GREENE COUNTY BANCORP INC
Form 8-K
April 30, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 30, 2003

GREENE COUNTY BANCORP, INC.
(Exact name of registrant as specified in its charter)

Federal	0-25165	14-1809721
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

302 Main Street, Catskill NY	12414
(Address of principal executive offices)	(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(a) Not Applicable.

(b) Not Applicable.

(c) Exhibits.

Exhibit No.	Description
99	Press release dated April 30, 2003

Item 9. Regulation FD Disclosure.

The following information is furnished pursuant to this Item 9 and in satisfaction of Item 12, "Disclosure of Results of Operations and Financial Condition."

On April 30, 2003, Greene County Bancorp, Inc. (the "Company") announced its earnings for the three and nine months ended March 31, 2003. A copy of the press release dated April 30, 2003, describing earnings for such periods is attached as Exhibit 99 to this report.

SIGNATURES

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

GREENE COUNTY BANCORP, INC.

DATE: April 30, 2003

By: ------------------------------------

J. Bruce Whittaker
President and Chief Executive Officer

EXHIBIT 99

PRESS RELEASE OF GREENE COUNTY BANCORP, INC.

Greene County Bancorp, Inc.
Announces Quarterly and Nine Months' Earnings

Catskill, N.Y. -- (BUSINESS WIRE) - April 30, 2003-- Greene County Bancorp, Inc. (the "Company") (NASDAQ: GCBC), the holding company for The Bank of Greene County (the "Bank"), today reported net income for the quarter and nine months ended March 31, 2003. Net income for the nine months ended March 31, 2003 amount to $1,699,000, or $0.86 per basic and $0.84 per diluted share as compared to $1,193,000, or $0.61 per basic and $0.59 per diluted share for the nine months ended March 31, 2002, an increase of $506,000, or 42.4%. Net income for the quarter ended March 31, 2003 amounted to $514,000, or $0.26 per basic and $0.25 per diluted share as compared to $468,000, or $0.24 per basic and $0.23 per diluted share for the quarter ended March 31, 2002, an increase of $46,000, or 9.8%. Improvement in net interest income and noninterest income contributed to the overall increase in net income and was somewhat offset by increases in non-interest expense when comparing the nine-month periods and quarters ended March 31, 2003 and 2002.

Net interest income increased to $6.5 million for the nine months and $2.2 million for the quarter ended March 31, 2002 as compared to $5.5 million for the nine months and $1.9 million for the quarter ended March 31, 2002, improvements of $1.0 million and $0.3 million, or 18.2% and 15.8%, respectively. Net interest spread increased 4 basis points to 3.78% as compared to 3.74% when comparing the nine-month periods ended March 31, 2003 to 2002 and increased 7 basis points to 3.81% as compared to 3.74% when comparing the quarters ended March 31, 2003 and 2002. Net interest margin decreased 4 basis points to 3.93% as compared to 3.97% when comparing the nine-month periods ended March 31, 2003 and 2002 and increased 1 basis point to 3.95% as compared to 3.94% when comparing the quarters ended March 31, 2003 and 2002. These changes were primarily the result of increased loan and mortgage-backed securities interest and decreased deposit expense. The yield on loans and other investments as well as rates on deposits were driven by the continued low interest rate environment experienced during the last calendar year.

The provision for loan losses for the nine months ended March 31, 2003 decreased to $105,000 as compared to $158,900 for the nine months ended March 31, 2002. The provision for loan losses for the nine months ended March 31, 2002 reflected the establishment of a reserve for potential losses associated with the Bank's new Overdraft Protection Program, initiated in October 2001, and the growth in, and composition of, the loan portfolio. The provision for loan losses increased to $75,000 for the quarter ended March 31, 2003 as compared to $60,000 for the quarter ended March 31, 2002 as a result of an increased level of nonperforming loans and charge-offs. The level of nonperforming loans to total loans increased to 0.23% at March 31, 2003 as compared to 0.08% at March 31, 2002. It should be noted that the level of nonperforming loans experienced at March 31, 2002 was considered unusually low and unsustainable.

Noninterest income increased to $1.8 million for the nine months ended March 31, 2003 as compared to $1.3 million for the nine months ended March 31, 2002, an increase of $0.5 million or 38.5%. Noninterest income increased to $600,000 for the quarter ended March 31, 2003 as compared to $471,000 for the quarter ended March 31, 2002, an increase of $129,000 or 27.4%. The most significant item affecting noninterest income was the increase in insufficient funds fees associated with the Overdraft Protection Program. Other factors contributing to noninterest income were gains of $67,000 associated with sales of real estate owned and improved merchant credit card processing and debit card fees during the nine months ended March 31, 2003.

Noninterest expense increased to $5.7 million from $5.1 million, an increase of $0.6 million or 11.6% when comparing the nine-months ended March 31, 2003 and 2002. Noninterest expense increased to $2.0 million from $1.7 million, an increase of $0.3 million or 17.6% when comparing the quarters ended March 31, 2003 and 2002. Increases in salaries and benefits resulted from the addition of several new positions including additional marketing and computer technology staff, as well as increases in the costs of retirement plans. The Company continues to invest in technology and staff in order to bring customers the highest quality products and services. The Bank has increased its amount of transaction accounts during the timeframes discussed and as a result has increased costs associated with such accounts. The expense for service and data processing of accounts is driven by the number of accounts. Other expense accounts such as office supplies are also impacted by an increased number of accounts.

The effective tax rate increased to 31.5% for the nine months ended March 31, 2003, as compared to 25.9% for the nine months ended March 31, 2002 in anticipation of the effective rate required for the fiscal year ending June 30, 2003. A major reason for the change in effective rate was the expected decrease in the percentage of income that municipal securities and other tax free investments are expected to contribute to total income during the fiscal year.

Total assets of the Company were $244.1 million at March 31, 2003 as compared to $220.2 million at June 30, 2002, an increase of $23.9 million, or 10.9%. Growth occurred most significantly in investments, which increased $18.7 million to $84.8 million at March 31, 2003 as compared to $66.1 million at June 30, 2002. This growth was funded by increases in interest bearing deposits, which increased $22.1 million to $183.7 million at March 31, 2003 as compared to $161.6 million at June 30, 2002. Savings and money market accounts experienced the largest increases. Investors continue to move money into banks due to the stock market volatility and uncertainty.

Shareholders' equity increased to $22.5 million at March 31, 2003 from $22.1 million at June 30, 2002, as net income of $1.7 million was partially offset by dividends paid of $591,000. Net unrealized gains associated with the available-for-sale investment portfolio caused accumulated other comprehensive income to increase by approximately $503,000, net of tax.

Headquartered in Catskill, New York, the Company provides full-service community based banking in its six branch offices located in Catskill, Cairo, Coxsackie, Greenville, Tannersville, and Westerlo. Customers are offered 24-hour services through ATM network systems, an automated telephone banking system and Internet Banking through its web site at http://www.thebankofgreenecounty.com.

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

	As of March 31, 2003	As of J
	Unaudited	
Assets		
Total cash and cash equivalents	$20,295,168	
Investment securities, at fair value	84,818,851	
Federal Home Loan Bank stock, at cost	1,121,100	
Gross loans receivable	132,577,404	
Less: Allowance for loan losses	(1,117,627)	
Less: Unearned origination fees and costs, net	(310,405)	
Net loans receivable	131,149,372	
Premises and equipment	4,810,832	
Accrued interest receivable	1,505,232	
Prepaid expenses and other assets	317,233	
Other real estate owned	55,125	
Total Assets	$244,072,913	
Liabilities and shareholders' equity		
Noninterest bearing deposits	$22,455,818	
Interest bearing deposits	183,732,590	
Total deposits	206,188,408	
FHLB borrowing	8,000,000	
Accrued interest and other liabilities	1,550,109	
Accrued income taxes	114,771	
Total liabilities	215,853,288	
Total shareholders' equity	28,219,625	
Total liabilities and shareholders' equity	$244,072,913	
Common shares outstanding	2,034,203	

	For the Nine Months Ended March 31, 2003	F Ni Marc
	Unaudited	Un
Interest income	$9,803,753	$9
Interest expense	3,328,733	3
Net interest income	6,475,020	5
Provision for loan loss	105,000	
Non-interest income	1,831,051	1
Non-interest expense	5,719,282	5

Income before taxes	2,481,789	1
Tax provision	782,900	
Net Income	$1,698,889	$1
Basic EPS	$0.86	
Weighted average shares outstanding	1,978,535	1
Diluted EPS	$0.84	
Weighted average diluted shares outstanding	2,033,029	2

	At and For the Nine Months Ended Mar. 31, 2003	At a Ni Mar.
	Unaudited	
Selected Financial Ratios		
Return on average assets	0.97%	
Return on average equity	8.25%	
Net interest rate spread	3.78%	
Net interest margin	3.93%	
Non-performing assets to total assets	0.15%	
Non-performing loans to total loans	0.23%	
Allowance for loan loss to non-performing loans	360.49%	
Allowance for loan loss to net loans	0.85%	
Shareholders' equity to total assets	11.75%	
Book value per share	$14.21	

	For the Three Months Ended March 31, 2003	F Thr Marc
	Unaudited	U
Interest income	$3,261,154	$3
Interest expense	1,042,162	1
Net interest income	2,218,992	1
Provision for loan loss	75,000	
Non-interest income	600,407	
Non-interest expense	1,977,363	1
Income before taxes	767,036	
Tax provision	253,000	
Net Income	$514,036	
Basic EPS	$0.26	
Weighted average shares outstanding	1,982,123	1
Diluted EPS	$0.25	
Weighted average diluted shares outstanding	2,038,278	2

	For the Three Months Ended Mar. 31, 2003	Thr… Mar…
	Unaudited	U…
Selected Financial Ratios		
Return on average assets	0.91%	
Return on average equity	7.77%	
Net interest rate spread	3.81%	
Net interest margin	3.95%	
Non-performing assets to total assets		
Non-performing loans to total loans		
Allowance for loan loss to non-performing loans		
Allowance for loan loss to net loans		
Shareholders' equity to total assets		
Book value per share		

Contact: J. Bruce Whittaker, President and CEO
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