

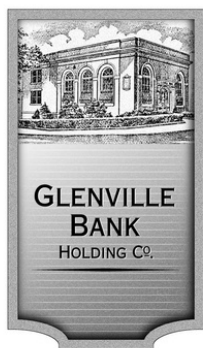
Glenville Bank Holding Company, Inc. & Subsidiaries

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Annual Report

2024





Glenville 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.

Glenville Bank Holding Company Directors

L.H. Buhrmaster

John H. Buhrmaster

Robert J. Dieterich

Laura M. Dieterich

David D. Montana

Bruce W. McConnelee

Scott D. Stevens

Report of the Chairman & President

Dear Shareholder:

It seems that as we advance through life, we reflect on the preceding year with more amazement each time. 2024 was an unusual year that revolved around far too many factors to unwind in a shareholder letter. As we have noted in previous communications, every year brings a mix of triumphs and challenges. While headlines often accentuate the negative, it is crucial to maintain a balanced perspective. So, let's focus on how your companies navigated this unpredictable year.

After an extended celebration of our 100th year, we promptly went to work to ensure continued success for the next one hundred years. The foundation of that work is our dedication to Service Excellence, plus solid progress on strategic planning, shareholder succession and liquidity, employee ownership, community involvement, cyber and technology upgrades, training, succession planning at all levels of the bank, and technology efficiencies for internal and customer facing needs. We are creating deep roots in these areas and have made strong progress in this two-year project. Your bank is not taking anything for granted in planning for decades of change in the delivery and security of banking services. We will elaborate on these initiatives later in this letter.

Over the last century the Bank and Agency have focused on three core principles: providing superior exceptional customer service, competitive pricing, and value to our community. This simple formula has been the cornerstone of our resilience, enabling us to thrive in both stable and turbulent times. While our competitors have pursued riskier growth strategies that may yield short-term gains during prosperous periods, our conservative approach has ensured our longevity and stability. This year GBHC and its subsidiaries, 1st National Bank of Scotia and the Scautub Agency, achieved combined record earnings of \$5.67 million dollars, with 1st National alone at \$5.15 million dollars. In addition, the capital ratio that is responsible for our independence reached its highest level in modern times at 8.9%, so close to the 9% we have been seeking since the 1970's. Financially speaking, this was a spectacular year.

The formalized Service Excellence program that we implemented in 2019 has had a transformative effect on the bank and its team of dedicated employees. The excellent financial results were driven by this imbedded service culture, which has made 1st National Bank of Scotia the premier destination for both business and consumer banking in the Capital Region. This is not something we advertise; it's something that can only be spread by word of mouth. Here are a few statistics to help you see that we are quietly gaining business from other banks that have drifted from a customer service perspective. We opened nearly 2,200 consumer deposit accounts, a portfolio growth of 9.2%. Over 2,100 consumer loans were originated totaling \$86 million, a growth of 17.6%. On the business side we saw strong loyalty with many referrals from current customers, resulting in 400 new business deposit accounts, a growth of 11.3%, and just under 250 new business loans totaling \$41 million, a growth of 18%. We have seen strong growth in a down market for commercial lending with higher market interest rates. If the first two months of 2025 are any indication of what is to come, commercial lending is strong! This new business, when combined with a margin of over 4%, which is 80% greater than most of our competitors, is what drove the strong income and growth in capital.

Establishing and maintaining a service culture that is always seeking excellence is more than knowing a customer's name or counting their cash correctly. It goes far beyond the surface and involves focused strategic planning. Stealing from the current hit movie *Wicked*, let's take a quick peek behind Oz's curtain to see what we are doing behind the scenes to prepare for the future.

Fraud Protection and Education:

We are hyper focused on providing the best possible protection against account fraud, which is now at the worst level in history. With AI enabled fraud, scams targeting our elder customers, the resurgence of stolen checks and check washing, and constant threats of digital (text, online, social media, card fraud) scams, the bank and our customers need to be armed with the tools to assist in defeating these heartless scammers. We provide education to our account holders, utilize technology to assist in identifying potential fraudulent transactions, and offer customer-facing technology like real-time debit alerts and positive pay systems.

By combining these protections and continuing to educate our staff, we have saved our customers hundreds of thousands of dollars from fraud loss. We are proud to say that our skilled security team is regularly consulted not only locally, but on a national level to help others improve their efforts in this critical area.

Smart Technology Additions:

Serving our customers effectively also involves providing innovative technology that enables them to stay ahead in today's fast-paced economy. We have upgraded our online, mobile, cash management, and loan application systems to allow for more self-service and quicker response times. A series of video tutorials has been added to our website providing customers guided, interactive tutorials on frequent questions. In our back offices we have automated several time-consuming tasks, which allow our staff to spend more time with their customers. We firmly believe, if you are not moving forward, you are falling behind.

Real people answering the phone:

We all know how frustrating it can be to call a business for a simple question and experience multiple transfers between phone trees or automated assistants. This year we dove into a project we have been working on for several years and have formed a dedicated customer contact center with experienced staff that can handle a majority of customer issues. This was done to further improve our customer service, and we are already receiving positive reviews!

Strengthening our independence:

To provide the best service to our customers and our community, the bank needs to remain locally owned, locally managed, and independent. Another way we are preparing the bank for a strong future is to prepare for shareholder transition. As a growing number of our shareholders work on their estate planning, we are working to ensure continuity of locally interested ownership, as well as liquidity for those shareholders that want to see this bank remain local and independent. Early in 2025, we announced to our employees the formation of an Employee Stock Ownership Plan. This is a plan that gives current employees ownership and provides a market for shareholders that would like to sell. Local businesses

like Adirondack Trust and Stewarts have had success using this method to build employee engagement. For us, these moves will continue to strengthen the bank so that, after a fair dividend, earnings can go back into the bank and keep it strong for generations to come.

2024 was a successful year in many ways. In response to the rapidly evolving economic environment, shifting consumer preferences, and technological advancements, we have worked hard to envision how the bank needs to be structured to remain nimble and well-positioned for the future. We are proud to provide exceptional service to our customers, rewarding careers for our employees and a strong Capital position with regular dividends for our shareholders. We are blessed to be able to work with such an amazing team.

By offering a glimpse behind the scenes of our Service Excellence initiatives, alongside the outstanding financial results they have yielded, we hope it will give you a more profound understanding of your bank and the dedicated individuals who are working hard to position us for a successful second century. We wish to thank our Board of Directors, Officers and employees, and the hundreds of shareholders and customers whose loyal support of the bank has allowed us to continue in the business of supporting our community and making peoples' lives better.



L.H. Buhrmaster
Chairman of the Board



John H. Buhrmaster
President & CEO



Board of 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



Executive Management

L. H. Buhrmaster

Chairman

John H. Buhrmaster

President & Chief Executive Officer

Robert J. Dieterich

Executive Vice President, Chief Operating Officer, Chief Financial Officer

Laura M. Dieterich

Sr. Vice President & Corporate Secretary

Kelly A. Gibbons

Sr. Vice President of Retail Banking

Kenneth W. Swain

Sr. Vice President of Business Banking

Christopher R. Hebbard

Sr. Vice President & Sr. Credit Officer

Randy Marsicano

Chief Information Officer

James J. Smith

Sr. Vice President of Technology

Bank Officers

Daniel A. Centi

Brian V. Borini

John G. Dykeman

Thomas J. Kmetz

Kevin R. Buhrmaster

Louis J. Giammatteo

Teresa A. Freeman

Lisa A. Case

Nancy R. Harrigan

Premnarine Jaddu

Cheryl F. Hiller

Kristen D. Faubion

Laura A. Siracuse

Cara K. Pabon

Debra A. Lindsay

Katie Jo Mohamed Ali

Tracey J. Kearns

Jennifer S.B. Rudolph

Tiziana Riccobene

Todd J. Greive

Christopher D'Ambro

Michelle C. Rost

Karen E. Ballester

Erica M Godlewski

Cynthia A. Siatkowski

Monofer Usman

Consolidated Balance Sheets

(in thousands, except per share information)

ASSETS

	2024	2023
Cash and cash equivalents:		
Non-interest bearing balances, currency, and coin	\$ 12,502	\$ 8,222
Interest-bearing balances due from financial institutions	49,207	49,082
Total cash and cash equivalents	61,709	57,304
Debt securities:		
Securities available-for-sale	72,483	76,502
Securities held-to-maturity, fair value of \$3,519 in 2024 and \$4,152 in 2023	3,857	4,570
Total debt securities	76,340	81,072
Loans receivable, net of allowance for credit losses of \$5,581 in 2024 and \$5,717 in 2023	494,296	482,615
Premises and equipment, net	12,006	11,405
Pension plan funded status	13,567	10,055
Cash surrender value of life insurance policies	7,063	6,624
Deferred compensation assets	6,965	6,726
Accrued interest receivable	2,200	2,226
Equity securities not readily marketable	1,977	1,321
Other intangible assets, net	451	517
Other assets	1,478	2,211
Total assets	\$ 678,052	\$ 662,076

LIABILITIES & SHAREHOLDERS' EQUITY

Deposits:		
Non-interest bearing	\$ 173,442	\$ 177,515
Interest-bearing	417,400	396,650
Total deposits	590,842	574,165
Borrowings	15,151	24,205
Other liabilities	11,205	10,838
Total liabilities	617,198	609,208
Shareholders' Equity:		
Common stock, \$0.01 par value; 250,000 shares authorized; 207,405 and 207,405 issued, 205,165 and 207,340 shares outstanding in 2024 and 2023, respectively	2	2
Additional paid-in capital	23,130	23,130
Retained earnings	39,912	34,756
Accumulated other comprehensive loss	(1,985)	(5,015)
Treasury stock, at cost (2,240 in 2024, 65 shares in 2023)	(205)	(5)
Total shareholders' equity	60,854	52,868
Total liabilities and shareholders' equity	\$ 678,052	\$ 662,076

Consolidated Statements of Income

(in thousands)

	2024	2023
Interest and dividend income:		
Interest and fees on loans	\$ 26,369	\$ 23,745
Debt securities	1,132	1,261
Equity securities	73	61
Interest on earning balances with financial institutions	2,889	2,256
Total interest and dividend income	30,463	27,323
Interest expense:		
Interest on deposits	4,696	1,854
Interest on other borrowings	389	920
Total interest expense	5,085	2,774
Net interest income	25,378	24,549
Provision for credit losses - loans	660	735
Provision for (reduction in) credit losses - unfunded commitments	14	(49)
Net interest income after provision	24,704	23,863
Non-interest income:		
Insurance and brokerage commissions	1,425	1,219
Interchange fees	1,299	1,292
Service charges and fees	950	969
Net realized gains on sales of loans	8	28
Bank owned life insurance income	239	157
Rental income	229	215
Realized (loss) on sale of debt securities available-for-sale	-	(1,213)
(Loss) on disposal of assets	(26)	(49)
Unrealized (losses) gains on equity securities	(31)	63
Property insurance proceeds	707	-
Other non-interest income	132	132
Total non-interest income	4,932	2,813
Non-interest expense:		
Salaries and employee benefits	13,694	13,124
Employee retention tax credit	-	(815)
Occupancy and equipment	2,548	2,405
Core banking data processing	1,856	1,726
Board related expenses	608	604
Software service contracts	644	618
Federal deposit insurance assessment	468	529
Advertising and marketing	327	397
Accounting and auditing	371	309
Telephone expense	181	310
Travel and entertainment	265	272
Other expenses	1,878	1,527
Total non-interest expense	22,840	21,006
Income before income taxes	6,796	5,670
Applicable income taxes	1,126	1,186
Net income	\$ 5,670	\$ 4,484

Consolidated audited financial statement report available upon request.

Volunteer Activities

In 2024, the team at 1st National proudly dedicated more than 200 hours to volunteering, reflecting our strong commitment to giving back to the community. Here's a look back at some of the highlights from our year of service:



On Leap Day, February 29, we supported the Saratoga County Animal Shelter with a dress-down day, raising funds to fulfill items on their wish list — bringing joy to both pets and their families!

On September 24, a group of employees volunteered at the Regional Food Bank's Latham distribution center, sorting and repackaging bulk donations to support hunger relief efforts.



At the 15th Annual Glenville Oktoberfest on September 28, we connected with the community and offered attendees the chance to win a \$100 gift card at our booth.

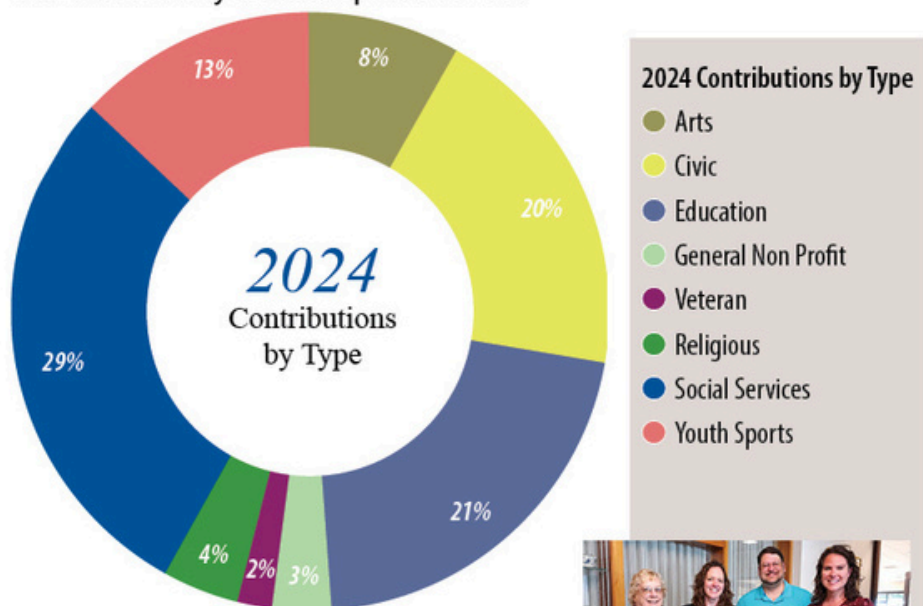
In mid-October, our Gives Back team participated in a clean-up at the Joan Nicole Prince Home, a Glenville-based nonprofit that provides comfort care to terminally ill patients.



On November 16 and 20, we assisted Concerned for the Hungry by assembling Thanksgiving baskets, sorting food, and packing boxes for local families in need.

Donations & Contributions

Giving back to our community is at the heart of everything we do. In 2024, 1st National Bank of Scotia continued its tradition of supporting local causes and organizations that help make our community a better place for all.



Through a collaboration between First Reformed Church of Scotia's Summer Backpack Program and Fresh Table Pop-Up Food Pantry, we helped provide local families with food, ensuring children are nourished before school starts.



Our sponsorship of the Joe Cremo Basketball Camp gave local kids the opportunity to learn life skills while enjoying the game of basketball.



For the third consecutive year, we partnered with the Federal Home Loan Bank's Small Business Recovery Grant program, distributing \$150,000 to 36 local businesses and nonprofits, helping them thrive and grow.



Financial Education

Empowering students with the knowledge to manage their finances is a priority at 1st National Bank of Scotia. In 2024, we continued our mission to provide educational opportunities that help young people develop sound financial habits.



Our team visited Lincoln Elementary to support School Banking, helping students develop healthy saving habits early on.

Students from the Niskayuna Community Transition Program joined us for a hands-on Banking 101 class, where we taught money management skills and practiced filling out checks.



We partnered with Junior Achievement of Northeastern New York (JA) to teach financial literacy to an elementary class in Schenectady. Our work supported JA's initiative to reach 22,500 students throughout the region.

1st



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201 Mohawk Avenue
Scotia, New York
(518) 370-7200

Branch Offices

Niskayuna

1476 Balltown Road
Schenectady, NY 12309

Schenectady

120 Erie Boulevard
Schenectady, NY 12305

Colonie

1705 Central Avenue
Albany, NY 12205

Saratoga

3013 Route 50
Saratoga Springs, NY 12866

Guilderland

8 New Karner Road
Guilderland, NY 12084

GE Global Research Center

1 Research Circle
Schenectady, NY 12309

Glenville

240 Saratoga Road
Scotia, NY 12302

Rotterdam

2695 Hamburg Street
Schenectady, NY 12303

Clifton Park

1693 Route 9
Clifton Park, NY 12065

Directors and Officers

Steven H. Heider

*Chairman of the Board
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*

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OUR COMMITMENT

First Scotia Wealth Management distinguishes itself by offering:

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- A relationship-driven approach to wealth management

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