings per share - Diluted	$ 0.34	$ 0.42	$ 0.72	$ 0.95

	For the three months ended March 31,		For the nine months ended March 31,	
	2024	2023	2024	2023
Net Income	$ 5,861,000	$ 8,091,000	$ 18,037,000	$ 24,325,000
Weighted average shares – basic	17,026,828	17,026,828	17,026,828	17,026,828
Weighted average shares - diluted	17,026,828	17,026,828	17,026,828	17,026,828
Earnings per share - basic	$ 0.34	$ 0.48	$ 1.06	$ 1.43
Earnings per share - diluted	$ 0.34	$ 0.48	$ 1.06	$ 1.43

(8) Dividends

On October 18, 2023 January 17, 2024, the Company announced that its Board of Directors has approved a quarterly cash dividend of $0.08 per share on the Company's common stock. The dividend reflects an annual cash dividend rate of $0.32 per share which is the same rate as the dividend declared during the previous quarter. The dividend was payable to stockholders of record as of November 15, 2023 February 15, 2024, and was paid on November 30, 2023 February 28, 2024. Greene County Bancorp, MHC waived its right to receive this dividend.

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(9) Employee Benefit Plans

Defined Benefit Plan

The components of net periodic pension cost related to the defined benefit pension plan for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022 2023 were as follows:

(In thousands)	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Interest cost	$ 52	$ 50	$ 104	$ 100	$ 52	$ 50	$ 156	$ 150
Expected return on plan assets	(55)	(55)	(110)	(110)	(55)	(55)	(165)	(165)
Amortization of net loss	19	27	38	54	19	27	57	81
Net periodic pension cost	$ 16	$ 22	$ 32	$ 44	$ 16	$ 22	$ 48	$ 66

The interest cost, expected return on plan assets and amortization of net loss components are included in other noninterest expense on the consolidated statements of income. On an annual basis, upon the completion of the third-party actuarial valuation related to the defined benefit pension plan, the Company records adjustments to accumulated other comprehensive income. The Company does not anticipate that it will make any additional contributions to the defined benefit pension plan during fiscal 2024.

SERP

The Board of Directors of The Bank of Greene County adopted The Bank of Greene County Supplemental Executive Retirement Plan (the "SERP"), effective as of July 1, 2010. The SERP benefits certain key senior executives of the Bank who have been selected by the Board to participate. The SERP is intended to provide a benefit from the Bank upon vested retirement, death or disability or voluntary or involuntary termination of service (other than "for cause"). The SERP is more fully described in Note 9 of the consolidated financial statements for the year ended June 30, 2023.

The net periodic pension costs related to the SERP for the three and six nine months ended December 31, 2023 were $494,000 March 31, 2024 was $507,000 and $964,000, $1.5 million, respectively, included within salaries and benefits expense on the consolidated statements of income. The total liability for the SERP was $13.7 $14.3 million at December 31, 2023 March 31, 2024 and $12.3 million at June 30, 2023, and is included in accrued expenses and other liabilities. The total liability for the SERP includes both accumulated net periodic pension costs and participant contributions.

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(10) Stock-Based Compensation

Phantom Stock Option Plan and Long-term Incentive Plan

The Greene County Bancorp, Inc. 2011 Phantom Stock Option and Long-term Incentive Plan (the "Plan") was adopted effective July 1, 2011, to promote the long-term financial success of the Company and its subsidiaries by providing a means to attract, retain and reward individuals who contribute to such success and to further align their interests with those of the Company's shareholders. The Plan is intended to provide benefits to employees and directors of the Company or any subsidiary as designated by the Compensation Committee of the Board of Directors of the Company ("Committee"). Company. A phantom stock option represents the right to receive a cash payment on the date the award vests. The Plan is more fully described in Note 10 of the consolidated financial statements for the year ended June 30, 2023. All share and per share data has been retroactively adjusted in all periods presented to reflect the 2-for-1 stock split, which was paid on March 23, 2023, as if the new share options had been granted at the same time as the original share options.

A summary of the Company's phantom stock option activity and related information for the Plan for the three and six months ended December 31, 2023 and 2022 were as follows:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Number of options outstanding, beginning of period	3,207,935	3,572,240	2,535,840	2,959,040	2,317,535	2,614,840	2,535,840	2,959,040
Options Granted	-	-	672,095	807,200				
Options Paid in Cash	(890,400)	(957,400)	(890,400)	(1,151,400)				
Options granted					-	-	672,095	807,200
Options paid in cash					-	(70,000)	(890,400)	(1,221,400)
Number of options outstanding, end of period	2,317,535	2,614,840	2,317,535	2,614,840	2,317,535	2,544,840	2,317,535	2,544,840

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(In thousands)	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Cash paid out on options vested	$ 4,051	$ 3,594	$ 4,051	$ 4,104	$ -	$ 184	$ 4,051	$ 4,288
Compensation costs recognized	$ 762	$ 1,026	$ 1,394	$ 1,994	$ 908	$ 1,239	$ 2,302	$ 3,233

The total liability for the Plan was $3.6 million$4.5 million and $6.3 million at December 31, 2023March 31, 2024 and June 30, 2023, respectively, and is included in accrued expenses and other liabilities on the consolidated statements of financial condition.

(11) Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss at December 31, 2023 and 2022 are presented as follows:

Activity for the three months ended December 31, 2023March 31, 2024 and 20222023

(*In thousands*)	Unrealized losses on securities available-for-sale	Pension benefits	Total
Balance – September 30, 2022	$ (23,886)	$ (1,115)	$ (25,001)
Other comprehensive income before reclassification	1,791	-	1,791
Amounts reclassified to net loss on sale of available-for-sale securities non-interest income	251	-	251
Tax expense effect	67	-	67
Net of tax	184	-	184
Other comprehensive income for the three months ended December 31, 2022	1,975	-	1,975
Balance – December 31, 2022	$ (21,911)	$ (1,115)	$ (23,026)
Balance – September 30, 2023	$ (24,243)	$ (877)	$ (25,120)
Other comprehensive income before reclassification	6,050	-	6,050
Other comprehensive income for the three months ended December 31, 2023	6,050	-	6,050
Balance – December 31, 2023	$ (18,193)	$ (877)	$ (19,070)

Activity for the six months ended December 31, 2023 and 2022

(*In thousands*)	Unrealized losses on securities available-for-sale	Pension benefits	Total
Balance – June 30, 2022	$ (17,268)	$ (1,115)	$ (18,383)
Other comprehensive loss before reclassification	(4,827)	-	(4,827)
Amounts reclassified to net loss on sale of available-for-sale securities non-interest income	251	-	251
Tax expense effect	67	-	67
Net of tax	184	-	184
Other comprehensive loss for the six months ended December 31, 2022	(4,643)	-	(4,643)
Balance – December 31, 2022	$ (21,911)	$ (1,115)	$ (23,026)
Balance – June 30, 2023	$ (20,531)	$ (877)	$ (21,408)
Other comprehensive income before reclassification	2,338	-	2,338
Other comprehensive income for the six months ended December 31, 2023	2,338	-	2,338
Balance – December 31, 2023	$ (18,193)	$ (877)	$ (19,070)

(*In thousands*)	Unrealized losses on securities available-for-sale	Pension benefits	Total
Balance – December 31, 2022	$ (21,911)	$ (1,115)	$ (23,026)
Other comprehensive income before reclassification	2,927	-	2,927
Other comprehensive income for the three months ended March 31, 2023	2,927	-	2,927
Balance – March 31, 2023	$ (18,984)	$ (1,115)	$ (20,099)

Balance – December 31, 2023	$ (18,193)	$ (877)	$ (19,070)
Other comprehensive loss before reclassification	(1,347)	-	(1,347)
Other comprehensive loss for the three months ended March 31, 2024	(1,347)	-	(1,347)
Balance – March 31, 2024	$ (19,540)	$ (877)	$ (20,417)

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Activity for the nine months ended March 31, 2024 and 2023

(*In thousands*)	Unrealized losses on securities available-for-sale	Pension benefits	Total
Balance – June 30, 2022	$ (17,268)	$ (1,115)	$ (18,383)
Other comprehensive loss before reclassification	(1,900)	-	(1,900)
Amounts reclassified to net loss on sale of available-for-sale securities non-interest income	251	-	251
Tax expense effect	67	-	67
Net of tax	184	-	184
Other comprehensive loss for the nine months ended March 31, 2023	(1,716)	-	(1,716)
Balance – March 31, 2023	$ (18,984)	$ (1,115)	$ (20,099)
Balance – June 30, 2023	$ (20,531)	$ (877)	$ (21,408)
Other comprehensive income before reclassification	991	-	991
Other comprehensive income for the nine months ended March 31, 2024	991	-	991
Balance – March 31, 2024	$ (19,540)	$ (877)	$ (20,417)

(12) Operating leases

The Company leases certain branch properties under long-term, operating lease agreements. The Company's operating lease agreements contain non-lease components, which are accounted for separately. The Company's lease agreements do not contain any residual value guarantee.

The following includes quantitative data related to the Company's operating leases as December 31, 2023 March 31, 2024 and June 30, 2023, and for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022: 2023:

(In thousands, except weighted-average information)

(In thousands)

Operating lease amounts:	December 31, 2023	June 30, 2023	March 31, 2024	June 30, 2023
Right-of-use assets	$ 2,014	$ 2,188	$ 2,178	$ 2,188
Lease liabilities	$ 2,105	$ 2,277	$ 2,267	$ 2,277

	For the three months ended December 31,		For the three months ended March 31,	
(In thousands)	2023	2022	2024	2023
Other information:				
Operating outgoing cash flows from operating leases	$ 115	$ 90	$ 118	$ 90
Right-of-use assets obtained in exchange for new operating lease liabilities	$ -	$ -	$ 251	$ 561
Lease costs:				
Operating lease cost	$ 106	$ 82	$ 105	$ 87
Variable lease cost	$ 11	$ 10	$ 11	$ 12

	For the six months ended December 31,		For the nine months ended March 31,
	2023	2022	

(In thousands)			2024	2023
Other information:				
Operating outgoing cash flows from operating leases	$ 228	$ 179	$ 346	$ 269
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 561	$ -	$ 251	$ 561
Lease costs:				
Operating lease cost	$ 208	$ 163	$ 313	$ 250
Variable lease cost	$ 22	$ 20	$ 33	$ 32

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The following is a schedule by year of the undiscounted cash flows of the operating lease liabilities, as of December 31, 2023March 31, 2024:

(in thousands)		
Within the twelve months ended December 31,		
(In thousands, except weighted-average information)		
Within the twelve months ended March 31,		
2024	$ 458	$ 498
2025	453	490
2026	441	464
2027	349	383
2028	266	265
Thereafter	297	364
Total undiscounted cash flow	2,264	2,464
Less net present value adjustment	(159)	(197)
Lease Liability	$ 2,105	$ 2,267
Weighted-average remaining lease term (Years)	5.39	5.42
Weighted-average discount rate	2.77%	3.01%

Right-of-use assets are included in prepaid expenses and other assets, and lease liabilities are included in accrued expenses and other liabilities within the Company's consolidated statements of financial condition.

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(13) Commitments and Contingent Liabilities

Credit-Related Financial Instruments

In the normal course of business, the Company offers financial instruments with off-balance sheet risk to meet the financing needs of its customers. These transactions include commitments to extend credit, standby letters of credit, and lines of credit, which involve, to varying degrees, elements of credit risk.

The table summarizes the outstanding amounts of credit-related financial instruments with off-balance sheet risk:

(In thousands)	December 31, 2023	June 30, 2023
Unfunded loan commitments	$ 127,098	$ 124,498
Unused lines of credit	93,738	94,898
Standby letters of credit	179	179
Total credit-related financial instruments with off-balance sheet risk	$ 221,015	$ 219,575

(In thousands)	March 31, 2024	June 30, 2023
Unfunded loan commitments	$ 108,186	$ 124,498
Unused lines of credit	94,768	94,898
Standby letters of credit	429	179
Total credit-related financial instruments with off-balance sheet risk	$ 203,383	$ 219,575

The Company enters into contractual commitments to extend credit to its customers in the form of loan commitments and lines of credit, generally with fixed expiration dates and other termination clauses, and may require payment of a fee. Substantially all of the Company's commitments to extend credit are contingent upon its customers maintaining specific credit standards at the time of loan funding, and are often secured by real estate collateral. Since the majority of the Company's commitments typically expire without being funded, the total contractual amount does not necessarily represent the Company's future payment requirements.

The Company evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral, if any, required upon an extension of credit is based on management's evaluation of customer credit. Commitments to extend mortgage credit are primarily collateralized by first liens on real estate. Collateral on extensions of commercial lines of credit vary but may include accounts receivable, inventory, property, plant and equipment, and income producing commercial property.

Allowance for Credit Losses on Unfunded Commitments

The Company estimates expected credit losses over the contractual period in which the Company has exposure to a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on unfunded commitments exposure is recognized in other liabilities and is adjusted as an expense in other noninterest expense. At December 31, 2023 March 31, 2024, the allowance for credit losses on unfunded commitments totaled $1.6 million $1.3 million.

Litigation

The Company and its subsidiaries are, from time to time, parties to various legal proceedings arising out of their businesses. Except as noted below, management believes there are no such legal proceedings pending or threatened against the Company or its subsidiaries, if determined adversely, would have a material adverse effect on the business, consolidated financial condition, results of operations or cash flows of the Company or any of its subsidiaries.

On April 26, 2022, Andrew Broockmann, a customer of The Bank of Greene County (the "Bank"), filed a putative class action complaint against the Bank in the United States District Court for the Northern District of New York. The complaint alleges that the Bank improperly assessed overdraft fees on debit-card transactions that were authorized on a positive account balance but settled on a negative balance. Mr. Broockmann, on behalf of the putative class, seeks compensatory damages, punitive damages, enjoinment of the conduct complained of, and costs and fees. The complaint is similar to complaints filed against other financial institutions pertaining to overdraft fees. The Bank denies that it improperly assessed overdraft fees or breached any agreement with Mr. Broockmann or with members of the putative class. On February 28, 2023, the parties entered into a settlement agreement which contemplates, among other things, that the Bank will (a) pay a cash payment of $1.15 million, (b) forgive, waive, and not collect an additional $64,500 in uncollected overdraft fees, and (c) cease collecting certain types of overdraft fees. On October 25, 2023, the Court granted final approval of the class action settlement and closed the case. The Company established a settlement fund of $1.15 million during the quarter ended June 30, 2023, which had been accrued for in the quarter ended December 31, 2022. The settlement fund has been substantially distributed to class members. A final report of class-member payments must be filed with Court by May 13, 2024. Any residual amounts in the settlement fund not distributed will thereafter be paid to a local charity.

(14) Subsequent events

On January 17, 2024 April 17, 2024, the Board of Directors announced a cash dividend for the quarter ended December 31, 2023 March 31, 2024 of $0.08 per share on the Company's common stock. The dividend reflects an annual cash dividend rate of $0.32 per share, which was the same rate as the dividend declared during the previous quarter. The dividend will be payable to stockholders of record as of February 15, 2024 May 15, 2024, and is expected to be paid on February 28, 2024 May 30, 2024. Greene County Bancorp, MHC intends to waive its receipt of this dividend.

On January 18, 2024, the Company terminated its $7.5 million unsecured line of credit with Atlantic Community Bankers Bank.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Overview of the Company's Activities and Risks

The Company's results of operations depend primarily on its net interest income, which is the difference between the income earned on the Company's loan and securities portfolios and its cost of funds, consisting of the interest paid on deposits and borrowings. Results of operations are also affected by the Company's provision for credit losses, noninterest income and noninterest expense. Noninterest income consists primarily of fees and service charges. The Company's noninterest expense consists principally of compensation and employee benefits, occupancy, equipment and data processing, and other operating expenses. Results of operations are also significantly affected by general economic and competitive conditions, changes in interest rates, as well as government policies and actions of regulatory authorities. Additionally, future changes in applicable law, regulations or government policies may materially affect the Company.

To operate successfully, the Company must manage various types of risk, including but not limited to, market or interest rate risk, credit risk, transaction risk, liquidity risk, security risk, strategic risk, reputation risk and compliance risk.

Market risk is the risk of loss from adverse changes in market prices and/or interest rates. Since net interest income (the difference between interest earned on loans and investments and interest paid on deposits and borrowings) is the Company's primary source of revenue. Net interest income is affected by changes in interest rates as well as fluctuations in the level and duration of the Company's assets and liabilities.

Interest rate risk is the most significant market risk affecting the Company. It is the exposure of the Company's net interest income to adverse movements in interest rates. In addition to directly impacting net interest income, changes in interest rates can also affect the amount of new loan originations, the ability of borrowers and debt issuers to repay loans and debt securities, the volume of loan repayments and refinancing, and the flow and mix of deposits.

Credit risk is the risk to the Company's earnings and shareholders' equity that results from customers, to whom loans have been made and to the issuers of debt securities in which the Company has invested, failing to repay their obligations. The magnitude of risk depends on the capacity and willingness of borrowers and debt issuers to repay and the sufficiency of the value of collateral obtained to secure the loans made or investments purchased.

Liquidity risk is the risk the Company may not be able to satisfy current or future financial commitments or may become unduly reliant on alternate funding sources. The Company's objective is to fund balance sheet growth while meeting the cash flow requirements of depositors. Management is responsible for liquidity monitoring and has available different sources of liquidity as requirements and demands change. These demands include loan growth and repayments, security purchases and maturities, deposit inflows and outflows, and payments on borrowings. Management continually monitors trends to identify patterns that might improve the predictability and timing of the Company's liquidity position.

Operational risk is the risk to current or anticipated earnings or capital arising from inadequate or failed internal processes or systems, the misconduct or errors of people, and adverse external events. Operational losses result from internal fraud; external fraud including cybersecurity risks; employment practices and workplace safety, clients, products, and business practices; damage to physical assets; business disruption and system failures; and execution, delivery, and process management.

Special Note Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements. Greene County Bancorp, Inc. desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and is including this statement for the express purpose of availing itself of the protections of the safe harbor with respect to all such forward-looking statements. These forward-looking statements, which are included in this Management's Discussion and Analysis and elsewhere in this quarterly report, describe future plans or strategies and include Greene County Bancorp, Inc.'s expectations of future financial results. The words "believe," "expect," "anticipate," "project," and similar expressions identify forward-looking statements. Greene County Bancorp, Inc.'s ability to predict results or the effect of future plans or strategies or qualitative or quantitative changes based on market risk exposure is inherently uncertain. Factors that could affect actual results include but are not limited to:

(a) changes in general market interest rates,

(b) general economic conditions,

(c) legislative and regulatory changes,

(d) monetary and fiscal policies of the U.S. Treasury and the Federal Reserve,

(e) changes in the quality or composition of Greene County Bancorp, Inc.'s loan and investment portfolios,

(f) deposit flows,

(g) competition, and

(h) demand for financial services in Greene County Bancorp, Inc.'s market area.

These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements, since results in future periods may differ materially from those currently expected because of various risks and uncertainties.

Non-GAAP Financial Measures

Regulation G, a rule adopted by the Securities and Exchange Commission (SEC), applies to certain SEC filings, including earnings releases, made by registered companies that contain "non-GAAP financial measures." GAAP is generally accepted accounting principles in the United States of America. Under Regulation G, companies making public disclosures containing non-GAAP financial measures must also disclose, along with each non-GAAP financial measure, certain additional information, including a reconciliation of the non-GAAP financial measure to the closest comparable GAAP financial measure (if a comparable GAAP measure exists) and a statement of the Company's reasons for utilizing the non-GAAP financial measure as part of its financial disclosures. The SEC has exempted from the definition of "non-GAAP financial measures" certain commonly used financial measures that are not based on GAAP. When these exempted measures are included in public disclosures, supplemental information is not required. Financial institutions like the Company and its subsidiary banks are subject to an array of bank regulatory capital measures that are financial in nature but are not based on GAAP and are not easily reconcilable to the closest comparable GAAP financial measures, even in those cases where a comparable measure exists. The Company follows industry practice in disclosing its financial condition under these various regulatory capital measures, including period-end regulatory capital ratios for itself and its subsidiary banks, in its periodic reports filed with the SEC, and it does so without compliance with Regulation G, on the widely-shared assumption that the SEC regards such non-GAAP measures to be exempt from Regulation G. The Company uses in this Report additional non-GAAP financial measures that are commonly utilized by financial institutions and have not been specifically exempted by the SEC from Regulation G. The Company provides, as supplemental information, such non-GAAP measures included in this Report as described immediately below.

Tax-Equivalent Net Interest Income and Net Interest Margin: Net interest income, as a component of the tabular presentation by financial institutions of Selected Financial Information regarding their recently completed operations, as well as disclosures based on that tabular presentation, is commonly presented on a tax-equivalent basis. That is, to the extent that some component of the institution's net interest income, which is presented on a before-tax basis, is exempt from taxation (e.g., is received by the institution as a result of its holdings of state or municipal obligations), an amount equal to the tax benefit derived from that component is added to the actual before-tax net interest income total. This adjustment is considered helpful in comparing one financial institution's net interest income to that of another institution or in analyzing any institution's net interest income trend line over time, to correct any analytical distortion that might otherwise arise from the fact that financial institutions vary widely in the proportions of their portfolios that are invested in tax-exempt securities, and that even a single institution may significantly alter over time the proportion of its own portfolio that is invested in tax-exempt obligations. Moreover, net interest income is itself a component of a second financial measure commonly used by financial institutions, net interest margin, which is the ratio of net interest income to average interest-earning assets. For purposes of this measure as well, tax-equivalent net interest income is generally used by financial institutions, again to provide a better basis of comparison from institution to institution and to better demonstrate a single institution's performance over time. While we present net interest income and net interest margin utilizing

GAAP measures (no tax-equivalent adjustments) as a component of the tabular presentation within our disclosures, we do provide as supplemental information net interest income and net interest margin on a tax-equivalent basis.

Critical Accounting Policies

Critical accounting estimates as those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations. The more significant of these policies are summarized in Note 1 to the consolidated financial statements presented in our Annual Report on Form 10-K for the Fiscal Year Ended June 30, 2023. Refer to Note 2 in this Quarterly Report on Form 10-Q for recently adopted accounting standards. Not all significant accounting policies require management to make difficult, subjective or complex judgments. The allowance for credit losses on loans and unfunded commitments policies noted below are deemed the Company's critical accounting estimate.

The allowance for credit losses consists of the allowance for credit losses for loans and unfunded commitments. Effective July 1, 2023, the measurement of Current Expensed Credit Losses ("CECL") on financial instruments requires an estimate of the credit losses expected over the life of an exposure (or pool of exposures). The estimate of expected credit losses under the CECL approach is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. The Company then considers whether the historical loss experience should be adjusted for asset-specific risk characteristics or current conditions at the reporting date that did not exist over the period from which historical experience was used. Finally, the Company considers forecasts about future economic conditions that are reasonable and supportable. The allowance for credit losses for loans, as reported in our consolidated statements of financial condition, are adjusted by a provision (expense) for credit losses, which is recognized in earnings, and reduced by the charge-off of loans, net of recoveries. The allowance for credit losses on unfunded commitments represents the expected credit losses on off-balance sheet commitments such as unfunded commitments to extend credit and standby letters of credit. However, a liability is not recognized for commitments unconditionally cancellable by the Company. The allowance for credit losses on unfunded commitments is determined by estimating future draws and applying the expected loss rates on those draws, and is included in accrued expenses and other liabilities on the Company's consolidated statements of financial condition.

Management of the Company considers the accounting policy relating to the allowance for credit losses to be a critical accounting estimate given the uncertainty in evaluating the level of the allowance required to cover management's estimate of all expected credit losses over the expected contractual life of our loan portfolios. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the then-existing loan portfolios, in light of the factors then prevailing, may result in significant changes in the allowance for credit losses in those future periods. While management's current evaluation of the allowance for credit losses indicates that the allowance is appropriate, the allowance may need to be increased under adversely different conditions or assumptions. Going forward, the impact of utilizing the CECL approach to calculate the allowance for credit losses will be significantly influenced by the composition, characteristics and quality of our loan portfolios, as well as the prevailing economic conditions and forecasts utilized. Material changes to these and other relevant factors may result in greater volatility to the allowance for credit losses, and therefore, greater volatility to our reported earnings. This critical accounting policy and its application are periodically reviewed with the Audit Committee and the Board of Directors.

The Company's policies on the CECL method for allowance for credit losses are disclosed in Note 1 to the consolidated financial statements presented in this Quarterly Report on Form 10-Q. Refer to Note 2 to the consolidated financial statements in this Quarterly Report on Form 10-Q for recently adopted accounting standards.

Comparison of Financial Condition at December 31, 2023 March 31, 2024 and June 30, 2023

ASSETS

Total assets of the Company were $2.74 billion $2.9 billion at December 31, 2023 March 31, 2024 and $2.70 billion $2.7 billion at June 30, 2023, an increase of $38.4 million $173.2 million or 1.4% 6.4%. Securities available-for-sale and held-to-maturity for the Company were $1.0 billion at December 31, 2023 March 31, 2024 and June 30, 2023. Net loans receivable for the Company increased $49.2 million $69.6 million, or 3.6% 5.0%, to $1.44 billion $1.5 billion at December 31, 2023 March 31, 2024 from $1.39 billion $1.4 billion at June 30, 2023.

CASH AND CASH EQUIVALENTS

Total cash and cash equivalents for the Company were $176.1 million $255.8 million at December 31, 2023 March 31, 2024 and $196.4 million at June 30, 2023. The level of cash and cash equivalents is a function of the daily account clearing needs and deposit levels as well as activities associated with securities transactions and loan funding. All of these items can cause cash levels to fluctuate significantly on a daily basis. The Company has continued to maintain strong capital and liquidity positions as of December 31, 2023 March 31, 2024.

SECURITIES

Securities available-for-sale and held-to-maturity for the Company were $1.0 billion at December 31, 2023 March 31, 2024 and June 30, 2023. Securities purchases totaled $121.3 million $194.5 million during the six nine months ended December 31, 2023 March 31, 2024 and consisted primarily of $119.7 million $158.4 million of state and political subdivision securities, $26.5 million of U.S. Treasury securities, $6.0 million of mortgage-backed securities and $1.6 million $3.6 million of corporate debt securities. Principal pay-downs and maturities during the six nine months ended December 31, 2023 March 31, 2024 amounted to $122.2 million $156.4 million, primarily consisting of $109.3 million $141.1 million of state and political subdivision securities, $1.4 million $13.3 million of mortgage-backed securities, and $2.0 million of collateralized mortgage obligations, and $11.5 million of mortgage-backed securities. obligations. At December 31, 2023 March 31, 2024, 62.2% 60.6% of our securities portfolio consisted of state and political subdivision securities to take advantage of tax savings and to promote the Company's participation in the communities in which it operates. Mortgage-backed securities, which represent 27.7% 26.9% of our securities portfolio at December 31, 2023 March 31, 2024, do not contain sub-prime loans and are not exposed to the credit risk associated with such lending.

The Company adopted ASU 2016-13 (CECL) as of July 1, 2023. For periods subsequent to adoption, the allowance for credit losses (ACL) is calculated under the CECL methodology and the resulting provision for credit losses includes expected credit losses on securities held-to-maturity. The periods prior to adoption did not have an allowance for credit losses under applicable Generally Accepted Accounting Principles (GAAP) for those periods.

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U.S. Treasury and mortgage-backed securities are issued by U.S. government entities and agencies. These securities are either explicitly and/or implicitly guaranteed by the U.S. government as to timely repayment of principal and interest, are highly rated by major rating agencies, and have a long history of zero credit losses. Therefore, the Company determined a zero credit loss assumption, and did not calculate or record an allowance for credit loss for these securities. An allowance for credit losses on investment securities held-to-maturity has been recorded for certain municipal securities issued by state and political subdivisions and corporate debt securities to account for expected lifetime credit loss using the CECL methodology.

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The following table summarizes the securities portfolio by classification as a percentage of the portfolio. The values are reported at the balance sheet carrying value as of December 31, 2023 March 31, 2024 and June 30, 2023. Refer to financial statements Note 3 Securities for the complete fair value of securities.

	December 31, 2023		June 30, 2023		March 31, 2024		June 30, 2023	
(Dollars in thousands)	Balance	Percentage of portfolio	Balance	Percentage of portfolio	Balance	Percentage of portfolio	Balance	Percentage of portfolio
Securities available-for-sale (at fair value):								
Securities available-for-sale:								
U.S. Government sponsored enterprises	$ 11,059	1.1 %	$ 10,823	1.1 %	$ 10,950	1.0 %	$ 10,823	1.1 %
U.S. Treasury securities	16,717	1.7	16,500	1.6	43,133	4.1	16,500	1.6
State and political subdivisions	163,834	16.2	138,011	13.7	170,976	16.4	138,011	13.7
Mortgage-backed securities-residential	24,385	2.4	25,601	2.5	29,378	2.8	25,601	2.5
Mortgage-backed securities-multifamily	73,248	7.3	72,086	7.2	72,517	6.9	72,086	7.2
Corporate debt securities	18,566	1.8	18,112	1.8	18,565	1.8	18,112	1.8
Total securities available-for-sale	307,809	30.5	281,133	27.9	345,519	33.0	281,133	27.9
Securities held-to-maturity (at amortized cost):								
Securities held-to-maturity:								
U.S. treasury securities	33,747	3.3	33,705	3.4	33,767	3.2	33,705	3.4
State and political subdivisions	463,469	45.9	478,756	47.5	462,598	44.2	478,756	47.5
Mortgage-backed securities-residential	34,912	3.5	37,186	3.7	33,947	3.3	37,186	3.7
Mortgage-backed securities-multifamily	145,915	14.5	155,046	15.4	145,234	13.9	155,046	15.4
Corporate debt securities	22,774	2.3	21,632	2.1	24,794	2.4	21,632	2.1
Other securities	36	0.0	38	0.0	31	0.0	38	0.0
Total securities held-to-maturity	700,853	69.5	726,363	72.1	700,371	67.0	726,363	72.1
Total securities	$ 1,008,662	100.0 %	$ 1,007,496	100.0 %				
Total securities *(at carrying value)*					$ 1,045,890	100.0 %	$ 1,007,496	100.0 %

There was no ACL recorded on available-for-sale securities as of either period presented as each of the securities in the portfolio are investment grade, current as to principal and interest and their price changes are consistent with interest and credit spreads when adjusting for convexity, rating, and industry differences.

Held-to-maturity securities Securities held-to-maturity are evaluated for credit losses on a quarterly basis under the CECL methodology. At December 31, 2023 March 31, 2024, the ACL on securities held-to-maturity securities was $485,000. $498,000.

LOANS

Net loans receivable increased $49.2 million $69.6 million, or 3.6% 5.0%, to $1.44 billion $1.5 billion at December 31, 2023 March 31, 2024 from $1.39 billion $1.4 billion at June 30, 2023. The loan growth experienced during the six nine months consisted primarily of $29.3 million $42.4 million in commercial real estate loans, $10.7 million $20.6 million in residential real estate loans, $3.3 million and $4.8 million in home equity loans and $4.9 million in commercial loans. The Company continues to experience loan growth as a result of continued growth in its customer base and its relationships with other financial institutions in originating loan participations. The Company continues to use a conservative underwriting policy in regard to all loan originations, and does not engage in sub-prime lending or other exotic loan products. Updated appraisals are obtained on loans when there is a reason to believe that there has been a change in the borrower's ability to repay the loan principal and interest, generally, when a loan is in a delinquent status. Additionally, if an existing loan is to be modified or refinanced, generally, an appraisal is ordered to ensure continued collateral adequacy.

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(Dollars in thousands)	December 31, 2023 Balance	December 31, 2023 Percentage of Portfolio	June 30, 2023 Balance	June 30, 2023 Percentage of Portfolio	March 31, 2024 Balance	March 31, 2024 Percentage of portfolio	June 30, 2023 Balance	June 30, 2023 Percentage of portfolio
Residential real estate	$ 401,656	27.6 %	$ 390,944	27.8 %	$ 411,555	27.8 %	$ 390,944	27.8 %
Commercial real estate	911,731	62.6	882,388	62.6	924,777	62.6	882,388	62.6
Home equity	26,167	1.8	22,887	1.6	27,659	1.9	22,887	1.6
Consumer	4,691	0.3	4,646	0.3	4,721	0.3	4,646	0.3
Commercial loans	112,930	7.7	108,001	7.7	108,923	7.4	108,001	7.7
Total gross loans(1)(2)	1,457,175	100.0 %	1,408,866	100.0 %	1,477,635	100.0 %	1,408,866	100.0 %
Allowance for credit losses on loans	(20,309)		(21,212)		(20,382)		(21,212)	
Total net loans	$ 1,436,866		$ 1,387,654		$ 1,457,253		$ 1,387,654	

(1) Loan balances include net deferred fees/cost of $54,000 $167 and $75,000 at December 31, 2023 March 31, 2024 and at June 30, 2023, respectively.

(2) Loan balances exclude accrued interest receivable of $6.4 million $6.7 million and $5.5 million at December 31, 2023 March 31, 2024 and at June 30, 2023, respectively, which is included in accrued interest receivable in the consolidated statement of financial condition.

The following table presents commercial real estate loans by concentrations:

(Dollars in thousands)	At March 31, 2024 Balance	At March 31, 2024 Percentage of total
Owner occupied:		
Warehouse	$ 36,123	3.9 %
Mixed use real estate	33,685	3.6
Retail	18,796	2.0
Office building	17,408	1.9
Firehouse	14,307	1.5
Other	50,895	5.6
Total owner occupied	171,214	18.5
Non-owner occupied:		
Apartment	153,994	16.7
Construction	115,635	12.5
Retail plaza	81,706	8.8
Mixed use real estate	79,981	8.6
Multi-family	68,779	7.4
Office building	53,576	5.8
Motel/Hotel	52,968	5.7
Warehouse	48,917	5.3
Other	98,007	10.7
Total non-owner occupied	753,563	81.5
Total commercial real estate	$ 924,777	100.0 %

Commercial real estate loans include loans secured by both owner and non-owner occupied real estate. These loans are generally secured by commercial, residential investment or industrial property types. Commercial real estate loans are primarily made within our market area in Greene, Columbia, Albany, Ulster and Rensselaer Counties of New York State. The Company actively monitors and manages our commercial real estate portfolio concentrations to mitigate its credit risk exposure.

As of March 31, 2024, the company's largest commercial real estate concentration was non-owner occupied apartment. These loans provide much needed housing for the residents located in our market area, and have historically performed well with strong credit metrics. Also as of period end, the Company's outstanding balance of non-owner occupied, commercial real estate office loans was $53.6 million, or 3.7% of total loans, which are primarily low-rise, non-metropolitan buildings, located within our geographic footprint.

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ALLOWANCE FOR CREDIT LOSSES ON LOANS

The allowance for credit losses on loans (the "ACL") is established through a provision made periodically by charges or benefits to the provision for credit losses. This is necessary to maintain the ACL at a level which management believes is reasonably reflective of the overall loss expected over the contractual life of the loan portfolio. Management has an established ACL policy to govern the use of judgments exercised in evaluating the ACL required to estimate the expected credit losses over the expected contractual life of the loan portfolios and the material effect that such judgments can have on the consolidated financial statements. While management uses available information to recognize losses on loans, additions or reductions to the allowance may fluctuate from one reporting period to another. These fluctuations are reflective of changes in the reasonable and supportable forecast, analysis of loans evaluated individually, and/or changes in management's assessment of factors.

The ACL is based on the results of life of loan quantitative models, reserves associated with collateral-dependent loans evaluated individually and adjustments for the impact of current economic conditions not accounted for in the quantitative models. The discounted cash flow methodology is used to calculate the CECL reserve for the residential real estate, commercial real estate, home equity and commercial loan segments. The remaining life method is utilized to determine the CECL reserve for the consumer loan segment. The Company elected to use the practical expedient to evaluate loans individually, if they are collateral dependent loans that are on nonaccrual status with a balance of $250,000 or greater, which is consistent with regulatory requirements. The fair value of collateral for collateral dependent loans less selling expenses will be compared to the loan balance to determine if a CECL reserve is required. A qualitative factor framework has been developed to adjust the quantitative loss rates for asset-specific risk characteristics or current conditions at the reporting date.

The Company charges loans off against the ACL when it becomes evident that a loan cannot be collected within a reasonable amount of time or that it will cost the Company more than it will receive, and all possible avenues of repayment have been analyzed, including the potential of future cash flow, the value of the underlying collateral, and strength of any guarantors or co-borrowers. Generally, consumer loans and smaller business loans (not secured by real estate) in excess of 90 days are charged-off against the ACL, unless equitable arrangements are made. Included within consumer installment loan charge-offs and recoveries are deposit accounts that have been overdrawn in excess of 60 days. For loans secured by real estate, a charge-off is recorded when it is determined that the collection of all or a portion of a loan may not be collected and the amount of that loss can be reasonably estimated. The ACL is increased by a provision for credit losses (which results in a charge to expense) and recoveries of loans previously charged off, and is reduced by charge-offs.

Additional information about the ACL is included in Note 4 to the consolidated financial statements. Management considers the ACL to be appropriate based on evaluation and analysis of the loan portfolio.

The ACL totaled $20.3 million $20.4 million at December 31, 2023 March 31, 2024, compared to $21.2 million at June 30, 2023 and $19.9 million at July 1, 2023. The ACL to total loans receivable was 1.39% 1.38% at December 31, 2023 March 31, 2024 compared to 1.51% at June 30, 2023 and 1.42% at day-one CECL adoption (July 1, 2023). The ACL as of December 31, 2023 March 31, 2024 is consistent with the July 1, 2023 day-one ACL. The decrease in the ACL from June 30, 2023 to December 31, 2023 March 31, 2024 was primarily due to the CECL adoption.

The allowance for credit losses on unfunded commitments as of December 31, 2023 March 31, 2024 was $1.6 million $1.3 million.

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Nonaccrual Loans and Nonperforming Assets

Nonperforming assets consist of nonaccrual loans, loans over 90 days past due and still accruing, troubled loans that have modifications, foreclosed real estate and nonperforming securities. Loans are generally placed on nonaccrual when principal or interest payments become 90 days past due, unless the loan is well secured and in the process of collection. A loan is not placed back on accrual status until the borrower has demonstrated the ability and willingness to make timely payments on the loan. A loan does not have to be 90 days delinquent in order to be classified as nonaccrual, and may be placed on nonaccrual when circumstances indicate that the borrower may be unable to meet the contractual principal or interest payments. The threshold for evaluating classified and nonperforming loans specifically evaluated for individual credit loss is $250,000. Foreclosed real estate represents property acquired through foreclosure and is vale lower of the carrying amount or fair value, less any estimated disposal costs.

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Analysis of Nonaccrual Loans and Nonperforming Assets

(Dollars in thousands)	December 31, 2023	June 30, 2023	March 31, 2024	June 30, 2023
Nonaccrual loans:				
Residential real estate	$ 2,524	$ 2,747	$ 2,672	$ 2,747
Commercial real estate	1,682	1,318	1,664	1,318
Home equity	50	54	48	54
Consumer installment	-	63	-	63
Commercial	1,392	1,276	1,255	1,276
Total nonaccrual loans	$ 5,648	$ 5,458	$ 5,639	$ 5,458
Foreclosed real estate:				
Commercial	302	302	302	302
Total foreclosed real estate	302	302	302	302
Total nonperforming assets	$ 5,950	$ 5,760	$ 5,941	$ 5,760
Total nonperforming assets of total assets	0.22 %	0.21 %	0.21 %	0.21 %
Total nonperforming loans to net loans	0.39 %	0.39 %	0.39 %	0.39 %
Allowance for credit losses on loans to nonperforming loans	359.58 %	388.64 %	361.45 %	388.64 %

Allowance for credit losses on loans to total loans receivable	1.39 %	1.51 %	1.38 %	1.51 %

At December 31, 2023 March 31, 2024 and June 30, 2023, there were no loans greater than 90 days and accruing.

Nonperforming assets amounted to $6.0 million $5.9 million and $5.8 million at December 31, 2023 March 31, 2024 and June 30, 2023, respectively. Loans on nonaccrual status totaled $5.6 million at December 31, 2023 March 31, 2024, of which there were two residential loans totaling $449,000 $446,000, one commercial loan totaling $1.7 million, and two three commercial real estate loans totaling $1.4 million $1.6 million, that were in the process of foreclosure. foreclosure at March 31, 2024. Included in nonaccrual loans were $1.7 million of loans which were less than 90 days past due at December 31, 2023 March 31, 2024, but have a recent history of delinquency greater than 90 days past due. These loans will be returned to accrual status once they have demonstrated a history of timely payments. Loans on nonaccrual status totaled $5.5 million at June 30, 2023, of which three residential real estate loans totaling $625,000 and two commercial real estate loans totaling $1.4 million in the process of foreclosure. Included in nonaccrual loans were $3.1 million of loans which were less than 90 days past due at June 30, 2023, but have a recent history of delinquency greater than 90 days past due.

DEPOSITS

Deposit flow is influenced by general economic conditions, changes in prevailing interest rates and competition. The diversity of deposit accounts offered allows the Company to be competitive in obtaining funds and responding to changes in consumer demand. The Company's emphasis is placed on acquiring locally, stable, low-cost deposits to fund high-quality loans without taking on unnecessary interest rate risk. The ability to attract and maintain deposits and the rates paid on these deposits are and will continue to be affected by market conditions.

Deposits totaled $2.3 billion $2.6 billion at December 31, 2023 March 31, 2024 and $2.4 billion at June 30, 2023, a decrease an increase of $102.3 million $119.9 million, or 4.2% 4.9%. NOW deposits decreased $42.6 million increased $194.4 million, or 2.5% 11.2%, and money market deposits increased $1.0 million, or 0.9%, when comparing March 31, 2024 and June 30, 2023. Savings deposits decreased $43.3 million, or 14.5%, noninterest-bearing deposits decreased $21.6 million $27.6 million, or 13.6% 17.3%, money market and certificates of deposits decreased $23.3 million $4.6 million, or 20.2%, and savings deposits decreased $32.6 million, or 10.9% 3.6%, when comparing December 31, 2023 and June 30, 2023. Certificates of deposits increased $17.7 million, or 13.8%, when comparing December 31, 2023 March 31, 2024 and June 30, 2023. As of December 31, 2023 March 31, 2024, the overall brokered deposit balance amounted to $64.1 million $120.0 million, which was included $15.0 million of in NOW deposits in the form of IntraFi Insured Network Deposits and $49.1 million of certificates of deposits in the form of brokered certificates of deposits. As of June 30, 2023, the overall brokered deposits deposit balance amounted to $60.0 million of brokered, which was included in certificates of deposits. The Company maintained the maintains an increased level of brokered deposits from several available sources as an alternative to borrowed funds, and uses the funds to support loan growth, overall liquidity and a higher cash position.

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Major classifications The following table summarizes deposits by major categories:

(Dollars in thousands)	March 31, 2024	Percentage of portfolio	June 30, 2023	Percentage of portfolio
Noninterest-bearing deposits	$ 131,452	5.2 %	$ 159,039	6.5 %
Certificates of deposit	123,461	4.8	128,077	5.3
Savings deposits	255,761	10.0	299,038	12.3
Money market deposits	116,094	4.5	115,029	4.7
NOW deposits	1,930,339	75.5	1,735,978	71.2
Total deposits	$ 2,557,107	100.0 %	$ 2,437,161	100.0 %

The following table summarizes deposits by depositor type:

(Dollars in thousands)	March 31, 2024	Percentage of portfolio	June 30, 2023	Percentage of portfolio
Business deposits	$ 437,241	17.1 %	$ 487,477	20.0 %
Retail deposits	838,665	32.8	856,079	35.1
Municipal deposits	1,161,108	45.4	1,033,605	42.4
Brokered deposits	120,093	4.7	60,000	2.5
Total deposits	$ 2,557,107	100.0 %	$ 2,437,161	100.0 %

The Company's deposit base and liquidity position continues to be strong, and the deposit base is well diversified across segments to meet the transactional and investment needs of our customers. Municipal deposits are primarily from local New York State government entities, such as counties, cities, villages and towns, as well as school districts and fire departments. There is a seasonal component to municipal deposits levels associated with annual tax collections and fiscal spending patterns. In general, municipal balances increase at the end of the first and third quarters of our fiscal year. Municipal deposits above the FDIC insured limit are required to be collateralized by irrevocable municipal letters of credit issued by the Federal Home Loan Bank, municipal bonds, US Treasuries or government agency securities. Additionally, the Company offers large retail, business and municipal customers the ability to enhance FDIC insurance coverage, by electing to participate their deposit balance into a national deposit network.

The Company has many long-standing relationships with municipal entities throughout its market areas and their deposits have provided a stable funding source for the company. The Company has a separate municipal department for the retention, management, and monitoring of municipal relationships.

Uninsured deposits represents the portion of deposit accounts that exceed the FDIC insurance limit. The Company calculates its uninsured deposit balances based on the methodologies and assumptions used for regulatory reporting requirements, which includes affiliate deposits and collateralized deposits.

The following table estimates uninsured deposits after certain exclusions:

(Dollars in thousands)		At March 31, 2024
Uninsured deposits, per regulatory requirements	$	1,360,126
Less: Affiliate deposits		(29,606)
Collateralized deposits		(1,060,931)
Uninsured deposits, after exclusions	$	269,588
Immediately available liquidity(1)	$	425,797
Uninsured deposits coverage		157.9 %

) Reflects $255.8 million of cash and cash equivalents, $149.7 million and $20.3 million of remaining borrowing capacity from the Federal Home Loan Bank and the Federal Reserve Bank, as of March 31, 2024.

Uninsured deposits after exclusions, represents 10.5% of total deposits as of March 31, 2024. The Company believes that this presentation provides a more accurate view of deposits at December 31, 2023 risk, given that affiliate deposits are not customer facing and June 30, 2023 therefore are summarized as follows: eliminated upon consolidation, and collateralized deposits are fully secured by investments and municipal letters of credits. The Company continually monitors the level and composition of uninsured deposits.

(In thousands)		December 31, 2023	Percentage of Portfolio		June 30, 2023	Percentage of Portfolio
Noninterest-bearing deposits	$	137,424	6.0 %	$	159,039	6.5 %
Certificates of deposit		145,792	6.2		128,077	5.3
Savings deposits		266,477	11.4		299,038	12.3
Money market deposits		91,744	3.9		115,029	4.7
NOW deposits		1,693,400	72.5		1,735,978	71.2
Total deposits	$	2,334,837	100.0 %	$	2,437,161	100.0 %

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BORROWINGS

At December 31, 2023 March 31, 2024, the Bank had pledged approximately $587.7 million $588.6 million of its residential and commercial mortgage portfolio as collateral for borrowing and irrevocable municipal letters of credit at the Federal Home Loan Bank of New York (“FHLB”). The maximum amount of funding available from the FHLB was $359.8 million $368.9 million at December 31, 2023 March 31, 2024, of which there were $4.4 million term $9.2 million long-term fixed rate borrowings, $150.0 million $210.0 million irrevocable municipal letters of credit and $125.0 million of zero overnight borrowings outstanding at December 31, 2023 March 31, 2024. At June 30, 2023, the Bank had zero overnight or long-term borrowings outstanding and $110.0 million in irrevocable municipal letters of credit at the FHLB. Interest rates on overnight borrowings are determined at the time of borrowing. The irrevocable municipal letters of credit with the FHLB have been issued to secure municipal transactional deposit accounts, on behalf of Greene County Commercial Bank.

The FHLB term borrowings include long-term fixed rate borrowing of $4.4 million has a stated rate of 5.7%, maturing September 2024. borrowings from the “FHLB 0% Development Advance (ZDA) Program.” The Company received receives a corresponding credit related to the FHLB term fixed rate borrowing, from the “FHLB 0% Development Advance (ZDA) Program”, borrowings, which effectively reduces the interest rate paid to zero percent. At March 31, 2024, the Bank had a FHLB long-term fixed rate borrowing of $4.4 million at a stated rate of 5.7%, maturing September 2024, and a FHLB long-term fixed rate borrowing of $4.8 million at a stated rate of 5.2%, maturing March 2025.

The Bank also pledges securities and certificates of deposit as collateral at the Federal Reserve Bank discount window for overnight borrowings. borrowings and the “Bank Term Funding Program” (BTFP). The BTFP was established by the Federal Reserve Bank to provide additional funding to eligible depository institutions to meet the needs of their depositors. At December 31, 2023 March 31, 2024, approximately $24.3 million $40.5 million of collateral was available to be pledged against potential borrowings at the Federal Reserve Bank discount window and the Bank Term Funding Program. There BTFP, of which there were no balances zero overnight borrowings outstanding with the Federal Reserve Bank discount window and $27.0 million outstanding with the BTFP. At June 30, 2023, there were zero overnight borrowings outstanding with the discount window and zero outstanding with the BTFP.

At March 31, 2024, the BTFP consisted of a $2.0 million short-term borrowing at December 31, 2023. a stated rate of 4.8%, maturing in April 2024, and a $25.0 million long-term borrowing at a stated rate of 4.8%, maturing in January 2025.

The Bank has established unsecured lines of credit with Atlantic Community Bankers Bank for $15.0 million and two three other financial institutions for $50.0 million. The Company has also established an unsecured line of credit with Atlantic Community Bankers Bank for $7.5 million $75.0 million. The lines of credit provide for overnight borrowing and the interest rate is determined at the time of the borrowing. There were no borrowings outstanding with these lines of credit for both the Company and the Bank at December 31, 2023 March 31, 2024 and June 30, 2023.

On September 17, 2020, the Company entered into Subordinated Note Purchase Agreements with 14 qualified institutional investors, issued at 4.75% Fixed-to-Floating Rate due September 17, 2030, in the aggregate principal amount of $20.0 million, carried net of issuance costs of $424,000 amortized over a period of 60 months. These notes are callable on September 15, 2025. At December 31, 2023 March 31, 2024, there were $19.9 million of these Subordinated Note Purchases Agreements outstanding, net of issuance costs.

On September 15, 2021, the Company entered into Subordinated Note Purchase Agreements with 18 qualified institutional investors, issued at 3.00% Fixed-to-Floating Rate due September 15, 2031, in the aggregate principal amount of $30.0 million, carried net of issuance costs of $499,000 amortized over a period of 60 months. These notes are callable on September 15, 2026. At December 31, 2023 March 31, 2024, there were $29.7 million $29.8 million of these Subordinated Note Purchases Agreements outstanding, net of issuance costs.

At December 31, 2023 March 31, 2024, there were no other long-term borrowings and therefore no scheduled maturities of long-term borrowings.

EQUITY

Shareholders' equity increased to $195.3 million $199.2 million at December 31, 2023 March 31, 2024 from $183.3 million at June 30, 2023, resulting primarily from net income of $12.2 million $18.0 million and a decrease in accumulated other comprehensive loss of $2.3 million, $991,000, partially offset by dividends declared and paid of $2.0 million $2.6 million and the day-one CECL adoption impact of $510,000. Unrealized loss on available for sale securities decreased at December 31, 2023 compared to June 30, 2023, as the market yields on bonds decreased during the six months ended December 31, 2023.

The Federal Reserve raised its target benchmark interest rate in 2022 and into the third quarter of calendar year 2023, resulting in subsequent prime lending rate increases of 525 basis points, and a significant increase in market rates between March 2022 and December 2023. If market interest rates rise, the fair value of the fixed income bond portfolio will decrease, resulting in additional unrealized losses, and depending on the extent of the rise in interest rates, the increase in unrealized losses could be significant. The non-credit portion of unrealized losses are recorded to Accumulated Other Comprehensive Income, a component of Shareholders' Equity. A significant increase in market rates may have a negative impact on book value per share. The Company's bond portfolio is expected to mature at par and therefore the unrealized losses in the portfolio that result from higher market interest rates will decrease as the bonds become closer to maturity. However, if the Company were required to sell investment securities with an unrealized loss for any reason, including liquidity needs, the unrealized loss would become realized and reduce both net income for the reported period and regulatory capital, which as currently reported, excludes unrealized losses on investment securities.

On September 17, 2019, the Board of Directors of the Company adopted a stock repurchase program. Under the repurchase program, the Company may repurchase up to 400,000 shares of its common stock. Repurchases will be made at management's discretion at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company's financial performance. For the three and six nine months ended December 31, 2023 March 31, 2024, the Company did not repurchase any shares.

Selected Equity Data:

	At December 31, 2023	At June 30, 2023
Shareholders' equity to total assets, at end of period	7.14 %	6.79 %
Book value per share[1]	$ 11.47	$ 10.76
Closing market price of common stock	$ 28.20	$ 29.80

Selected Equity Data:

	At March 31, 2024	At June 30, 2023
Shareholders' equity to total assets, at end of period	6.94 %	6.79 %
Book value per share	$ 11.70	$ 10.76
Closing market price of common stock	$ 28.79	$ 29.80

	For the six months ended December 31,		For the nine months ended March 31,	
	2023	2022	2024	2023
Average shareholders' equity to average assets	7.07 %	6.35 %	7.16 %	6.48 %
Dividend payout ratio[1]	22.22 %	14.74 %	22.64 %	14.69 %
Actual dividends paid to net income[2]	16.35 %	6.76 %	14.50 %	6.76 %

[1] The dividend payout ratio has been calculated based on the dividends declared per share divided by basic earnings per share. No adjustments have been made for dividends waived by Greene County Bancorp, MHC ("MHC"), the owner of 54.1% of the Company's shares outstanding.

2 Dividends declared divided by net income. The MHC waived its right to receive dividends declared during the three months March 31, 2022, September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023, December 31, 2023 and December 31, 2023March 31, 2024. Dividends declared during the three months ended June 30, 2022 and September 30, 2023 were paid to the MHC. The MHC's ability to waive the receipt of dividends is dependent upon annual approval of its members as well as receiving the non-objection of the Federal Reserve Board.

Comparison of Operating Results for the Three and Six Nine Months Ended December 31, 2023 March 31, 2024 and 2022 2023

Average Balance Sheet

The following table sets forth certain information relating to the Company for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023. For the periods indicated, the total dollar amount of interest income from average interest-earning assets and the resultant yields, as well as the interest expense on average interest-bearing liabilities, are expressed both in dollars and rates. No tax equivalent adjustments were made. Average balances were based on daily averages. Average loan balances include nonperforming loans. The loan yields include net amortization of certain deferred fees and costs that are considered adjustments to yields.

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	Three months ended December 31,						Three months ended March 31,					
	2023			2022			2024			2023		
(Dollars in thousands)	Average Outstanding Balance	Interest Earned / Paid	Average Yield / Rate	Average Outstanding Balance	Interest Earned / Paid	Average Yield / Rate	Average Outstanding balance	Interest earned / paid	Average yield / rate	Average Outstanding balance	Interest earned / paid	Average yield / rate
Interest-earning Assets:												
Loans receivable, net1	$ 1,449,353	$ 17,776	4.91 %	$ 1,367,759	$ 14,801	4.33 %	$ 1,467,100	$ 18,063	4.92 %	$ 1,400,351	$ 15,676	4.48 %
Securities non-taxable	625,264	4,334	2.77	683,294	3,504	2.05	629,287	4,426	2.81	671,917	3,836	2.28
Securities taxable	387,111	2,329	2.41	407,916	1,999	1.96	414,311	2,682	2.59	405,648	2,091	2.06
Interest-bearing bank balances and federal funds	87,307	1,105	5.06	21,195	169	3.19	70,437	841	4.78	21,126	277	5.24
FHLB stock	2,392	49	8.19	2,812	55	7.82	2,136	59	11.05	3,760	53	5.64
Total interest-earning assets	2,551,427	25,593	4.01 %	2,482,976	20,528	3.31 %	2,583,271	26,071	4.04 %	2,502,802	21,933	3.51 %
Cash and due from banks	11,417			11,790			14,300			14,566		
Allowance for credit losses on loans	(20,229)			(22,369)			(20,392)			(21,572)		
Allowance for credit losses on securities held-to-maturity	(498)			-			(486)			-		
Other noninterest-earning assets	100,785			95,110			101,311			96,057		
Total assets	$ 2,642,902			$ 2,567,507			$ 2,678,004			$ 2,591,853		
Interest-Bearing Liabilities:												
Savings and money market deposits	$ 366,236	$ 296	0.32 %	$ 477,179	$ 207	0.17 %	$ 362,939	$ 422	0.47 %	$ 458,036	$ 233	0.20 %
NOW deposits	1,767,214	11,476	2.60	1,583,966	3,200	0.81	1,748,528	11,225	2.57	1,614,497	5,058	1.25
Certificates of deposit	85,874	786	3.66	62,273	331	2.13	124,542	1,297	4.17	51,308	268	2.09
Borrowings	63,601	647	4.07	82,058	867	4.23	80,730	832	4.12	103,373	1,148	4.44
Total interest-bearing liabilities	2,282,925	13,205	2.31 %	2,205,476	4,605	0.84 %	2,316,739	13,776	2.38 %	2,227,214	6,707	1.20 %
Noninterest-bearing deposits	144,396			175,391			134,675			165,208		

Other noninterest-bearing liabilities	27,197			23,393			29,847			25,485		
Shareholders' equity	188,384			163,247			196,743			173,946		
Total liabilities and equity	$ 2,642,902			$ 2,567,507			$ 2,678,004			$ 2,591,853		
Net interest income		$ 12,388			$ 15,923			$ 12,295			$ 15,226	
Net interest rate spread			1.70 %			2.47 %			1.66 %			2.31 %
Net earnings assets	$ 268,502			$ 277,500			$ 266,532			$ 275,588		
Net interest margin			1.94 %			2.57 %			1.90 %			2.43 %
Average interest-earning assets to average interest-bearing liabilities	111.76 %			112.58 %			111.50 %			112.37 %		

1Calculated net of deferred loan fees and costs, loan discounts, and loans in process.

Taxable-equivalent net interest income and net interest margin	For the three months ended December 31,		For the three months ended March 31,	
(Dollars in thousands)	2023	2022	2024	2023
Net interest income (GAAP)	$ 12,388	$ 15,923	$ 12,295	$ 15,226
Tax-equivalent adjustment(1)	1,591	1,283	1,897	1,400
Net interest income (fully taxable-equivalent)	$ 13,979	$ 17,206	$ 14,192	$ 16,626
Average interest-earning assets	$ 2,551,427	$ 2,482,976	$ 2,583,271	$ 2,502,802
Net interest margin (fully taxable-equivalent)	2.19 %	2.77 %	2.20 %	2.66 %

1Net interest income on a taxable-equivalent basis includes the additional amount of interest income that would have been earned if the Company's investment in tax-exempt securities and loans had been subject to federal and New York State income taxes yielding the same after-tax income. The rate used for this adjustment was 21% for federal income taxes and 4.44% for New York State income taxes for the periods ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

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	Six months ended December 31,						Nine months ended March 31,					
	2023			2022			2024			2023		
(Dollars in thousands)	Average Outstanding Balance	Interest Earned / Paid	Average Yield / Rate	Average Outstanding Balance	Interest Earned / Paid	Average Yield / Rate	Average Outstanding balance	Interest earned / paid	Average yield / rate	Average Outstanding balance	Interest earned / paid	Average yield / rate
Interest-earning Assets:												
Loans receivable, net1	$ 1,439,505	$ 34,981	4.86 %	$ 1,340,927	$ 28,183	4.20 %	$ 1,448,636	$ 53,044	4.88 %	$ 1,360,446	$ 43,859	4.30 %
Securities non-taxable	631,871	8,624	2.73	690,716	6,581	1.91	631,016	13,050	2.76	684,541	10,417	2.03
Securities taxable	393,567	4,553	2.31	420,718	4,118	1.96	400,432	7,235	2.41	415,768	6,209	1.99
Interest-bearing bank balances and federal funds	76,013	2,021	5.32	13,333	196	2.94	74,168	2,862	5.15	15,892	473	3.97
FHLB stock	2,216	86	7.76	3,033	90	5.93	2,189	145	8.83	3,272	143	5.83
Total interest-earning assets	2,543,172	50,265	3.95 %	2,468,727	39,168	3.17 %	2,556,441	76,336	3.98 %	2,479,919	61,101	3.29 %
Cash and due from banks	11,868			12,348			12,673			13,077		

Allowance for credit losses on loans	(20,115)			(22,707)			(20,207)			(22,334)		
Allowance for credit losses on securities held-to-maturity	(495)			-			(492)			-		
Other noninterest-earning assets	99,286			92,906			99,956			93,941		
Total assets	$ 2,633,716			$ 2,551,274			$ 2,648,371			$ 2,564,603		
Interest-Bearing Liabilities:												
Savings and money market deposits	$ 382,933	$ 582	0.30 %	$ 488,173	$ 410	0.17 %	$ 376,317	$ 1,004	0.36 %	$ 478,274	$ 642	0.18 %
NOW deposits	1,721,391	20,651	2.40	1,541,588	4,787	0.62	1,730,371	31,876	2.46	1,565,536	9,846	0.84
Certificates of deposit	101,812	1,932	3.80	66,030	551	1.67	109,333	3,229	3.94	61,194	819	1.78
Borrowings	61,299	1,273	4.15	88,094	1,663	3.78	67,729	2,105	4.14	93,112	2,811	4.03
Total interest-bearing liabilities	2,267,435	24,438	2.16 %	2,183,885	7,411	0.68 %	2,283,750	38,214	2.23 %	2,198,116	14,118	0.86 %
Noninterest-bearing deposits	151,337			179,803			145,824			175,009		
Other noninterest-bearing liabilities	28,660			25,489			29,231			25,253		
Shareholders' equity	186,284			162,097			189,566			166,225		
Total liabilities and equity	$ 2,633,716			$ 2,551,274			$ 2,648,371			$ 2,564,603		
Net interest income		$ 25,827			$ 31,757			$ 38,122			$ 46,983	
Net interest rate spread			1.79 %			2.49 %			1.75 %			2.43 %
Net earnings assets	$ 275,737			$ 284,842			$ 272,691			$ 281,803		
Net interest margin			2.03 %			2.57 %			1.99 %			2.53 %
Average interest-earning assets to average interest-bearing liabilities	112.16 %			113.04 %			111.94 %			112.82 %		

1Calculated net of deferred loan fees and costs, loan discounts, and loans in process.

Taxable-equivalent net interest income and net interest margin	For the six months ended December 31,		For the nine months ended March 31,	
(Dollars in thousands)	2023	2022	2024	2023
Net interest income (GAAP)	$ 25,827	$ 31,757	$ 38,122	$ 46,983
Tax-equivalent adjustment(1)	3,154	2,407	5,051	3,808
Net interest income (fully taxable-equivalent)	$ 28,981	$ 34,164	$ 43,173	$ 50,791
Average interest-earning assets	$ 2,543,172	$ 2,468,727	$ 2,556,441	$ 2,479,919
Net interest margin (fully taxable-equivalent)	2.28 %	2.77 %	2.25 %	2.73 %

1Net interest income on a taxable-equivalent basis includes the additional amount of interest income that would have been earned if the Company's investment in tax-exempt securities and loans had been subject to federal and New York State income taxes yielding the same after-tax income. The rate used for this adjustment was 21% for federal income taxes and 4.44% for New York State income taxes for the periods ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

Rate / Volume Analysis

The following table presents the extent to which changes in interest rates and changes in the volume of interest-earning assets and interest-bearing liabilities have affected the Company's interest income and interest expense during the periods indicated. Information is provided in each category with respect to:

(i) Change attributable to changes in volume (changes in volume multiplied by prior rate);

(ii) Change attributable to changes in rate (changes in rate multiplied by prior volume); and

(iii) The net change.

The changes attributable to the combined impact of volume and rate have been allocated proportionately to the changes due to volume and the changes due to rate.

	Three Months Ended December 31, 2023 versus 2022			Six Months Ended December 31, 2023 versus 2022			Three months ended March 31, 2024 versus 2023			Nine months ended March 31, 2024 versus 2023		
	Increase/(Decrease) Due To		Total Increase/	Increase/(Decrease) Due To		Total Increase/	Increase/(decrease) Due to		Total Increase/	Increase/(decrease) Due to		Total Increase/
(Dollars in thousands)	Volume	Rate	(Decrease)	Volume	Rate	(Decrease)	Volume	Rate	(decrease)	Volume	Rate	(decrease)
Interest Earning Assets:												
Loans receivable, net[1]	$ 917	$ 2,058	$ 2,975	$ 2,167	$ 4,631	$ 6,798	$ 780	$ 1,607	$ 2,387	$ 2,981	$ 6,204	$ 9,185
Securities non-taxable	(317)	1,147	830	(600)	2,643	2,043	(255)	845	590	(868)	3,501	2,633
Securities taxable	(107)	437	330	(275)	710	435	45	546	591	(237)	1,263	1,026
Interest-bearing bank balances and federal funds	788	148	936	1,557	268	1,825	590	(26)	564	2,210	179	2,389
FHLB stock	(9)	3	(6)	(28)	24	(4)	(30)	36	6	(57)	59	2
Total interest-earning assets	1,272	3,793	5,065	2,821	8,276	11,097	1,130	3,008	4,138	4,029	11,206	15,235
Interest-Bearing Liabilities:												
Savings and money market deposits	(56)	145	89	(102)	274	172	(57)	246	189	(163)	525	362
NOW deposits	412	7,864	8,276	619	15,245	15,864	449	5,718	6,167	1,140	20,890	22,030
Certificates of deposit	157	298	455	412	969	1,381	606	423	1,029	948	1,462	2,410
Borrowings	(188)	(32)	(220)	(542)	152	(390)	(238)	(78)	(316)	(781)	75	(706)
Total interest-bearing liabilities	325	8,275	8,600	387	16,640	17,027	760	6,309	7,069	1,144	22,952	24,096
Net change in net interest income	$ 947	$ (4,482)	$ (3,535)	$ 2,434	$ (8,364)	$ (5,930)	$ 370	$ (3,301)	$ (2,931)	$ 2,885	$ (11,746)	$ (8,861)

1 Calculated net of deferred loan fees, loan discounts, and loans in process.

GENERAL

Return on average assets and return on average equity are common methods of measuring operating results. Annualized return on average assets decreased to 0.86% 0.88% from 1.12% 1.25% for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and decreased to 0.92% 0.91% from 1.27% 1.26% for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Annualized return on average equity decreased to 12.12% 11.92% and 13.07% 12.69% for the three and six nine months ended December 31, 2023 March 31, 2024 as compared to 17.64% 18.61% and 20.03% 19.51% for the three and six nine months ended December 31, 2022 March 31, 2023. The decrease in return on average assets and return on average equity for the three and six nine months ended December 31, 2023 March 31, 2024, was primarily the result of repricing deposits faster than management was able to repricing assets into the balance sheet growing at a faster higher interest rate than net income growth. environment. Net income amounted to $5.7 million $5.9 million and $7.2 million $8.1 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, a decrease of $1.5 million $2.2 million, or 20.8% 27.6%, as compared to $12.2 million $18.0 million and $16.2 million $24.3 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, a decrease of $4.0 million $6.3 million, or 25.0% 25.8%. Average assets increased $75.4 million $86.2 million, or 2.9% 3.3%, to $2.64 billion $2.68 billion for the three months ended December 31, 2023 March 31, 2024 as compared to $2.57

billion $2.59 billion for the three months ended December 31, 2022 March 31, 2023. Average equity increased $25.1 million $22.8 million, or 15.4% 13.1%, to $188.4 million $196.7 million for the three months ended December 31, 2023 March 31, 2024 as compared to $163.2 million $173.9 million for the three months ended December 31, 2022 March 31, 2023. Average assets increased $82.4 million $83.8 million, or 3.2% 3.3%, to $2.63 billion $2.65 billion for the six nine months ended December 31, 2023 March 31, 2024 as compared to $2.55 billion $2.56 billion for the six nine months ended December 31, 2022 March 31, 2023. Average equity increased $24.1 million $23.3 million, or 14.9% 14.0%, to $186.3 million $189.6 million for the six nine months ended December 31, 2023 March 31, 2024 as compared to $162.1 million $166.2 million for the six nine months ended December 31, 2022 March 31, 2023.

INTEREST INCOME

Interest income amounted to $25.6 million $26.1 million for the three months ended December 31, 2023 March 31, 2024 as compared to $20.5 million $21.9 million for the three months ended December 31, 2022 March 31, 2023, an increase of $5.1 million $4.1 million, or 24.7% 18.9%. Interest income amounted to $50.3 million $76.3 million for the six nine months ended December 31, 2023 March 31, 2024 as compared to $39.2 million $61.1 million for the six nine months ended December 31, 2022 March 31, 2023, an increase of $11.1 million $15.2 million, or 28.3% 24.9%. The increase in yields earned on loans and securities had the greatest impact on the increases in interest income. income when comparing the 2024 and 2023 periods. The average balances of loans also increased during the comparative periods contributing to higher interest income.

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Average loan balances increased $81.6 million $66.7 million and $98.6 million $88.2 million and the yield on loans increased 58 44 and 66 58 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Average securities decreased $78.8 million $34.0 million and $86.0 million $68.9 million and the yield on such securities increased 31 18 and 64 61 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Average interest-bearing bank balances and federal funds increased $66.1 million $49.3 million and $62.7 million $58.3 million and the yield decreased 46 basis points and increased 187 and 238 118 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

INTEREST EXPENSE

Interest expense amounted to $13.2 million $13.8 million for the three months ended December 31, 2023 March 31, 2024 as compared to $4.6 million $6.7 million for the three months ended December 31, 2022 March 31, 2023, an increase of $8.6 million $7.1 million, or 186.8% 105.4%. Interest expense amounted to $24.4 million $38.2 million for the six month nine months ended December 31, 2023 March 31, 2024 as compared to $7.4 million $14.1 million for the six nine months ended December 31, 2022 March 31, 2023, an increase of $17.0 million $24.1 million, or 229.8% 170.7%. The increase increases during the three and six nine months ended December 31, 2023 was March 31, 2024 were primarily due to a the increase increases in the cost of funds on NOW deposits and insured cash sweep ("ICS") deposits which had the greatest impact on interest expense reflecting higher market interest rates when comparing 2024 and 2023 the periods.

The cost of NOW deposits increased 179 132 and 178 162 basis points, the cost of certificates of deposit increased 153 208 and 213 216 basis points, and the cost of savings and money market deposits increased 15 27 and 13 18 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. The increase in the cost of interest-bearing liabilities was partly due to growth in the average balances of interest-bearing liabilities of $77.4 million $89.5 million and $83.6 million $85.6 million when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. This was due to an increase in NOW deposits of $183.2 million $134.0 million and $179.8 million $164.8 million and an increase in average certificates of deposits of $23.6 million $73.2 million and $35.8 million $48.1 million, partially offset by a decrease in average savings and money market deposits of $110.9 million $95.1 million and $105.2 million $102.0 million and a decrease in average borrowings of $18.5 million $22.6 million and $26.8 million $25.4 million when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Yields on interest-earning assets and costs of interest-bearing deposits increased for the three and six nine months ended December 31, 2023 March 31, 2024, as the Federal Reserve Board raised Company continues to reprice assets and deposits into the higher interest rate environment. The Company determines interest rates throughout offered on deposit accounts based on current and future economic conditions, competition, liquidity needs and the calendar year 2022 and into asset-liability position of the third quarter Company, while growing the retention of calendar year 2023. relationships.

NET INTEREST INCOME

Net interest income decreased $3.5 million $2.9 million to $12.4 million $12.3 million for the three months ended December 31, 2023 March 31, 2024 from $15.9 million $15.2 million for the three months ended December 31, 2022 March 31, 2023. Net interest income decreased $5.9 million $8.9 million to $25.8 million $38.1 million for the six nine months ended December 31, 2023 March 31, 2024 from $31.8 million $47.0 million for the six nine months ended December 31, 2022 March 31, 2023. The decrease in net interest income was due to an increase in the average balance of interest-bearing liabilities, which increased $77.4 million $89.5 million and $83.6 million $85.6 million when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and increases in rates paid on interest-bearing liabilities, which increased 147 118 and 148 137 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. The decrease in net interest income was partially offset by increases in the average balance of interest-earning assets, which increased $68.5 million $80.5 million and $74.4 million $76.5 million when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and increases in interest rates average yields on interest-earning assets, which increased 70 53 and 78 69 basis points when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

Net interest rate spread and margin both decreased when comparing the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023. Net interest rate spread decreased 77 65 and 70 68 basis points to 1.70% 1.66% and 1.79% 1.75% for the three and six nine months ended December 31, 2023 March 31, 2024, as compared to 2.47% 2.31% and 2.49% 2.43% for the three and six nine months ended December 31, 2022 March 31, 2023, respectively. Net interest margin decreased 63 53 and 54 basis points to 1.94% 1.90% and 2.03% 1.99% for the three and six nine months ended December 31, 2023 March 31, 2024, as compared to 2.57% 2.43% and 2.53% for both the three and six nine months ended December 31, 2022 March 31, 2023, respectively. The decrease was due to the higher interest rate environment, and the which caused competitive pressure to match higher yields on deposits, which resulted in higher increase rates paid on deposits, and therefore resulting in higher interest expense. This was partially offset by increases in interest income on loans and securities, as they reprice at higher yields and the interest rates earned on new balances were higher than the historic low levels from the prior period.

Net interest income on a taxable-equivalent basis includes the additional amount of interest income that would have been earned if the Company's investment in tax-exempt securities and loans had been subject to federal and New York State income taxes yielding the same after-tax income. Tax equivalent net interest margin was 2.19% 2.20% and 2.77% 2.66% for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and was 2.28% 2.25% and 2.77% 2.73% for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

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The Company closely monitors its interest rate risk, and the Company will continue to monitor and prudently manage the asset and liability mix to address the risks or potential negative effects of changes in interest rates. Management attempts to mitigate the interest rate risk through balance sheet composition. Several strategies are used to help manage interest rate risk such as maintaining a high level of liquid assets such as short-term federal funds sold and various investment securities and maintaining a high concentration of less interest-rate sensitive and lower-costing core deposits.

The Federal Reserve Board raised interest rates throughout the calendar year 2022 and into the third quarter of calendar year 2023. The rise in the federal funds rate had a positive impact to the Company's interest spread and margin as the rates on new loans and securities purchased are at higher rates than in the prior year, however given how quickly the rate rise has been, it has not allowed the Company to reprice assets as quickly as deposits.

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PROVISION FOR CREDIT LOSSES ON LOANS

Provision for credit losses on loans amounted to $170,000 and $244,000 $277,000 for the three months ended December 31, 2023 and 2022, respectively, and amounted to a charge of $627,000 March 31, 2024 and a benefit of $255,000 $944,000 for the six three month ended March 31, 2023. Provision for credit losses on loans amounted to $922,000 for the nine months ended December 31, 2023 March 31, 2024 and 2022, respectively. a benefit of $1.2 million for the nine months ended March 31, 2023. The loan provision for the six nine months ended December 31, 2023 March 31, 2024 was primarily due to the growth in gross loans, and increases in the qualitative factor adjustments, offset by improvements in the economic forecasts. The allowance for credit losses on loans to total loans receivable was 1.39% 1.38% at December 31, 2023 March 31, 2024 compared to 1.51% at June 30, 2023 and 1.42% at day-one CECL adoption (July 1, 2023).

Loans classified as substandard and special mention totaled $55.0 million $51.6 million at December 31, 2023 March 31, 2024 and $41.9 million at June 30, 2023, an increase of $13.1 million $9.7 million. There were no loans classified as doubtful or loss at December 31, 2023 March 31, 2024 or June 30, 2023.

Net charge-offs on loans amounted to $123,000 $204,000 and $102,000 $190,000 for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, an increase of $21,000. $14,000. Net charge-offs on loans totaled $216,000 $420,000 and $217,000 $407,000 for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. There were no significant charge offs in any loan segment during the three and six nine months ended December 31, 2023 March 31, 2024.

NONINTEREST INCOME

(In thousands)	For the three months ended December 31,		Change from Prior Year		For the six months ended December 31,		Change from Prior Year		For the t months e March
Noninterest income:	2023	2022	Amount	Percent	2023	2022	Amount	Percent	2024
Service charges on deposit accounts	$ 1,227	$ 1,234	$ (7)	(0.57)%	$ 2,457	$ 2,451	$ 6	0.24%	$ 1,011 $
Debit card fees	1,120	1,138	(18)	(1.58)	2,253	2,280	(27)	(1.18)	1,120
Investment services	206	198	8	4.04	449	378	71	18.78	265
E-commerce fees	30	29	1	3.45	59	55	4	7.27	24

Bank-owned life insurance	574	340	234	68.82	936	680	256	37.65	615
Net loss on available-for-sale securities	-	(251)	251	(100.00)	-	(251)	251	(100.00)	-
Other operating income	321	207	114	55.07	623	400	223	55.75	377
Total noninterest income	$ 3,478	$ 2,895	$ 583	20.14 %	$ 6,777	$ 5,993	$ 784	13.08 %	$ 3,412 $

Noninterest income increased $583,000, $353,000, or 20.1% 11.5%, to $3.5 million $3.4 million for the three months ended December 31, 2023 March 31, 2024 compared to $2.9 million $3.1 million for the three months ended December 31, 2022 March 31, 2023. Noninterest income increased $784,000, $1.1 million, or 13.1% 12.6%, to $6.8 million $10.2 million for the six nine months ended December 31, 2023 March 31, 2024 compared to $6.0 million $9.1 million for the six nine months ended December 31, 2022 March 31, 2023. The increase during the three and six nine months ended December 31, 2023 March 31, 2024 was primarily due to an increase in fee income earned on customer interest rate swap contracts and income from bank owned life insurance.

NONINTEREST EXPENSE

(In thousands)	For the three months ended December 31,		Change from Prior Year		For the six months ended December 31,		Change from Prior Year		For t montl Ma
Noninterest expense:	2023	2022	Amount	Percent	2023	2022	Amount	Percent	2024
Salaries and employee benefits	$ 5,654	$ 5,449	$ 205	3.76 %	$ 11,145	$ 10,877	$ 268	2.46 %	$ 6,102
Occupancy expense	593	513	80	15.59	1,130	1,037	93	8.97	688
Equipment and furniture expense	238	221	17	7.69	376	379	(3)	(0.79)	151
Service and data processing fees	614	664	(50)	(7.53)	1,205	1,366	(161)	(11.79)	661
Computer software, supplies and support	471	369	102	27.64	982	750	232	30.93	319
Advertising and promotion	102	145	(43)	(29.66)	199	221	(22)	(9.95)	122
FDIC insurance premiums	314	205	109	53.17	626	447	179	40.04	326
Legal and professional fees	417	1,697	(1,280)	(75.43)	800	2,148	(1,348)	(62.76)	319
Other	923	688	235	34.16	1,708	1,523	185	12.15	546
Total noninterest expense	$ 9,326	$ 9,951	$ (625)	(6.28)%	$ 18,171	$ 18,748	$ (577)	(3.08)%	$ 9,234

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Noninterest expense decreased $625,000, $622,000, or 6.3%, to $9.3 million $9.2 million for the three months ended December 31, 2023 March 31, 2024 compared to $10.0 million $9.9 million for the three months ended December 31, 2022 March 31, 2023. Noninterest expense decreased $577,000 $1.2 million, or 3.1% 4.2%, to $18.2 million $27.4 million for the six nine months ended December 31, 2023 March 31, 2024, compared to $18.7 million $28.6 million for the six nine months ended December 31, 2022 March 31, 2023. The decrease during the three and six nine months ended December 31, 2023 March 31, 2024 was primarily due to a decrease in legal and professional fees, and service and data processing fees paid a benefit from reducing the reserve for unfunded loan commitments included in other expense, as compared to the three and six nine months ended December 31, 2022 March 31, 2023. This was partially offset by the increase in computer software and supplies due to the Company purchasing new equipment to upgrade our IT infrastructure, and an increase in salaries and benefits expense, FDIC insurance premiums as compared to the three and six nine months ended December 31, 2022 March 31, 2023.

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INCOME TAXES

Provision for income taxes reflects the expected tax associated with the pre-tax income generated for the given period and certain regulatory requirements. The effective tax rate was 10.4% 5.2% and 11.8% 9.8% for the three and six nine months ended December 31, 2023 March 31, 2024 and 16.5% 13.7% and 15.7% 15.0% for the three and six nine months ended December 31, 2022 March 31, 2023. The statutory tax rate is impacted by the benefits derived from tax-exempt bond and loan income, the Company's real estate investment trust subsidiary income, and income received on the bank owned life insurance, to arrive at the effective tax rate. The decrease in the current quarter's effective tax rate was the result primarily reflected a higher mix of an increase in tax-exempt income proportional from municipal bonds, tax advantage loans and bank-owned life insurance in proportion to total pre-tax income.

LIQUIDITY AND CAPITAL RESOURCES

Market risk is the risk of loss in a financial instrument arising from adverse changes in market rates or prices such as interest rates, foreign currency exchange rates, commodity prices, and equity prices. The Company's most significant form of market risk is interest rate risk since the majority of the Company's assets and liabilities are sensitive to changes in interest rates. The Company's primary sources of funds are deposits and proceeds from principal and interest payments on loans, mortgage-backed securities and debt securities, with lines of credit available through the Federal Home Loan Bank, Atlantic Community

Bankers Bank and two other financial institutions, as needed. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit outflows, mortgage prepayments, and lending activities are greatly influenced by general interest rates, economic conditions and competition. At December 31, 2023 March 31, 2024, the Company had $176.1 million $255.8 million in cash and cash equivalents, representing 6.4% 8.9% of total assets, and had $175.4 million $260.0 million available in unused lines of credit.

On March 12, 2023, in In response to liquidity concerns in the banking system, the Federal Deposit Insurance Corporation, Federal Reserve and U.S. Department of Treasury, collaboratively approved certain actions with a stated intention to reduce stress across the financial system, support financial stability and minimize any impact on business, households, taxpayers, and the broader economy. Among other actions, the Federal Reserve Board has created a new the Bank Term Funding Program (BTFP) to make. The program made additional funding available to eligible depository institutions to help assure the institutions can meet the needs of their depositors. Eligible institutions may could obtain liquidity against a wide range of collateral. BTFP advances can could be requested through March 11, 2024. The As of March 31, 2024, the Company has not requested funding $27.0 million outstanding through the BTFP as of December 31, 2023, but has an established relationship with the Federal Reserve to take advantage of this program. BTFP.

In efforts to enhance strong levels of liquidity and to fund strong loan demand, the Bank and Commercial Bank (the "Banks") accept accepts brokered certificates of deposits, generally in denominations of less than $250,000, from national brokerage networks, custodial deposit networks or through IntraFi's one-way CDARS and ICS products, including IntraFi's Insured Network Deposits ("IND"). The Banks combined can place and obtain brokered deposits from a national brokerage network up to 10% 20% of total deposits, in the amount of $233.5 million $511.4 million based on policy. The Banks can also place and obtain brokered deposits from IntraFi up to 10% of total deposits, in the amount of $233.5 million based on policy. Additionally, both Banks participate in the IntraFi reciprocal ("two-way") CDARS and the ICS products, which provides for reciprocal two-way transactions among other institutions, facilitated by IntraFi, for the purpose of maximizing FDIC insurance for depositors.

As of December 31, 2023 March 31, 2024, the overall brokered deposits balance amounted to $120.0 million, which was included in NOW deposits. As of June 30, 2023, the overall brokered deposit balance amounted to $64.1 million $60.0 million, which was included $15.0 million of NOW deposits in the form of IntraFi IND and $49.1 million of certificates of deposits in the form of brokered certificates of deposits. As of June 30, 2023, the overall brokered deposits balance amounted to $60.0 million of brokered certificates of deposits. The Company maintained the an increased level of brokered deposits from several available sources as an alternative to borrowed funds, and uses the funds to support loan growth, overall liquidity and a higher cash position. position.

At December 31, 2023 March 31, 2024, liquidity measures were as follows:

Cash equivalents/(deposits plus short term borrowings)	6.21 9.86 %
(Cash equivalents plus unpledged securities)/(deposits plus short term borrowings)	10.63 10.99 %
(Cash equivalents plus unpledged securities plus additional borrowing capacity)/(deposits plus short term borrowings)	17.82 21.02 %

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The Company's off-balance sheet credit exposures at December 31, 2023 March 31, 2024:

(In thousands)		
Unfunded loan commitments	$ 127,098	$ 108,186
Unused lines of credit	93,738	94,768
Standby letters of credit	179	429
Total commitments	$ 221,015	$ 203,383

The Company anticipates that it will have sufficient funds available to meet current commitments and other funding needs based on the level of cash and cash equivalents as well as the available-for-sale investment portfolio and borrowing capacity.

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The Bank of Greene County and its wholly-owned subsidiary, Greene County Commercial Bank, met all applicable regulatory capital requirements at December 31, 2023 March 31, 2024 and June 30, 2023.

(Dollars in thousands)	Actual	For Capital Adequacy Purposes	To Be Well Capitalized Under Prompt Corrective Action Provisions	Capital Conservation Buffer	Actual	For capital adequacy purposes	To be well capitalized under prompt corrective action provisions

The Bank of Greene County	Amount	Ratio	Amount	Ratio	Amount	Ratio	Actual	Required	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2023:														
As of March 31, 2024:														
Total risk-based capital	$ 267,630	16.9%	$ 126,940	8.0%	$ 158,675	10.0%	8.87%	2.50%	$ 274,001	17.3%	$ 126,672	8.0%	$ 158,340	10.0
Tier 1 risk-based capital	247,765	15.6	95,205	6.0	126,940	8.0	9.62	2.50	254,180	16.1	95,004	6.0	126,672	8.0
Common equity tier 1 capital	247,765	15.6	71,404	4.5	103,139	6.5	11.12	2.50	254,180	16.1	71,253	4.5	102,921	6.5
Tier 1 leverage ratio	247,765	9.3	107,023	4.0	133,779	5.0	5.26	2.50	254,180	9.4	108,168	4.0	135,210	5.0
As of June 30, 2023:														
Total risk-based capital	$ 249,165	16.5%	$ 121,020	8.0%	$ 151,275	10.0%	8.47%	2.50%	$ 249,165	16.5%	$ 121,020	8.0%	$ 151,275	10.0
Tier 1 risk-based capital	230,228	15.2	90,765	6.0	121,020	8.0	9.22	2.50	230,228	15.2	90,765	6.0	121,020	8.0
Common equity tier 1 capital	230,228	15.2	68,074	4.5	98,328	6.5	10.72	2.50	230,228	15.2	68,074	4.5	98,328	6.5
Tier 1 leverage ratio	230,228	8.7	106,141	4.0	132,676	5.0	4.68	2.50	230,228	8.7	106,141	4.0	132,676	5.0

Greene County Commercial Bank																
As of December 31, 2023:																
As of March 31, 2024:																
Total risk-based capital	$ 106,922	47.2%	$ 18,124	8.0%	$ 22,655	10.0%	39.20%	2.50%	$ 108,599	44.6%	$ 19,488	8.0%	$ 24,360	10.0%	36.58%	2.5
Tier 1 risk-based capital	106,922	47.2	13,593	6.0	18,124	8.0	41.20	2.50	108,599	44.6	14,616	6.0	19,488	8.0	38.58	2.5
Common equity tier 1 capital	106,922	47.2	10,195	4.5	14,725	6.5	42.70	2.50	108,599	44.6	10,962	4.5	15,834	6.5	40.08	2.5

Tier 1 leverage ratio	106,922	8.9	48,003	4.0	60,004	5.0	4.91	2.50	108,599	8.9	48,571	4.0	60,714	5.0	4.94	2.5
As of June 30, 2023:																
Total risk-based capital	$ 104,781	46.6%	$ 17,975	8.0%	$ 22,469	10.0%	38.63%	2.50%	$ 104,781	46.6%	$ 17,975	8.0%	$ 22,469	10.0%	38.63%	2.5
Tier 1 risk-based capital	104,781	46.6	13,481	6.0	17,975	8.0	40.63	2.50	104,781	46.6	13,481	6.0	17,975	8.0	40.63	2.5
Common equity tier 1 capital	104,781	46.6	10,111	4.5	14,605	6.5	42.13	2.50	104,781	46.6	10,111	4.5	14,605	6.5	42.13	2.5
Tier 1 leverage ratio	104,781	9.1	45,958	4.0	57,447	5.0	5.12	2.50	104,781	9.1	45,958	4.0	57,447	5.0	5.12	2.5

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and in timely altering them to material information relating to the Company (or its consolidated subsidiaries) required to be filed in its periodic SEC filings.

On July 1, 2023, the Company implemented the new CECL accounting policies, procedures, and controls as part of its adoption of ASU No. 2016-13 and subsequent ASU's issued to amend ASC Topic 326. There were no other changes in the Company's internal control over financial reporting in connection with the quarterly evaluation that occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

The Company and its subsidiaries There are from time to time, parties to various no pending legal proceedings arising out of their businesses. Except as noted below, management believes there are no such legal proceedings pending or threatened against to which the Company is a party or its subsidiaries, if determined adversely, would have a material adverse effect on the business, consolidated financial condition, results of operations or cash flows of the Company or which any of its subsidiaries. See Note 13 – Commitments and Contingent Liabilities property is the subject, other than ordinary litigation incidental to its banking business, none of which, in the opinion of management, is material to the Notes to the unaudited Company's consolidated operations or financial statements for a description of a current lawsuit in which the Company has been named a party. condition.

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) Not applicable

b) Not applicable

c) On September 17, 2019, the Board of Directors of the Company adopted a stock repurchase program. Under the repurchase program, the Company is authorized to repurchase up to 400,000 shares of its common stock. Repurchases will be made at management's discretion at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company's financial performance. There were no additional share repurchases during the quarter ended December 31, 2023March 31, 2024.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended December 31, 2023March 31, 2024, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as that term is used in SEC regulations.

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Item 6. Exhibits

Exhibits

3.1Exhibits		Greene County Bancorp, Inc. Stock Holding Company Charter as amended on January 19, 2023 (filed as Exhibit 3.1 to Registrant's Form 10-Q, filed on February 10, 2023 and incorporated herein by reference).
31.1	Certification of Chief Executive Officer, adopted pursuant to Rule 13a-14(a)/15d-14(a)	
31.2	Certification of Chief Financial Officer, adopted pursuant to Rule 13a-14(a)/15d-14(a)	
32.1	Statement of Chief Executive Officer, furnished pursuant to U.S.C. Section 1350	
32.2	Statement of Chief Financial Officer, furnished pursuant to U.S.C. Section 1350	
101	The following materials from Greene County Bancorp, Inc. Form 10-Q for the quarter ended December 31, 2023March 31, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Statements of Financial Condition, (ii) the Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Shareholders' Equity, (v) Consolidated Statements of Cash Flows and (iv) Notes to Consolidated Financial Statements, (detail tagged).	
104	Cover Page Integrative Data File (formatted in iXBRL and included in exhibit 101).	

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SIGNATURES

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

Greene County Bancorp, Inc.
Date:May 10, 2024
By:*/s/ Donald E. Gibson*
Donald E. Gibson
President and Chief Executive Officer

Date: February 9,
Date:May 10, 2024

By: */s/ Donald E. Gibson*

Donald E. Gibson
President and Chief Executive Officer

Date: February 9, 2024

By: */s/ Michelle M. Plummer*

By:*/s/ Michelle M. Plummer*
Michelle M. Plummer, CPA, CGMA
Senior Executive Vice President, Chief Financial Officer, and Chief Operating Officer

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EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald E. Gibson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greene County Bancorp, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this quarterly report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2024 May 10, 2024

/s/ Donald E. Gibson

Donald E. Gibson,
President and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michelle M. Plummer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greene County Bancorp, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this quarterly report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2024 May 10, 2024

/s/ Michelle M. Plummer

Michelle M. Plummer, CPA, CGMA
Senior Executive Vice President, Chief Financial Officer
and Chief Operating Officer

EXHIBIT 32.1

Statement of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Donald E. Gibson, President and Chief Executive Officer, of Greene County Bancorp, Inc. (the "Company") certifies in his capacity as an officer of the Company that he has reviewed the Quarterly Report of the Company on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 and that to the best of his knowledge:

a. the report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. the information contained in the report fairly presents, in all material respects, the consolidated financial condition and consolidated results of operations of the Company as of the dates and for the periods covered by the report.

This statement is authorized to be attached as an exhibit to the report so that this statement will accompany the report at such time as the report is filed with the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 USC 1350. It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended.

Date: February 9, 2024 May 10, 2024

/s/ Donald E. Gibson

Donald E. Gibson,

President and Chief Executive Officer

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EXHIBIT 32.2

Statement of Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Michelle M. Plummer, Chief Financial Officer, of Greene County Bancorp, Inc. (the “Company”) certifies in her capacity as an officer of the Company that he or she has reviewed the Quarterly Report of the Company on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 and that to the best of her knowledge:

a. the report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. the information contained in the report fairly presents, in all material respects, the consolidated financial condition and consolidated results of operations of the Company as of the dates and for the periods covered by the report.

This statement is authorized to be attached as an exhibit to the report so that this statement will accompany the report at such time as the report is filed with the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 USC 1350. It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended.

Date: February 9, 2024 May 10, 2024

/s/ Michelle M. Plummer

Michelle M. Plummer, CPA, CGMA

Senior Executive Vice President, Chief Financial Officer

and Chief Operating Officer
