





"Thank you Genesee Regional Bank for your support and excellent customer service!"

- Dr. Janis P. Preston, Preston Orthodontics



The GRB Experience

In 1996, two successful entrepreneurs, E. Philip Saunders and Dan Gullace, founded Genesee Regional Bank with the vision of re-establishing a community bank presence, and helping to grow small business in the Rochester area. Our team truly understands the local business climate, thanks to our experience as a small business ourselves. We maintain a board of experienced business leaders focused on the local economy. To this day, our mission remains to grow Rochester business, and we accomplish this through the GRB Experience.

The GRB Experience. Our employees live it. Our clients benefit from it. It's how we do business.

We grow Rochester business by providing a unique banking experience and significant value to area businesses, professionals, and individuals.

Our financial resources and management resourcefulness will provide you with the flexible, creative thinking you need to achieve your business goals. With our focus on building a long-term, meaningful relationship, you'll work with banking professionals who take the time to become trusted advisors and strategic partners.

We trust, appreciate, and depend on each other to deliver extraordinary results.

Our dedicated, energized team is the key to our success, and to yours.

We are empowered to think differently and build relationships in support of clients' success.

Employees at all levels help provide innovative solutions, ensuring high quality, responsive service that's hard to match.





A Message from the President

“Opportunity” was the word of the year at GRB in 2015. Our dedication to the local residential housing market paid off as mortgage originations surpassed \$109 million, up nearly 21% over the previous year. More than 700 households worked with GRB to purchase a new home or refinance their existing mortgage. This performance ranks GRB among the largest residential mortgage lenders in the Greater Rochester Area. I am proud of the energy and focus that our mortgage team demonstrated over the past year, embracing the opportunity to work closely with our commercial and retail teams to provide a comprehensive banking experience to our clients, while at the same time promoting the bank’s vast capabilities to the local real estate community.

Meanwhile, ongoing consolidation among international and large multi-regional banks continues to provide increasing opportunity for GRB. In 2015, our commercial banking team originated \$115 million in new loans, a 31% increase over the prior year’s production. This dollar figure represents 183 new loans extended to 134 local businesses, of which 44% are new client relationships to GRB. Annual commercial loan originations have nearly doubled since 2010, as each year we serve an increasing number of small businesses in the Greater Rochester community.

Banks cannot fund loans without deposits, as such GRB increased deposits 11% to total \$397 million by year end. A major contributor to our success in generating large deposit relationships is the expertise that we have developed in utilizing Promotory Network's fully FDIC insured deposit products. In 2012, New York State municipalities joined those in other states in accepting reciprocal deposit products in lieu of the historical practice that required collateralizing deposits with U.S. Treasury securities. This progressive change opened the door for GRB to pursue municipal deposits at a time when larger institutions were shying away from the business due to punitive capital treatment and liquidity requirements dictated by recent regulation. As a result, in 2015 GRB attracted \$40 million of local municipal deposits. Beyond the competitive interest rates and exceptional service that we provide, our local governments should be further gratified that GRB reinvests its deposits directly back into the communities in which they were generated.

The ever-evolving and mounting burden of regulation continues to challenge the entire banking industry. However, the impact of regulation varies among banks depending on their size and complexity. Over the years, many industry experts have predicted that

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increasing compliance costs will result in the demise of community banks. As much as increased regulation is certainly not welcomed, I could not disagree more with this pessimistic prognostication. Well-run banks, regardless of size, will continue to adapt and overcome obstacles. Through the years of the financial crisis and prolonged sluggish recovery, GRB has continuously enjoyed record growth and increasingly positive financial performance.

While the country's largest banks invest billions of dollars in sophisticated systems to capture client information in order to comply with stepped-up "know your customer" regulation, community banks like GRB are spared much of the burden because, inherently, we know our clients intimately. Increased regulation makes it difficult for large institutions to serve the small business and residential mortgage segments profitably, forcing them to either exit those markets or find ways to serve them in a more efficient and, often times, faceless manner. This underscores GRB's competitive advantage, and our growth record proves it.

GRB takes pride in our robust new business activity as it is the foundation of our core philosophy: Growing Rochester Business. As a local, privately-held community bank that is also a small business, GRB is uniquely positioned to provide unmatched relationship-driven service and financial advice to our valued clients, as we share an intimate understanding of the opportunities and challenges they face. We are proud that so many of our customers are household names in the Rochester region. They provide us products and services, create jobs, care for us through every stage of our lives, and contribute to the growth and well being of the community we call home.

On behalf of our Board of Directors and employees, I extend our deepest gratitude for the confidence and trust that our clients place in GRB as we look forward to continuing to build on our strengths as Rochester's Community Bank.

Sincerely,

Philip L. Pecora
President and CEO
Genesee Regional Bank





Board of Directors

Chairman

E. Philip Saunders
President & CEO
Saunders Management Co.

Directors

Ronald D. Billitier
President
Billitier Electric, Inc.

Anthony Cotroneo
Partner
Woods Oviatt Gilman, LLP

Eli N. Futerman
Co-President
Hahn Automotive Warehouse, Inc.

Dante Gullace
Attorney & Real Estate Developer

Gary Haseley
Former CEO/Owner
Zeller Corporation

Daniel C. Hogan
President
Crane-Hogan Structural Systems, Inc.

John M. Holahan
Retired President
Travel Ports of America

Giovanni LiDestri
President
LiDestri Foods, Inc.

Michelle C. Paroda
Vice President
Ramsey Constructors

Philip L. Pecora
President & CEO
Genesee Regional Bank

Steven B. Sauer
President
Toshiba Business Solutions, New York

Daniel D. Tessori, Ph.D., CPA
Assistant Professor
Rochester Institute of Technology





Community Involvement

As a local bank with an emphasis on building relationships, an important element of our business model extends beyond banking. Because we're so involved with the local community, we understand that helping to build better lives is just as important as helping to build better businesses. GRB is proud to support many local organizations through donations, event sponsorships, and volunteering. We focus our efforts on nonprofits that are our clients, and with which our employees and board members are involved.

Our board members lead the way in community involvement and charitable contributions, and truly set the tone for GRB. This sense of community spirit is built into our internal culture, the GRB Experience, and employees are motivated to become engaged. A bank-wide Community Involvement Committee coordinates volunteer opportunities at several organizations and sponsors food, clothing, and toy drives throughout the year. GRB employees are encouraged to serve on boards and committees of groups for which they are passionate. This community engagement was one of the factors that led to our designation as both a SHRM "Best Places to Work in New York State" and a Democrat & Chronicle "Top Workplace."



Habitat for Humanity Build Day



Guest Grillmaster for Mary Cariola Center



The Boys & Girls Club Winter Gala



The GRB Corporate Challenge team







Financial Commentary

2015 proved to be another positive year for Greater Rochester Bancorp, Inc. (parent company of Genesee Regional Bank). Net income increased by almost 11% over 2014, mainly as a result of higher net interest income and mortgage banking income. Assets increased by just over 11% while gross loans increased by more than 16%. Deposits increased by 12.5%, excluding brokered deposits.

Key performance metrics in 2015 generally remain in line with or ahead of peer banks. Asset quality continues to be strong and we were classified as a “well capitalized bank” in our latest financial audit. Return on shareholder equity was just more than 15% and return on assets was 0.97%. An efficiency ratio of 61.8% compares favorably with peer banks and improved over 2014 by realizing synergies between the residential mortgage banking department and the core bank. Earnings per share in 2015 were \$92.59, a 10.5% increase over 2014.

Looking forward to 2016, GRB will continue to focus on growing core deposits and providing capital to clients in our effort in Growing Rochester Business. One of GRB’s strengths is the diversity of its portfolio, spanning all business types from manufacturing and retail to professional services and franchises. Expect to see similar trends in GRB’s commercial lending activities in 2016. In addition, the coming year will focus on growth in the scope and profitability of the mortgage banking division. GRB is well positioned to continue on a path of healthy growth in 2016.



Balance Sheet

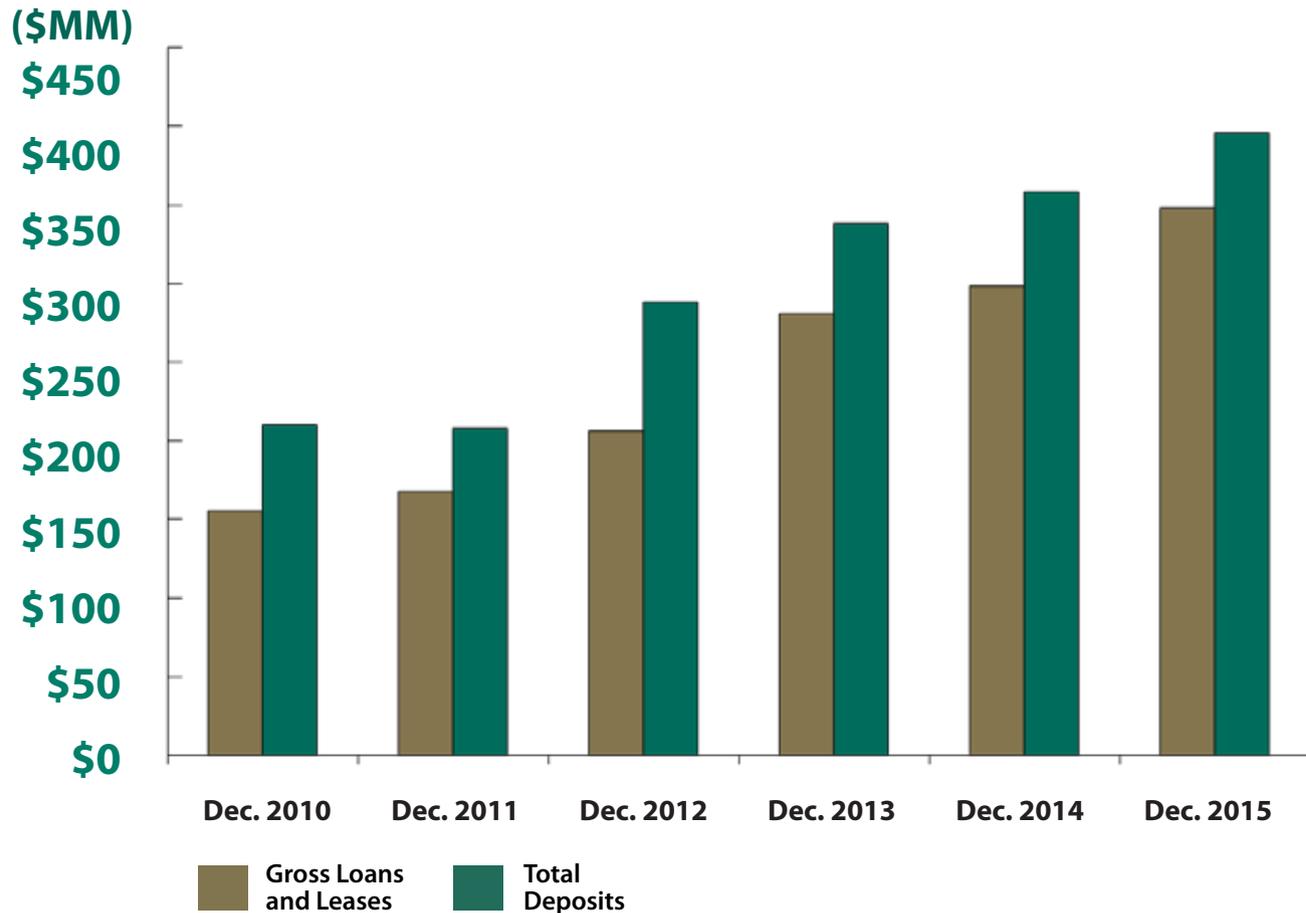
Balance Sheet	12/31/15	12/31/14
Loans	\$348,414,828	\$299,423,840
Allowance for Loan Losses	(\$3,557,791)	(\$2,582,682)
Cash & Due from Banks	\$22,502,431	\$24,113,621
Investments	\$84,094,712	\$84,544,843
Other Assets	\$9,603,687	\$9,671,959
Total Assets	\$461,057,867	\$415,171,581

Deposits	\$396,748,769	\$357,284,411
Borrowings	\$28,850,000	\$20,300,000
Other Liabilities	\$4,918,463	\$4,564,201
Owner's Equity	\$30,540,635	\$33,022,969
Total Equity/Liabilities	\$461,057,867	\$415,171,581

Key Performance Metrics		
Return on Assets	0.97%	0.95%
Return on Equity	15.05%	15.72%
Efficiency Ratio	61.8%	63.3%
Earnings per Share	\$92.59	\$83.77
Non-performing Loans as a % of Loans	1.50%	0.37%



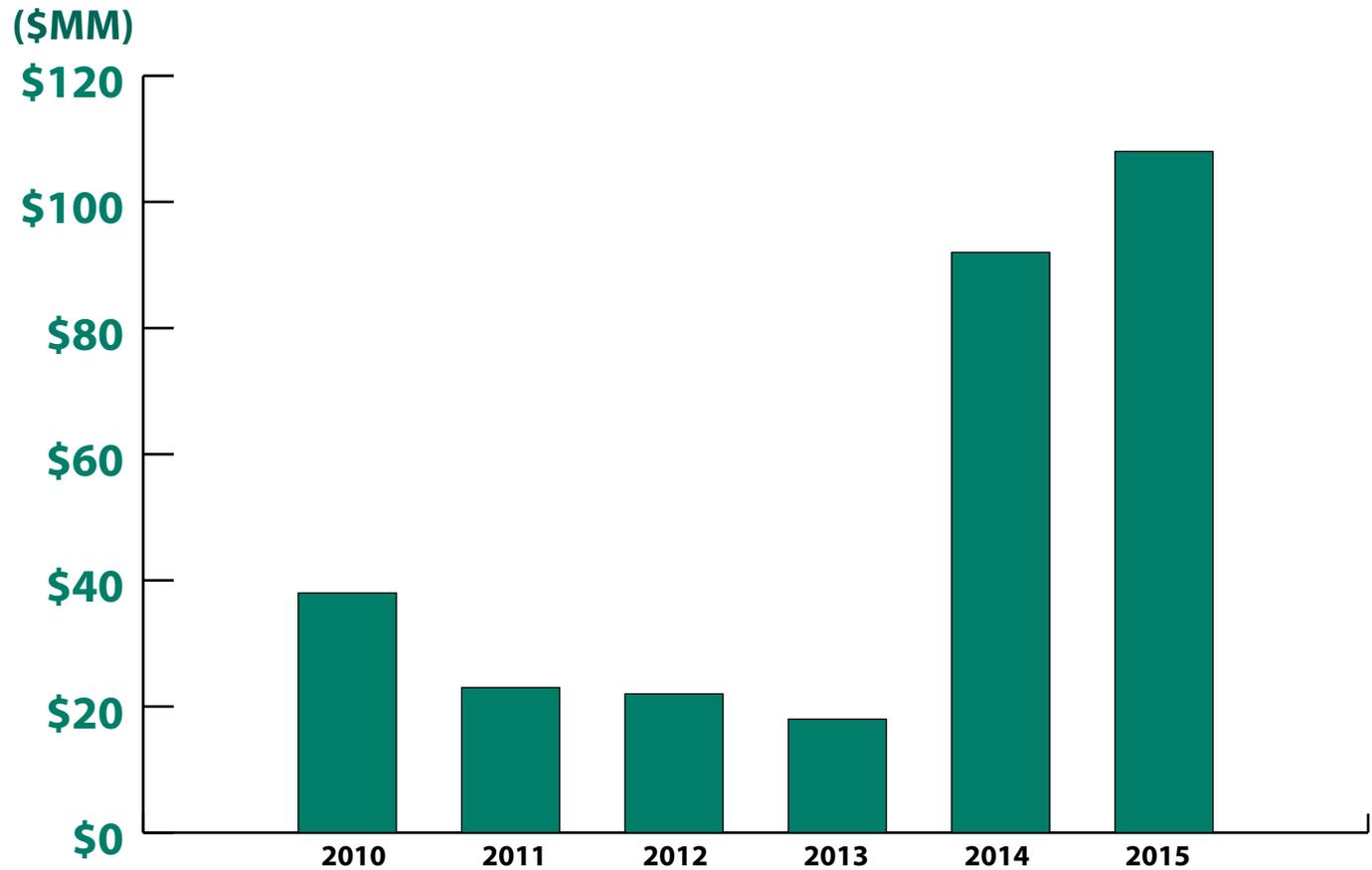
Loan and Deposit Growth



GRB enjoyed another year of tremendous loan growth as balances increased by 16.4% and reached a new all-time high of just more than \$348 million. Overall deposits also grew by 11% to almost \$397 million.



Residential Mortgage Volume



The residential mortgage division hit its stride this year with volumes increasing more than 16% and culminating with recognition by the *Rochester Business Journal* as the fourth largest residential mortgage lender in the region, by volume, for 2015.



Bank Officers as of 12/31/15

Senior Management

Philip Pecora, President & CEO

David Halladay, Chief Lending Officer

Paul Kaiser, Commercial Banking Team Lead

Allana Lazeroﬀ, Chief Operating Officer

Michael Pulver, Manager Residential Mortgage

Gary Schwingel, Chief Financial Officer

Commercial Banking

Aaron Fehnel, Credit Administration Manager

Kevin Flanagan, Commercial Credit Manager

Salavatore Gueli, Commercial Banking Team Lead

Mark Hogan, Portfolio Manager

Jennifer Keating, Collateral & Documentation Team Lead

Christopher Kiley, Merchant Services Team Lead

Timothy Levine, Commercial Relationship Manager

Nancy Maynard, Commercial Banking Team Lead

Maurice McKenzie, Commercial Relationship Manager

Patrick Murray, Senior Commercial Relationship Manager

Richard Owens, Commercial Relationship Manager

Raymond Pettine, Commercial Relationship Manager

Heather Porter, Commercial Operations Manager

Retail Banking

Kirstin Benwitz, Branch Manager

David Cushman, Community Relationship Manager

Paul Keenan, Retail Banking Manager

Linda Makowiecki, Branch Manager

Kelly Smith, Senior Retail Relationship Manager

Administration/Operations

Brandon Beardsley, Internal Audit Manager

Nicholas Dobbertin, Finance Manager

Cathy Doran, Bank Operations Team Lead

Christine Fell, Compliance Officer

Audrey Fletcher, Human Resources Manager

Stacey Michaels, Marketing Director

Deanna Moore, IT/Network Manager

Russ Munroe, Bank Operations Manager

Ami Panipinto, Loan Servicing Team Lead

Anne Siconolfi, Controller

Mortgage

Michael Davis, Mortgage Originator Team Lead

Jane Feltner, Mortgage Originator

John Milano, Mortgage Originator Team Lead

Linda Millar, Mortgage Operations Manager

Tracy Short, Residential Mortgage Underwriting Manager

Christopher Stevens, Residential Mortgage & Secondary Market





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