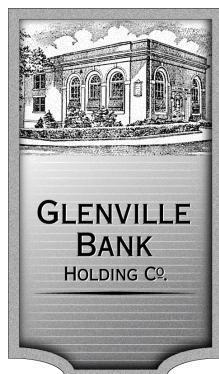


2023 ANNUAL REPORT
GLENVILLE BANK HOLDING COMPANY



2023 Centennial Year in Reivew



Glennville Bank Holding Company, Inc. (GBHC) is a financial holding company whose principal activity is the ownership of its two wholly-owned subsidiaries, 1st National Bank of Scotia (the “Bank”) and Scautub Agency, LLC (the “Agency”). The consolidated financial statements include accounts of the GBHC, the Bank and the Agency, after elimination of intercompany transactions.

We understand how important good service is to delivering customer satisfaction and are pleased to have been serving the local community since the 1920’s. 1st National Bank of Scotia and Scautub Agency, LLC offer a wide range of banking and insurance services to meet all your financial needs. A friendly officer or customer service specialist will be happy to answer your questions or discuss your needs.

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Report of the Chairman and President

Dear Shareholder:

It's a remarkable thing when a small business is able to survive 100 years in business. Think of everything that has happened over the last century. Wars, the great depression, the great recession, Covid, and the various upheavals that have taken a toll on our economy. So, for 1st National Bank of Scotia to mark its 100th birthday this year was cause for celebration. And celebrate we did!

One of the best ways we could celebrate was to achieve record earnings and a strong capital ratio, two of the most important things needed to bolster our independence. 2023 was the most profitable year in the bank's history. These terrific results were due to many factors, but the most prominent were making the necessary balance sheet adjustments and the superior customer service offered by our team. Combining these factors with the loyalty of a community full of dedicated customers, truly made for a great year.

While most of the banking industry saw shrinking net interest margins, 1st National saw its net interest margins increase. This improvement was mainly the result of the higher rate cycle. Unlike most banks, 1st National does not rely upon brokered certificates of deposit to fund its lending operations. We prefer to work with local small businesses and individuals to support our lending activities. It's what community banks do.

In the pages that follow, you will note that the bank experienced a high volume of charge offs last year, in particular with our consumer auto loan business. The economic challenges that many households are facing, due to high inflation, has hit our auto loan customers hard, and although we worked diligently to adjust payment schedules and extend loans, there were many customers that could no longer afford their vehicle. While we believe this trend will continue, we also feel comfortable that the majority of loans that were weakened by the current economic conditions have been resolved and that our portfolio has adjusted to these tight economic times. Thanks to our dedicated staff, throughout the bank, we are pleased that our December 31st delinquency ratio was reduced to .89%, the lowest in the last several years. Moving forward we are confident that our delinquencies will remain well below industry average.

The 100th anniversary celebration created memories for a lifetime. It offered us the opportunity to tell the story of the Glenville Bank and 1st National Bank of Scotia, reminding us about how fortunate we are to have such amazing stakeholders. We were able to share about the origins of the bank, the hurdles our leaders have had to overcome to keep our bank independent, and the steadfast and loyal commitment of the community. Our customers, shareholders, employees, and the community have allowed 1st National to remain one of the premiere options for banking in the Capital District. We are very proud to be able to say we are a century old small business that keeps true to its roots, supporting our customers and community.

Report of the Chairman and President

Meanwhile, our subsidiary, the Scautub Agency also celebrated a strong financial year and welcomed new leadership. Thomas Boshea, a seasoned agent, and broker at Scautub was named President. We are confident he will be even more effective in his new role at Scautub and continue to provide leadership and development within the organization. Sadly, we also share the loss of one of our Scautub Directors, Kenneth C. Buhrmaster, who unexpectedly passed away in February 2023. Ken was a fourth generation President of the J.H. Buhrmaster Company, Inc. His wit, wisdom, and small business experience will be missed greatly.

Our commemorative annual report this year is slightly different in that we are taking the time to recognize the history of 1st National Bank of Scotia, its origin, and unique story. Later in this report, you will also hear about the activities and programs we hosted to celebrate our milestone.

We hope you enjoy reading these snippets alongside our outstanding financial report. We wish to thank our current Board of Directors, the dozens of local business leaders that have served on the Board, and the hundreds of shareholders whose loyal support of the bank have allowed us to reach this incredible milestone of 100 years in the business of making peoples' lives better.



L.H. Buhrmaster
Chairman of the Board



John H. Buhrmaster
President & CEO

Glenville Bank Holding Company Directors

L.H. Buhrmaster,
Chairman of the Board

John H. Buhrmaster,
President & Chief Executive Officer

Robert J. Dieterich,
Executive Vice President & Chief Financial Officer

Laura M. Dieterich,
Sr. Vice President & Corporate Secretary

David D. Montana,
President, Fortune Air, Inc.

Bruce W. McConnelee
*Retired - Hydro Mobile
Community Liaison*

Scott D. Stevens
Chairman, Dimension Fabricators

1st National Bank of Scotia Directors



L.H. Buhrmaster,
Chairman of the Board

John H. Buhrmaster,
President & Chief Executive Officer

Laura M. Dieterich,
Sr. Vice President & Corporate Secretary

David D. Montana,
*Lead Director
President, Fortune Air, Inc.*

Bruce W. McConnelee
*Retired - Hydro Mobile
Community Liaison*

Scott D. Stevens
Chairman, Dimension Fabricators

Karl F. Sindel
*Licensed Real Estate Salesperson
Retired - GE Information Technology*

Lynn M. Roche
*Retired - EVP & Group President, Banking/Wealth - FIS
Director, The Donna Foundation*

Honorary Director
Calvin P. Welch
*Retired – Senior Vice President & Cashier,
1st National Bank of Scotia*

1st National Bank of Scotia Officers

L.H. Buhrmaster, Chairman

John H. Buhrmaster, President & Chief Executive Officer

Robert J. Dieterich, Executive Vice President & Chief Financial Officer

Laura M. Dieterich, Sr. Vice President & Corporate Secretary

Kelly A. Gibbons, Sr. Vice President of Retail Banking

Kenneth W. Swain III, Sr. Vice President of Business Banking

Christopher R. Hebbard, Sr. Vice President & Sr. Credit Officer

William B. Faubion, Sr. Vice President

James J. Smith, Chief Information Officer

John G. Dykeman, Auditor

Kevin R. Buhrmaster, Vice President

Teresa A. Freeman, Vice President & Sr. Consumer Banking Officer

Joyce A. Poulin, Vice President

Amy E. Belli, Vice President

Daniel A. Centi, Vice President

Nancy R. Harrigan, Vice President

Cheryl F. Hiller, Vice President, & BSA Officer

Laura A. Siracuse, Vice President

Debra A. Lindsay, Vice President

Tracey J. Kearns, Vice President of Retail Banking

Tiziana Riccobene, Vice President

Randy Marsicano, Vice President & Sr. Risk Officer

Cynthia A. Siatkowski, Compliance Officer & CRA Officer

Brian V. Borini, Controller

Louis J. Giammatteo, Assistant Vice President

Karen E. Ballester, Assistant Vice President & Marketing Officer

Lisa A. Case, Assistant Vice President

Premnarine Jaddu, Assistant Vice President

Kristen D. Faubion, Assistant Vice President

Cara K. Pabon, Assistant Vice President

Katie Jo Mohamed Ali, Assistant Vice President

Jennifer S.B. Rudolph, Assistant Vice President

Todd J. Greive, Assistant Vice President

Sarah R. Kumpel, Branch Operations Officer

Michelle C. Rost, Branch Operations Officer



1st National Bank Retail Offices & Officers



Scotia Office

Premnarine Jaddu, *Assistant Vice President*
201 Mohawk Avenue, Scotia, New York 12302
(518) 370-7200



Niskayuna Office

Jennifer S.B. Rudolph, *Assistant Vice President*
1476 Balltown Road, Schenectady, New York 12309
(518) 370-7245



Colonie Office

Tracey J. Kearns, *Vice President of Retail Banking*
1705 Central Avenue, Albany, New York 12205
(518) 370-7250



Guilderland Office

Michelle C. Rost, *Branch Operations Officer*
8 New Karner Road at Route 20, Guilderland, New York 12084
(518) 370-7255



Glenville Office

Sarah R. Kumpel, *Branch Operations Officer*
240 Saratoga Road, Scotia, New York 12302
(518) 370-7260

Visit us at www.firstscotia.com for a complete list of products and services.

1st National Bank Retail Offices & Officers



Erie Boulevard Office

Louis J. Giammatteo, *Assistant Vice President*
120 Erie Boulevard, Schenectady, New York 12305
(518) 370-7265



Saratoga Office

Katie Jo Mohamed Ali, *Assistant Vice President*
3013 Route 50, Saratoga Springs, New York 12866
(518) 370-7270



GE Global Research Center

Jennifer S.B. Rudolph, *Assistant Vice President*
1 Research Circle, Schenectady, New York 12309
(518) 370-7217



Rotterdam Office

Todd J. Greive, *Assistant Vice President*
2695 Hamburg Street, Schenectady, New York 12303
(518) 370-7285



Clifton Park Office

Lisa A. Case, *Assistant Vice President*
1693 Route 9, Clifton Park, New York 12065
(518) 370-7290

Visit us at www.firstscotia.com for a complete list of products and services.

Scautub Agency, LLC Directors and Officers



Steven H. Heider
Chairman of the Board
Owner, Northway Residential Services

Robert J. Dieterich
Chief Executive Officer & Corporate Secretary

David D. Montana
President, Fortune Air, Inc.

Thomas M. Boshea
President

Gertrude A. Chojecki
Vice President

Kelly A. Gibbons
Sr. Vice President, 1st National Bank of Scotia

Personal Insurance

- Automobiles
- Home
- Umbrella Policies
- Motorcycle, ATV, Recreational Vehicles
- Boats

Business Insurance

- Business Owner's Policies
- Workers' Compensation
- New York State Disability
- Commercial Auto
- Commercial Umbrella Policies
- Cyber Security Insurance

Life Insurance

- Mortgage Protection



Principal Office: 108 North Ballston Avenue, Scotia, New York 12302

(518) 346-3427 www.scautub.com

First Scotia Wealth Management

Investment and insurance products and services are offered through Osaic Institutions, Inc., Member FINRA/SIPC. First Scotia Wealth Management is a trade name of the bank. Osaic Institutions and the bank are not affiliated.



What sets us apart from other Wealth Management Advisors? We listen. We take the time to get to know you, your goals and your life. We give you the information you need to make choices that make sense for you. Our tenured advisors are devoted to earning your trust. You are our priority...**because relationships matter!**

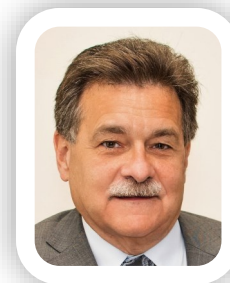
Cynthia V. Powell, Osaic Institutions *Financial Consultant/Program Manager*

Located at 1st National Bank of Scotia Niskayuna Office
1476 Balltown Road, Niskayuna, New York 12309
(518) 370-7249



Paul F. Cardone, Osaic Institutions *Financial Consultant*

Located at 1st National Bank of Scotia Clifton Park Office
1693 Route 9, Clifton Park, New York 12065
(518) 869-3169



Products and services available:

Brokered certificate of deposits
Business owner solutions
Cash Management
Corporate and Municipal Bonds
Disability Insurance
Extended FDIC sweep account
Fixed Annuities
Individual Stocks
Insurance
Long-Term Care Insurance

Mutual Funds
Permanent Life Insurance
REITs
Retirement Plans
Term Life Insurance
Treasury Securities
Unit Investment Trusts
Variable Annuities

Bank Advisory Board

The 1st National Bank of Scotia Advisory Board provides both insight and guidance on issues pertinent to the growth and success of the Bank. This group consists of active community business and civic leaders from a variety of geographical locations and diverse backgrounds. Advisory Board members receive training in various facets of the Bank so that they may provide relevant recommendations, supporting our strategic objective of enhancing and maintaining our service-driven culture.

Kenneth Swain serves as the Liaison Officer for this group. His role is to schedule and coordinate quarterly meetings and to provide the Advisory Board with the objectives and building blocks necessary to successfully achieve our vision, "to provide an exceptional service experience, every time!"



Danna J. Ellsworth
Owner & Operator
Ellsworth & Sons Excavating
Jenkinsville Sand and Gravel, LLC
Lake George Expedition Park



Annmarie Krause
Co-Owner, Krause's Homemade Candy



Jeffrey J. Gabriele
Co-Owner, Gabriel's Supermarkets
Beacon Homes



Charles P. Morris
President, Morris Ford



Steven H. Heider
Retired – Chief of Police, Colonie Police Dept.
Owner, Northway Residential
Board Chairman, Scautub Agency



Jason Packer
CEO, Hill & Markes Inc.



Debra A. Pollard
President, Fenimore Asset Management

Consolidated Balance Sheets

(in thousands, except per share information)

| At December 31, | 2023 | 2022 |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents: | | |
| Non-interest bearing balances, currency and coin | \$ 8,222 | \$ 10,964 |
| Interest-bearing balances due from financial institutions | 49,082 | 23,165 |
| Total cash and cash equivalents | 57,304 | 34,129 |
| Debt Securities: | | |
| Available-for-sale | 76,502 | 108,610 |
| Held-to-maturity (Fair value 2023 \$4,152; 2022 \$5,309) | 4,570 | 5,336 |
| Total debt securities | 81,072 | 113,946 |
| Equity securities with readily determinable fair values | 96 | 56 |
| Loans, net of allowance: as of 2023 (\$5,717), 2022 (\$5,989) | 482,615 | 491,175 |
| Premises and equipment, net | 11,405 | 9,410 |
| Equity securities not readily marketable | 1,321 | 1,284 |
| Cash surrender value of life insurance policies | 6,624 | 1,330 |
| Other intangible assets, net | 517 | 574 |
| Deferred compensation assets | 6,726 | 6,105 |
| Pension plan fund status | 10,055 | 7,584 |
| Accrued interest receivable | 2,226 | 2,184 |
| Other assets | 2,115 | 3,824 |
| Total assets | \$ 662,076 | \$ 671,601 |
| Liabilities | | |
| Deposits: | | |
| Non-interest bearing | \$ 177,515 | \$ 199,425 |
| Interest-bearing | 396,650 | 414,424 |
| Total deposits | 574,165 | 613,849 |
| Borrowings | 24,205 | 4,722 |
| Other liabilities | 10,838 | 8,837 |
| Total liabilities | 609,208 | 627,408 |
| Shareholders' Equity | | |
| Common stock, par value \$0.01; authorized 250,000 shares; issued 207,405 in 2023 and 207,405 in 2022, respectively | 2 | 2 |
| Outstanding 207,340 shares in 2023 and 207,293 in 2022, respectively | | |
| Additional paid-in capital | 23,130 | 23,130 |
| Retained earnings | 34,756 | 30,629 |
| Accumulated other comprehensive loss | (5,015) | (9,558) |
| Treasury stock, at cost (65 shares in 2023, 112 shares in 2022) | (5) | (10) |
| Total shareholders' equity | 52,868 | 44,193 |
| Total liabilities and shareholders' equity | \$ 662,076 | \$ 671,601 |

Consolidated Statements of Income

(in thousands)

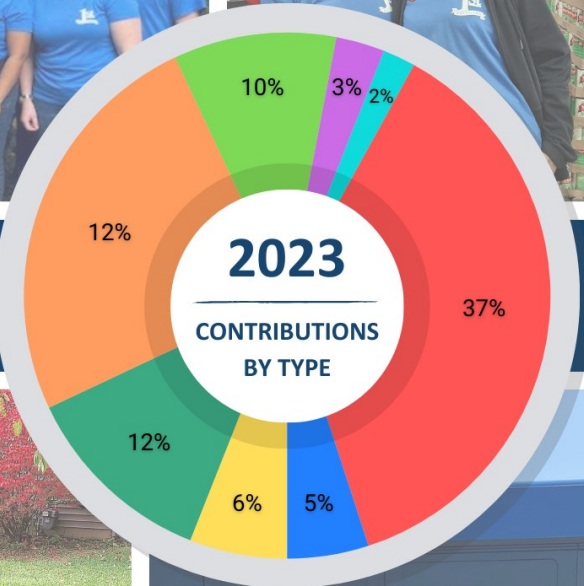
| Years ended December 31, | 2023 | 2022 |
|---|--------------|--------------|
| Interest and dividend income: | | |
| Loans and related fees | \$ 23,745 | \$ 19,914 |
| Debt securities | 1,261 | 1,524 |
| Equity securities | 61 | 46 |
| Interest on earning balances with financial institutions | 2,256 | 824 |
| Total interest and dividend income | 27,323 | 22,308 |
| Interest Expense: | | |
| Interest on deposits | 1,854 | 406 |
| Interest on other borrowings | 920 | 191 |
| Total interest expense | 2,774 | 597 |
| Net interest income | 24,549 | 21,711 |
| Provision for credit loss - loans | 735 | 1,060 |
| Provision for credit loss - unfunded commitments | (49) | - |
| Net interest income after provisions | 23,863 | 20,651 |
| Non-Interest Income: | | |
| Insurance and brokerage commissions | 1,219 | 1,224 |
| Interchange fees | 1,292 | 1,278 |
| Service charges and fees | 969 | 981 |
| Net realized gains on sales of loans | 28 | 31 |
| Rental Income | 215 | 197 |
| Realized loss on sale of debt securities available-for-sale | (1,213) | - |
| (Loss) gain on disposal of premises and equipment | (49) | 414 |
| Unrealized gains (losses) on equity securities | 63 | (6) |
| Other non-interest income | 289 | 294 |
| Total non-interest income | 2,813 | 4,413 |
| Non-Interest Expense: | | |
| Salaries and employee benefits | 13,124 | 11,873 |
| Employee retention credit | (815) | - |
| Occupancy and equipment | 2,405 | 2,357 |
| Core banking data processing | 1,726 | 1,612 |
| Board related expenses | 604 | 548 |
| Software service contracts | 618 | 482 |
| Federal deposit insurance assessment | 529 | 430 |
| Advertising and marketing | 397 | 331 |
| Accounting and auditing | 309 | 374 |
| Telephone | 310 | 293 |
| Travel and entertainment | 272 | 275 |
| Other expenses | 1,527 | 1,119 |
| Total non-interest expense | 21,006 | 19,694 |
| Income before taxes | 5,670 | 5,370 |
| Applicable income taxes | 1,186 | 981 |
| Net income | 4,484 | 4,389 |

Community Commitment

As our products and services continue to evolve and change, our commitment to the communities we serve remains unwavering. Each year 1st National Bank of Scotia contributes thousands of dollars to area schools, local charitable fundraisers and community events. Outside of the bank our employees spend countless hours volunteering in the community, serving on boards, working with youth, or simply collecting donations for a worthy cause. It's what we do. It's why we all work for a community bank.



We're Proud
to have contributed to 150+ organizations in 2023



- Arts
- Veteran
- Education
- Social Services
- Civic
- Religious
- General Non Profit
- Youth Sports

Our History



1923-2023: 1st National Bank Celebrates a Century of Community Banking

The idea of the Town of Glenville having its own bank was first discussed when Calvin Coolidge was America's president.

Women had just gained the right to vote, the nation's first electric traffic signal had just been invented, and the village of Scotia was in its infancy.

Local merchants, dissatisfied with the services provided by the big bank across the river, envisioned a new dawn for the Town of Glenville — one with its own community bank to call home.

George Gifford, Frank Higgins, and John Henry Buhmaster, all Scotia businessmen, formed the Mohawk Corporation, along with Homer Borst, a local lawyer. They applied to the New York State Banking Department for a charter to operate, and on Nov. 19, 1923, the state gave the group permission to open its doors and call itself the Glenville Bank.

“These merchants wanted to better serve the Town of Glenville’s growing community, and that’s why we were founded as Glenville Bank,” said 1st National Bank of Scotia President and CEO John Buhmaster, a fourth-generation banker who joined 1st National in 1986 as a teller.

The first office was located on Mohawk Avenue, currently the site of Jade Bistro. Three employees formed the staff’s nucleus under the leadership of Frank Higgins, the bank’s first president.

“Between noon and 1 p.m. daily, the bank closed for lunch, with Scotia police standing by to ensure there were no break ins,” added Buhmaster. “Shortly after, Kenneth Lindsay was hired as a janitor/security guard and assumed the role of safeguarding money during lunch. Each night Ken would hop on the back of the Scotia Police motorcycle to transport sizable deposits over a rickety bridge to Schenectady for vault storage.”



Over the ensuing years and decades, several noteworthy milestones unfolded:



The bank hardly had time to get up and running before the need for more space became apparent. In response, William T. Mynderse designed the first building at 201 Mohawk Avenue. The newly constructed structure officially opened for business on Jan. 28, 1926.

In 1923, shortly after Glenville Bank was established, we welcomed our first board of directors. They had experience inside and outside banking and truly cared about serving the needs of their customers and communities.





The new building at the intersection of Mohawk Avenue and Ten Broeck Street featured a vault that eliminated the need for messenger runs across the river to store cash. The new facility also offered customers extra services such as access to safe deposit boxes.

Like many banks, Glenville Bank faced setbacks during the Great Depression. However, it never faced imminent closure. The anticipated run on the bank did not happen due to innovative thinking and loyal customers. After the nation emerged from depression, the bank grew quickly.



During the bank's 25th anniversary celebration in 1948, initiatives were launched to expand the existing building. The goal was to more than double its size. One of the standout features of the expanded facility was the introduction of "auto banking," marking the debut of the northern states' first drive-through window. Ken Buhmaster spotted the concept in Miami while visiting for a school board event and quickly realized the concept would be perfect for Glenville's colder winters.

Alongside the introduction of auto banking, a sidewalk teller was established to enhance efficiency during peak times such as GE pay day. Pneumatic tubes were also installed to dispatch transactions in need of clerical reference to the primary area of the bank.





The post-war 1950s featured a booming American economy. The bank also enjoyed a busy decade, changing its name first to Glenville National Bank (1952) and later to 1st National Bank of Scotia (1954) to coincide with planned expansion into other towns. Additionally, in October 1954 we installed a modern security device called CCTV security cameras. On Sept. 29, 1955, 1st National opened its first branch in Niskayuna at 1476 Balltown Road.

With the start of branch banking, plans for additional expansion quickly materialized. In the 1960s three new branches were established. The Colonie office, shown here, started operations in 1960. The Guilderland office opened its doors in 1965. The Glenville office followed in 1966.



During the summer of 1962, 1st National Bank of Scotia achieved a historic milestone by teaming with the General Electric Company to become the first bank in the United States to employ an electric computer for servicing savings accounts. The bank continued its commitment to technological advancement, adding BankAmericard Credit Cards in 1967, and installing its own in-house computer in 1969. It also constructed an additional facility for the growing computer operations department.

The 1970s were a period of tremendous growth. Additions were made to 201 Mohawk Ave. (Jan. '70), Niskayuna (Jan. '71), and Colonie (Nov. 1972). We also opened three new offices: Erie Blvd. (April 1973), Saratoga (Sept. 1973), and an updated Erie Blvd. office (April 1976). Other decade highlights included the installation of the NCR Century 200 computer system (Jan. '73) and introduction of NOW Checking Accounts (Oct. '78).



In the 1980s the bank continued its expansion, collaborating with the General Electric Corporate Research and Development Center. This partnership resulted in the opening of a branch within the facility in 1983, where bank personnel, among other duties, issued plane tickets, provided cash advances, facilitated credit cards, and handled wire transfers. This growth trajectory persisted, culminating in the establishment of the ninth branch at 782 Albany Street in Schenectady in 1989.

During the early 1990s, facing space limitations from our booming auto loan business, we were running out of physical space to store the paper files. 1st National found local software developers who had developed a program for the digital imaging and storage of customer files for an insurance company. The bank hired them to modify the software for banking uses, and then worked with Sen. Hugh T. Farley to get New York law changed so that scanned loan documents would have the same standing as paper. Thanks to that innovation, we started scanning our paperwork and still have access to those documents today.



As it entered its 75th year of operation, 1st National Bank of Scotia remained committed to growth and expansion. In August 1997 the bank unveiled its 10th office in Rotterdam at 2695 Hamburg Street.



In 2005, at the age of 90, Kenneth Buhrmaster retired after serving 60 years on the bank's board, and 53 years as chairman of the board. That same year John. H. Buhrmaster became the 4th generation of the Buhrmaster family to assume the role of president, following in the footsteps of his father, Louis H. Buhrmaster. In 2023 three members of the Buhrmaster family's 4th generation serve as officers of the bank, and two members of the 5th generation joined them. Multi-generational employment is not just a Buhrmaster tradition. We are proud that four generations of the Lindsay family have also worked at the bank, as well as several other families who have had three generations of service.

On Nov. 17, 2023, a ribbon cutting was held for the grand opening of the bank's renovated main office featuring many of the key details from the 1923 branch. This includes relocating the teller line back to its original location near the vault, and restoring the arched windows, crown molding, outside alarm, and lobby clock. The original Glenville Bank entrance — and eye-catching historical spinning sign — have also been brought back.



With a dynamic team spread across 10 branches in the Capital Region, 1st National Bank of Scotia continues to stand as your dedicated partner. We are committed to delivering cutting-edge financial solutions and unparalleled personalized service, making an enduring impact on families and businesses throughout the Capital Region and beyond for decades to come.

Innovation



*“Our primary strength lies in our proficiency
at addressing challenges through
effective problem-solving.”*

-President/CEO John H. Buhrmaster

Banking on Innovation: A Century of Change

According to the Merriam-Webster Dictionary, innovation is defined as, “a new idea, method, or device” — the introduction of something new.

Since 1923 1st National’s leadership has consistently embraced calculated risks and pursued modernization to deliver unparalleled value to its dedicated customer base.

“Our primary strength lies in our proficiency at addressing challenges through effective problem-solving,” said President/CEO John H. Buhrmaster.

Buhrmaster highlighted numerous instances where leadership proactively anticipated challenges, ensuring customers encountered banking services that were not only efficient and secure but also tailored to their individual needs.

■ After a few years in business, the bank was in need of a teller. With the economy in full swing and job opportunities abundant, the task of recruiting capable staff proved to be a challenge. However, Frank Higgins, the bank’s president from 1923-1936, and John Henry Buhrmaster, the bank’s vice president, ingeniously addressed the issue by bringing on board Buhrmaster’s niece, Aileen Horstman. While hiring a woman as a teller was an unconventional and controversial choice during that era, it proved to be a remarkable decision. Horstman not only became Glenville Bank’s first female officer, but also retired after an impressive 47 years of dedicated service!

■ During the Great Depression, on March 6, 1933, President Franklin D. Roosevelt declared a national bank holiday, with the aim of halting escalating withdrawals and the worsening of the economic crisis. In a strategic move, Buhrmaster’s great grandfather purchased two wheelbarrows from a hardware store and filled them with cash before placing them behind the teller windows. The visible presence of the wheelbarrows filled with money prevented a bank run and immediately restored consumer confidence.



- In the late 1940s, as Americans embraced car culture, Director Kenneth E. Buhmaster visited Miami and encountered the novel concept of “drive-up banking.” Surprisingly, none of his northeast banking contacts were familiar with it. In 1948, marking its 25th anniversary, 1st National pioneered the Capital Region’s first drive-through banking window.
- In 1957 NCR Corporation ushered in a transformative era in banking by introducing its first computer. This groundbreaking technology took the form of a posting machine designed to streamline banking operations and significantly reduce the reliance on manual ledger entries. The innovation promised substantial time savings, marking a departure from traditional, labor-intensive recordkeeping methods. The debut installation took place in New Jersey, and swiftly following suit, 1st National leadership propelled progress by becoming the proud home to NCR’s second machine!



- 1st National’s subsequent computing venture involved collaborating with General Electric in the late 1950s. Bank of America had awarded GE’s research and development arm a major contract to create an advanced banking system. During this project the focus was on eliminating savings passbooks, which posed security concerns if lost. The solution was “statement savings,” and on Oct. 7, 1960, 1st National served as the beta bank for its processing. After successful implementation the system expanded to Bank of America.
- In the 1960s credit cards were becoming popular. Sensing the need to be at the forefront of the need for consumers and business to be armed with a nationally recognized credit card, Director Louis H. Buhmaster visited Bankers Trust, which was headquartered at the World Trade Center in New York City, to discuss an innovative concept as an agent issuer. 1st National was among the first small banks to adopt card issuance with the BankAmericard, marking the inception of the bank’s more than 55-year history of issuing Visa cards.

■ Despite 1st National being a stone’s throw from GE headquarters and handling payroll and checks since the 1930s, the 1970s brought tremendous adversity. The multinational conglomerate’s relocation to Connecticut resulted in a staggering workforce reduction from 40,000 to 3,000, causing economic turbulence and placing 1st National in a precarious position due to bad loans. In response to a 1979 cease-and-desist order, 1st National swiftly took decisive action to fortify its financial standing. Under the leadership of Louis H. Buhmaster, a visionary approach emerged — a strategic 35% reduction in the bank’s size to meet capital ratio requirements. This was complemented by fresh capital investments from loyal customers, securing the bank’s survival. Today, as the only bank remaining from among the 1,876 banks issued cease-and-desist orders at that time, 1st National Bank stands strong, a testament to its innovative thinking.



■ In 1925 General Electric established its research and development center in Schenectady, which has retained its global research status. Despite losing the GE payroll accounts, bank leadership stayed connected with the company. When GE decided to outsource its cashiering service in 1983, it chose 1st National to open a branch at the Global Research Center. With a substantial presence of Ph.D.s on-site, the center proved an ideal space for efficient beta testing of products and obtaining swift, candid, and detailed feedback for new initiatives. This experience honed 1st National's adaptability, preparing the bank well for challenges posed by the 2020 COVID-19 pandemic and the government's lack of clear direction.

■ Despite the obstacles posed by the coronavirus crisis, 1st National showcased its rich history of innovation by successfully introducing three new products rapidly during the beginning weeks of the pandemic. This accomplishment was a testament to the bank's proactive preparedness and forward-thinking mindset. With the new technology in hand, the team was well prepared to seamlessly manage the high demand of the Paycheck Protection Program loans, even processing applications for both local credit unions and major banks facing operational constraints. This not only expanded 1st National's customer base, but also fostered the growth of an enduringly innovative culture within the bank.



“To foster innovation, you must cultivate a culture that embraces risk,” emphasized Buhmaster. “It’s not just about words, it’s about actions. Establish a culture where creative problem-solving is not only encouraged but also exemplified by leadership. Without innovative thinking, this bank would not have survived. Creative problem-solving has saved us on more than one occasion!”

Our Legacy



Buhrmaster Family: Caretakers of 1st National's Community Legacy

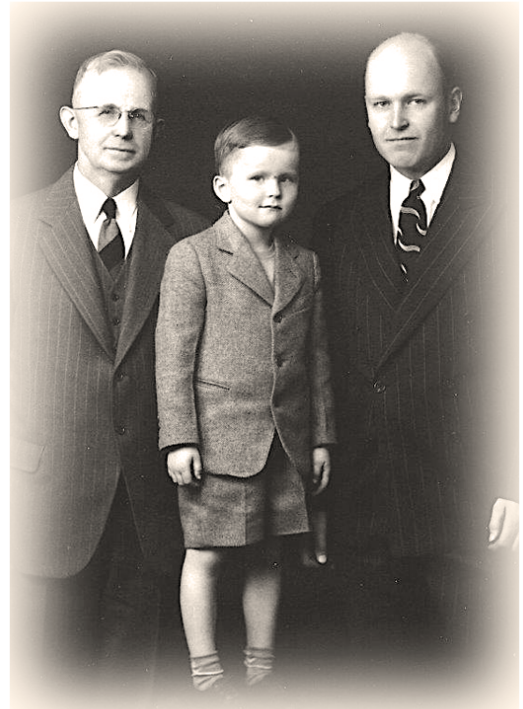
For more than a century, the leaders of 1st National have shared a common commitment – to assist and safeguard the financial well-being of the local community.

“Since our establishment on Nov. 19, 1923, this bank’s purpose has remained centered on making people’s lives better,” said 1st National President and CEO John Buhrmaster.

Buhrmaster family generation photo from 1943.

This principle, instilled early on in his great grandfather J. H. Buhrmaster (president from 1936-1952), grandfather Kenneth E. Buhrmaster (president from 1952-1966) and father Louis H. Buhrmaster (president from 1969-2005), shaped a legacy of service across the entire family.

In 1936, following the passing of founding President Frank Higgins, J. H. Buhrmaster, John Buhrmaster's great grandfather, reluctantly assumed leadership. Despite being a successful businessman with interests in milk, real estate, feed, and a coal and mason supply business (J.H. Buhrmaster Co.), as well as founding the Coal Merchants Insurance Association, John H. Buhrmaster sold other external business ventures except for the J.H. Buhrmaster Co. to focus his time, talent, and treasure on the bank during the Great Depression. It's unlikely he could have imagined the impact and longevity of that singular decision.



Ken Buhrmaster in 1953.

His focus became the bank, ensuring its independence and securing its role as a pillar of the community.

“He put his money into this place to keep it independent, ensuring the bank was there for the community at the height of the current economic crisis and beyond. That’s when our family became the majority owners,” explained Buhrmaster. “Since then, our family’s commitment has been to ensure this community bank serves all, not just the few.”

Through the decades, Buhrmaster said it’s not always been smooth sailing for those at the helm.

“Over the years, bank leadership faced serious threats from various entities wishing us to become part of a larger conglomerate,” noted Buhrmaster. “Despite significant sacrifices, we’ve navigated through, preserving our independence. It wasn’t for profit but a commitment to the community, with the family as dedicated caretakers.”

Bank staff gather in the Scotia lobby in 1953.



Roger Pelham, L.H. Buhrmaster, Laura Buhrmaster Dieterich, Mayor Duci, Dick Lindsay, and K.E. Buhrmaster gather for a ribbon cutting of the bank's Erie Boulevard branch on April 1, 1976.



On Friday, Nov. 17, 2023, 100 years following its founding, staff, community members, officials from the Town of Glenville and Village of Scotia, and local politicians proudly gathered inside 1st National's headquarters at 201 Mohawk Avenue to celebrate a century of community banking and unveil the recently renovated building.

"To be able to say we've made it to 100 years speaks volumes about the dedicated individuals who have worked here and the steadfast support from the community through thick and thin," remarked Buhrmaster.

Chief Financial Officer Bob Dieterich then honored the family's legacy by rededicating a meeting room to former bank President Kenneth E. Buhrmaster, and his wife, Flower Sheldon Buhrmaster.



The bank recently dedicated a meeting room to Kenneth and Flower Buhrmaster. It honors their 60-year banking career and unwavering community leadership, exemplifying dedication to education and involvement in community organizations.

"Ken Buhrmaster was a remarkable figure, deeply involved in community service and renowned for his business acumen. He was instrumental in various organizations like the YMCA and Ellis Hospital," said Dieterich. "Beyond his professional achievements, Ken was a devoted family man. His wife was

an elegant and business-savvy lady, who headed our original insurance company. She was a leading volunteer in our community, and worked at Buhrmaster Oil Company until she was 98."

"I'm honored to dedicate our new conference room as the Ken and Flower Buhrmaster Meeting Room, featuring a beautiful photo of them and a plaque etched from a piece of marble from the original teller counter," he added. "This room ensures that their legacy lives on and serves as inspiration for future generations."

Buhrmaster concluded, "Our family has been an integral part of the bank since day one. To still be here a century later means that we've served our community well. It's a significant achievement to maintain this kind of mission for all these years."

Bank President/CEO John Buhrmaster shares a lighter moment with his grandson, Henry.



Centennial



Celebrating a bank's 100-year journey of growth, innovation, and financial excellence is a significant milestone — one that involves a combination of internal and external activities to commemorate an institution's long and successful history.

Beyond Banking: Centennial Events Spotlight a Legacy of Service

At 1st National, centennial planning got underway in early 2022 when our anniversary committee collected commemorative ideas and segmented them into three stakeholder groups — customers, employees, and community members.

“Our committee wanted to celebrate the unwavering support of our customers in a few different ways,” said Karen Ballester, assistant vice president & marketing officer, 1st National Bank of Scotia. “We were also keen to get our employees actively involved in as many community giveback initiatives as possible.”

Anniversary Promotions



◀ Cash Giveaway

We kicked things off in April 2023 by launching a \$12,000 cash giveaway. All consumer loans for the month were placed into a drawing. Ten names were pulled from a hat, and each of those 10 winners received \$100 cash.



Centennial Community Contributions Program

Employees also chose five local charities that impact where we live and work. Short videos were produced and uploaded to our web site and social media platforms. Community members were asked to vote for their favorite non-profit. After the votes were tallied, Things of My Very Own won the “Centennial Award” (\$10,000), Joan Nicole Prince Home received “The Glenville Bank Award” (\$5,000), and Community Caregivers, the Boys & Girls Clubs of Schenectady and Saratoga County Veterans Service Agency took home “1st National Awards” (\$2,000).



Community Group Volunteering Projects

Staff also nominated deserving organizations in need of a helping hand. At Schenectady Day Nursery, 12 employees revitalized the playground. Two crews then refreshed the Joan Nicole Prince Home, providing exterior and interior cleaning. Volunteers later supported Street Soldiers, distributing essentials and assisting at Oktoberfest. Finally, at Concerned for the Hungry, Inc., they packed Thanksgiving food boxes to combat hunger in Schenectady County.



Customer Appreciation Day

On Friday, June 9, from 10 a.m. to 4 p.m., each branch hosted a Customer Appreciation Day, where we showed our gratitude with refreshments and giveaways that included a set of double wall glasses. As part of our ongoing commitment to giving back, we asked our customers to bring a non-perishable food item to donate to a local food pantry.



100th Anniversary Celebration

On Friday, Nov. 17, 100 years after our founding, we celebrated at 201 Mohawk Avenue with bank leadership, staff, and local officials. The highlight was a ribbon cutting for our renovated main office, featuring restored 1923 branch features. Updates included relocating the teller line, restoring arched windows, crown molding, outside alarm, and lobby clock, along with reinstating the original Glenville Bank entrance and spinning sign. In response to rising food costs and families in need, we donated \$10,000 in gift cards to the Scotia-Glenville School District and Scotia Glenville Food Pantry.



“This was a very busy year and one that I’m extremely proud of,” reflected President/CEO John Buhrmaster. “1st National employees have a distinct sense of community and want to help where they’re needed most. Our culture of giving reminds me of my great grandfather, John Henry Buhrmaster, who was president from 1936-1952. He made a point of walking up and down Mohawk Avenue during the Great Depression supporting families in this community. It’s rewarding to know that his tradition of giving back continues to live on.”