



Here. For You.





Welcome Home



In 2016, GRB moved to its new headquarters at 1850 South Winton Road in Brighton, near I-590. The new building provides ample space for growth and offers unique opportunities for GRB to engage with the community, using our facility to host seminars, networking meetings and other special events.



Photos by Peggy Felt



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 local 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 help grow Rochester 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 personal and business goals. With our focus on building a long-term, meaningful relationship, you'll deal 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

As the ranks of those who proudly call themselves community banks dwindle, GRB is pleased to be strengthening and furthering our mission each consecutive year. A testament to that commitment, in the spring of this past year, GRB moved into its new headquarters at 1850 South Winton Road. The new location brings all operations under one roof and provides the bank with capacity to accommodate our continued growth. Our new headquarters' central location in Brighton off of the I-590 expressway provides convenient access to both our employees and clients who reside throughout the Greater Rochester region.

Last year, GRB's commitment to the local housing market paid off as mortgage originations surpassed \$155 million, up more than 45% over the previous year. GRB assisted more than 1,000 households in obtaining a new home or refinancing their existing mortgage. This performance ranks GRB among the largest residential mortgage lenders in our market. With 87% representing purchase transactions, we anticipate further growth in this business segment despite the forecasted rise in interest rates.

With four years of consistent growth, we are developing a level of maturity in the residential mortgage business that is allowing us to embrace new technologies and consider entering associated lines of business that reinforce our position as a community bank. With the addition of dedicated affinity banking personnel, we anticipate that the synergies between our mortgage, retail and commercial businesses will continue to grow in 2017 as our clients benefit from the many new capabilities we bring to the banking relationship.

Our core strength of commercial banking continues to fuel our year over year balance sheet growth and secures our reputation as a premier financial partner for the region's small businesses. In 2016, our commercial banking team originated more than \$129 million in new loans, an 11% increase over the prior year's production. This dollar figure represents eighty-eight new commercial relationships added to the GRB family. Recognized as a Silver Award lender by the U.S. Small Business Administration, GRB is dedicated to growing its core lending business in a wide range of businesses from retail to franchise, manufacturing to software, high tech to services, and everything in between.



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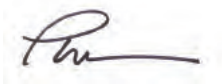
Lending activity is an important gauge of GRB's success; however, deposits are equally important as they are our primary funding source. Without deposits, we cannot fund loans. In 2016, GRB increased deposits nearly 17% to total more than \$462 million by year end. A significant contributor to our deposit growth is our strong penetration into the municipal banking business. Following New York State's move in 2012 to join other states in accepting reciprocal deposit products, GRB was able to aggressively build this business as larger institutions shied away from it. As a community bank, the punitive capital treatment and liquidity requirements dictated by the regulations did not represent as significant a concern and GRB was well prepared to take advantage of this timely market opportunity. In 2016, GRB increased its municipal deposits by more than 2.5 times 2015's performance to \$100 million. Beyond the competitive interest rates and exceptional service that is a core tenet of doing business with GRB, we are pleased to offer local governments the opportunity to invest local taxpayer funds with an institution that reinvests those dollars back into the community.

The regulatory environment continues to challenge the entire banking industry. While efforts to streamline or even repeal legislation seen as barriers to growth are being discussed, the road to implementation is likely going to take some time. We remain focused on leveraging the benefits of being a community bank and maintaining our position as a strong and agile financial institution that is prepared to find the opportunities in any change that comes our way. Through the years of the financial crisis and prolonged sluggish recovery, GRB has continuously enjoyed record growth and increasingly positive financial performance.

As a local, privately-held community bank that is also a small business, GRB is uniquely positioned to provide a level of relationship-driven service and financial advice to our clients. You may have noticed our new **Here. For You.** marketing campaign highlighting the intimate level of support we offer to our clients. We walk side by side with our customers, sharing in their challenges and opportunities, working to help them succeed. It is with great pride that we note how many of our clients are household names in the Rochester region. These companies embody innovation, service and the spirit of community. They provide us with dependable products and services, create jobs and make Rochester a better place to live.

On behalf of our Board of Directors and employees, I extend our deepest gratitude for the confidence and trust that our clients and referral partners place in GRB as we look forward to building on our strengths as a local institution that is truly **Here. For You.**

Sincerely,



Philip L. Pecora
President and CEO, Genesee Regional Bank





Board Of Directors

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E. Philip Saunders
President & CEO
Saunders Management Co.

Directors

Ronald D. Billitier
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Billitier Electric, Inc.

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Partner
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Co-President
Hahn Automotive Warehouse, Inc.

Dante Gullace
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Gary Haseley
Retired
Kaman Automation, Energy & Control

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

John M. Holahan
Retired President
Travel Ports of America

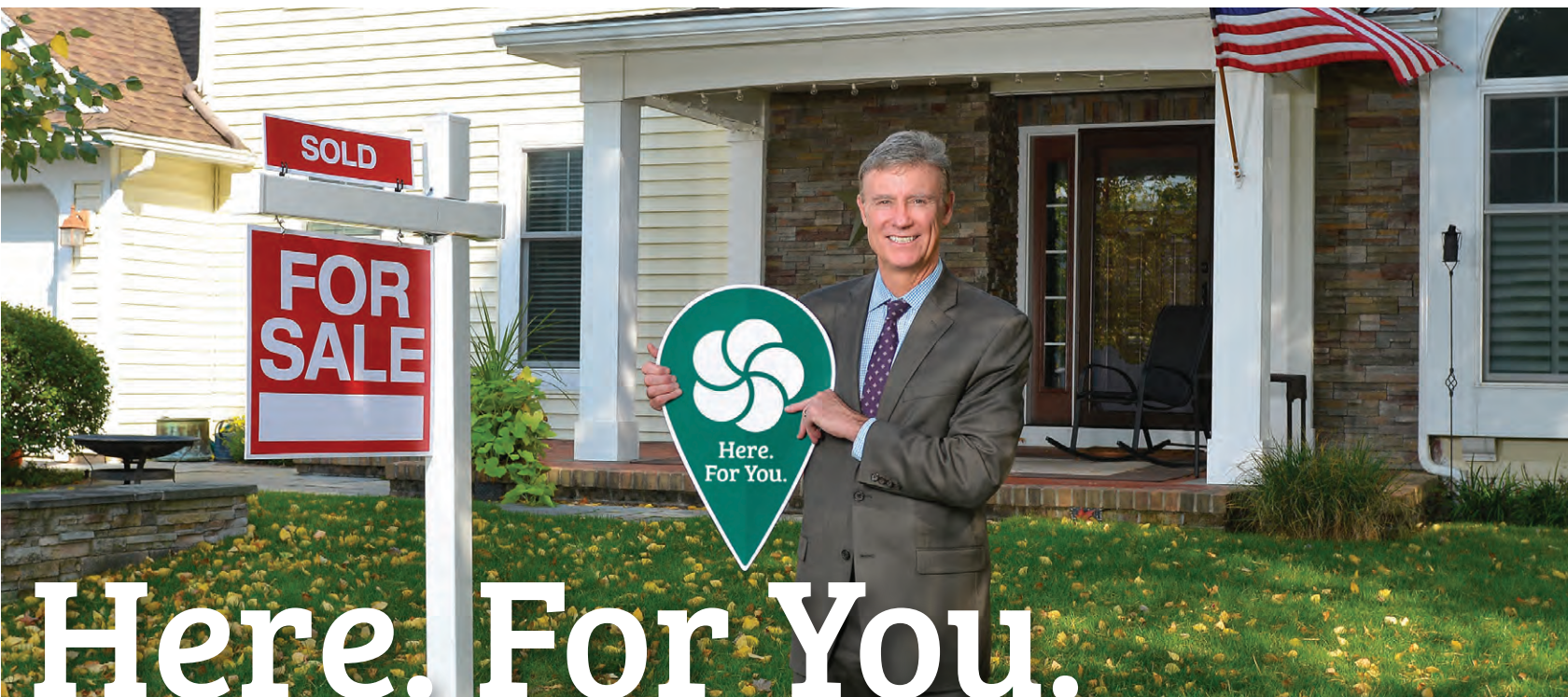
Giovanni LiDestri
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LiDestri Foods, Inc.

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Vice President
Ramsey Constructors

Philip L. Pecora
President & CEO
Genesee Regional Bank

Steven B. Sauer
President
Toshiba Business Solutions, New York

Daniel D. Tessoni, 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 they are passionate about. This community engagement was one of the factors that led to our designation as a 2016 Best Places to Work in New York State and a Rochester Top Workplace.



GRB's "Construction" Christmas Tree to benefit Foodlink and the Brighton Food Cupboard.



Team GRB at the Simpson Cup, which raises money for the On Course Foundation benefitting injured veterans.



The GRB Activities Tent for the Mary Cariola Children's Center Walking on Sunshine fundraiser.



Proud supporters of the Stroll for Strong Kids.



Fundraiser for the Veterans Outreach Center.



Here. For You.



Philip L. Pecora
President & CEO

E. Philip Saunders
Co-founder & Chairman

As a privately held bank in Monroe County, we have a keen understanding of the region, and can provide fast, common-sense decisions.

By reinvesting deposits in loans locally, we help grow businesses and nurture neighborhoods. To support the community, our team members contribute significant time, talent and treasure.

In the face of continued bank mergers, acquisitions and consolidations, GRB remains **Here. For You.**



Here. For You.

Commercial Banking
Personal Banking
Residential Mortgages

GRBbank.com
585-249-1540



Member FDIC. NMLS #417491



Financial Commentary

2016 proved to be another positive year for Greater Rochester Bancorp, Inc. (parent company of Genesee Regional Bank). Net income increased by over 28% from 2015, mainly as a result of higher net interest income and mortgage banking income. Assets increased by just over 17% while gross loans increased by more than 19%. These funding requirements were met by strong deposit growth of nearly 17%.

Key performance metrics in 2016 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 16.65% and return on assets was 1.13%. GRB’s net overhead ratio of 1.44% improved from 2015 and its efficiency ratio of 63.4% continues to compare favorably with peer banks, even given the rapid expansion of the cost-intensive residential mortgage banking business. Earnings per share in 2016 were \$120.65, a 30.3% increase over 2015.

Looking forward to 2017, GRB will continue to focus on growing core deposits, building on the success of the residential mortgage banking department and providing capital to clients in our effort to continue 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 2017. In the coming year, GRB will also focus on making investments to improve internal processes – including the implementation of several new technology solutions – to position the bank for future growth, ensure that all customers receive a superior level of service, and capture additional efficiencies. GRB is well positioned to continue on a path of healthy growth in 2017.





Balance Sheet

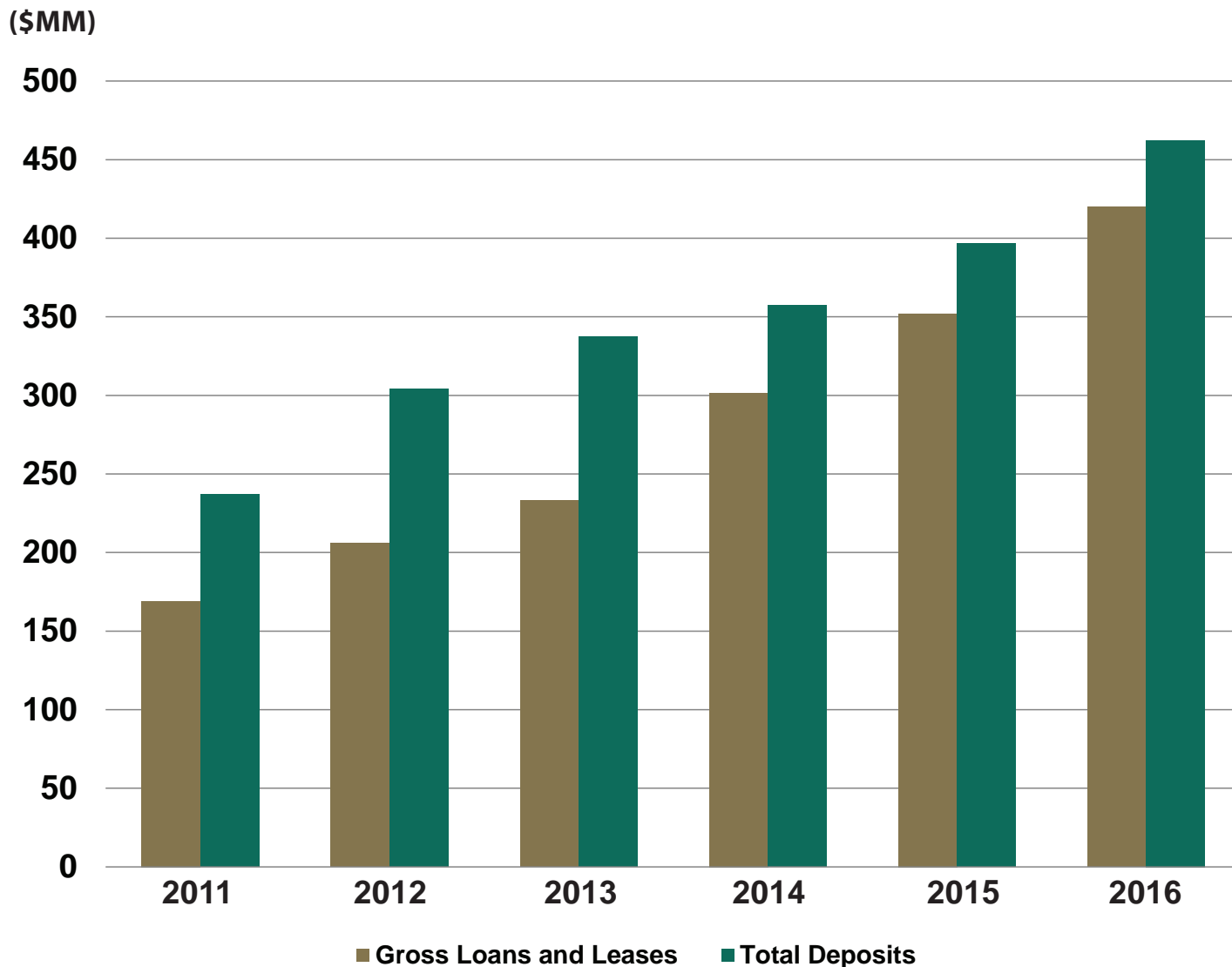
Balance Sheet	12/31/16	12/31/15
Loans	\$415,402,195	\$348,414,828
Allowance for Loan Losses	(\$4,404,099)	(\$3,557,791)
Cash & Due from Banks	\$27,971,578	\$22,502,431
Investments	\$90,791,640	\$84,094,712
Other Assets	\$10,533,372	\$9,603,687
Total Assets	\$540,294,686	\$461,057,867

Deposits	\$462,451,951	\$396,748,769
Borrowings	\$34,946,350	\$28,850,000
Other Liabilities	\$7,450,461	\$4,918,463
Owner's Equity	\$35,445,924	\$30,540,635
Total Equity/Liabilities	\$540,294,686	\$461,057,867

Key Performance Metrics	12/31/16	12/31/15
Return on Assets	1.13%	0.97%
Return on Shareholder's Equity	16.65%	15.05%
Efficiency Ratio	63.4%	61.8%
Earnings per Share	\$120.65	\$92.59
Non-performing Loans as a % of Loans	1.08%	1.50%



Loan and Deposit Growth

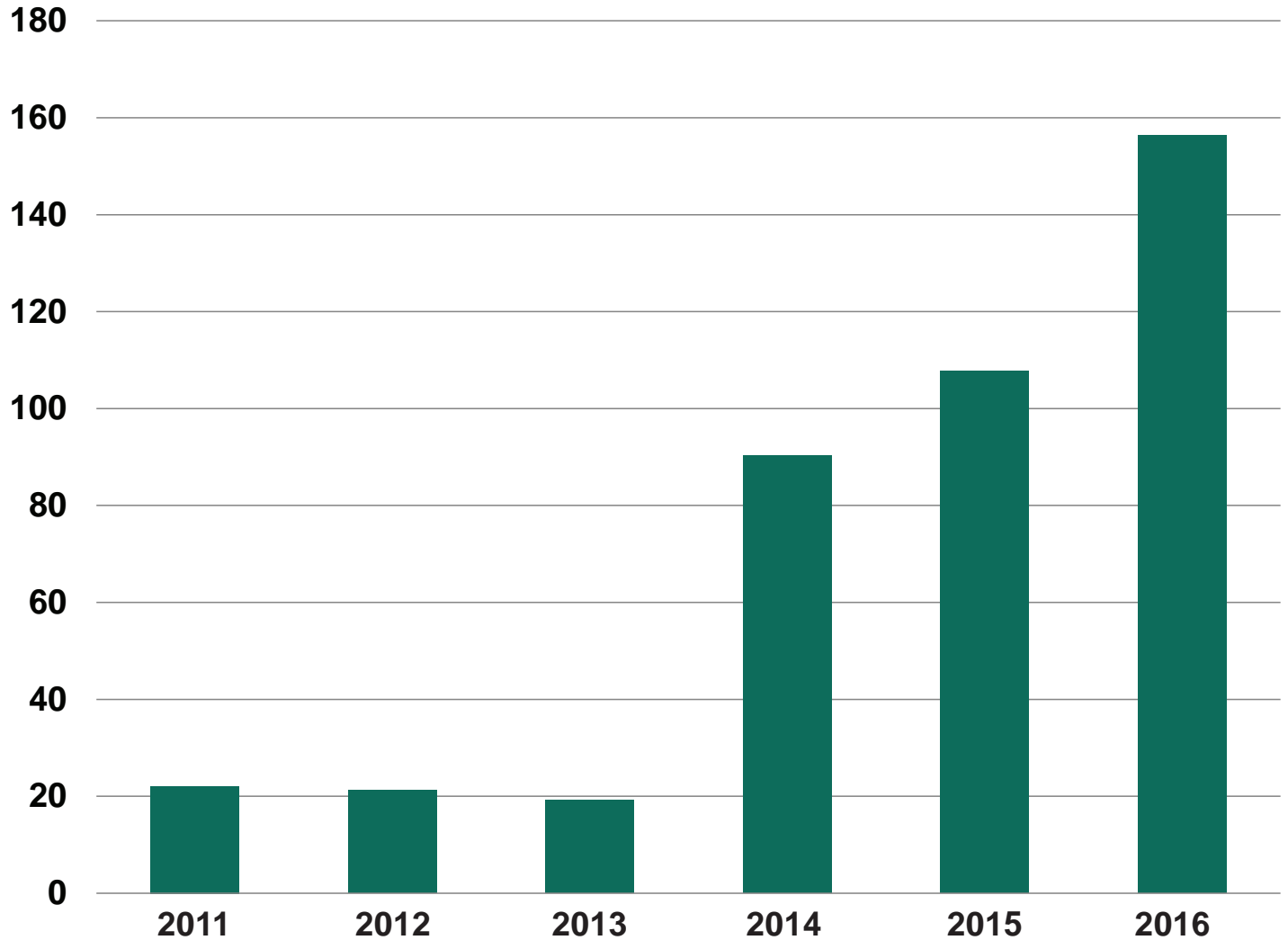


GRB enjoyed another year of tremendous loan growth as balances increased by more than 19% and reached a new all-time high of more than \$415 million. Overall deposits also grew by over 17% to more than \$462 million.



Residential Mortgage Volume

(\$MM)



The residential mortgage division had a great 2016 with volumes increasing more than 45% and culminating with recognition by the *Rochester Business Journal* as the fourth largest residential mortgage lender in the region, by volume, for the year.



Bank Officers as of 12/31/16

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

David Cushman, Professional Practice Relationship Manager
Cathy Doran, Commercial Services Manager
Aaron Fehnel, Credit Administration Manager
Kevin Flanagan, Commercial Credit Manager
Salavatore Gueli, Commercial Banking Team Leader
Mark Hogan, Portfolio Manager
Christopher Kiley, Merchant Services Team Lead
Timothy Levine, Commercial Relationship Manager
Maurice McKenzie, Group Manager, Commercial Banking
Patrick Murray, Commercial Banking Team Leader
Richard Owens, Senior Commercial Relationship Manager
Raymond Pettine, Commercial Relationship Manager

Retail Banking

Kirstin Benwitz, Branch Manager
Lida Kalantari, Community Relationship Manager
Paul Keenan, Retail Banking Manager
Linda Makowiecki, Branch Manager
Kelly Smith, Senior Retail Relationship Manager

Administration/Operations

Brandon Beardsley, Risk Management Officer
Catriona Bonenfant, Internal Audit Director
Nicholas Dobbertin, Finance Manager
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 Leader
Heather Porter, Director of Project Management
Anne Siconolfi, Controller

Mortgage

Jane Feltner, Mortgage Loan Originator
John Milano, Mortgage Loan Originator
Linda Millar, Mortgage Operations Manager
Tracy Short, Residential Mortgage Underwriting Manager
Christopher Stevens, Residential Mortgage & Secondary Market Manager



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