



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2013

Institution: Genesee Regional Bank
190-B Linden Oaks Drive
Rochester NY, 14625

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Genesee Regional Bank (“GRB”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2013.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

DFS evaluated GRB according to the small bank performance criteria pursuant to Parts 76.7 and 76.12 of the General Regulations of the Superintendent. This assessment period included calendar years 2009 through 2013. GRB is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs.

The rating is based on the following factors:

- **Loan-to-Deposit Ratio and Other Lending-Related Activities:** "Satisfactory"

GRB's average loan-to-deposit ("LTD") ratio was reasonable considering its size, business strategy, financial condition, and peer group activity. GRB's average LTD ratio of 71.8% was below its peer group's average of 76.9%. Over the course of the evaluation period, GRB's LTD ratios ranged from a high of 81.4% to a low of 64.5%.

- **Assessment Area Concentration:** "Satisfactory"

During the evaluation period, GRB originated 77.3% by number and 75.1% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a satisfactory record of lending.

- **Distribution by Borrowers Characteristics:** "Satisfactory"

The distribution of GRB's loans based on borrower characteristics demonstrated reasonable rates of lending to individuals of different income levels and businesses of different revenue sizes.

- **Geographic Distribution of Loans:** "Satisfactory"

The distribution of GRB's HMDA-reportable and small business loans in areas with different income levels demonstrated adequate rates of lending in low- and moderate-income ("LMI") areas.

- **Action Taken in Response to Written Complaints With Respect to CRA**

Since the prior CRA evaluation, as of December 31, 2008, neither GRB nor DFS received any written complaints regarding GRB's CRA performance.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

PERFORMANCE CONTEXT

Institution Profile

GRB is a commercial bank headquartered in Linden Oaks, a suburb of the City of Rochester in Monroe County, NY. GRB is a wholly owned subsidiary of Greater Rochester Bancorp, Inc., a bank holding company.

GRB operates two full service banking offices in the towns of Pittsford and Greece and two loan production offices in Rochester, where no branch transactions are available. Likewise, the headquarters in Linden Oaks provides non-cash transactions only. Supplementing the full service branches in Pittsford and Greece is an automated teller machine ("ATM") at each location. The branch offices are open from 8:55 AM until 5:05 PM, Monday through Friday. The Pittsford branch is located in an upper-income census tract and the Greece branch is in middle-income census tract.

GRB offers deposit accounts such as: checking, savings, certificates of deposit, health savings accounts, and individual retirement accounts. Additionally, GRB offers online banking where customers have the ability to perform a variety of transactions and overdraft protection.

Per GRB's Consolidated Report of Condition (the "Call Report") as of December 31, 2013, filed with the Federal Deposit Insurance Corporation ("FDIC"), GRB reported total assets of \$377.8 million, of which \$230.8 million were net loans and lease financing receivables. It also reported total deposits of \$339.7 million, resulting in a loan-to-deposit ratio of 68%. According to the latest available comparative deposit data as of June 30, 2013, GRB had a market share of 2.8%, or \$314 million in a market of \$11 billion, ranking it 8th among 16 deposit-taking institutions in its assessment area.

GRB faces intense competition from large regional and national banks in its assessment area. These banks include: Manufacturers and Traders Trust Company, JP Morgan Chase Bank and RBS Citizens. These three banks have a combined total of more than \$6.9 billion in deposit market share or 61%, and a total of eighty-five banking offices in the assessment area.

The following is a summary of GRB's loan portfolio, based on Schedule RC-C of GRB's December 31, 2009 through December 31, 2013 Call Reports:

TOTAL GROSS LOANS OUTSTANDING										
Loan Type	2009		2010		2011		2012		2013	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Res. Mgt. Lns	18,064	13.9	24,132	15.5	27,283	16.0	31,705	15.4	37,400	16.0
Commercial & Industrial Lns	43,781	33.7	44,492	28.7	60,224	35.4	75,386	36.5	82,865	35.5
Commercial Mortgage Lns	39,593	30.4	44,059	28.4	52,208	30.7	71,742	34.7	82,951	35.5
Multifamily Mortgages	2,506	1.9	6,284	4.0	9,698	5.7	10,404	5.0	9,751	4.2
Consumer Loans	4,144	3.2	4,357	2.8	1,898	1.1	1,872	0.9	1,393	0.6
Construction Loans	11,915	9.2	19,922	12.8	15,667	9.2	12,663	6.1	15,986	6.8
Farm Land Loans	2,092	1.6	646	0.4	1,075	0.6	1,152	0.6	1,856	0.8
Other Loans	7,970	6.1	11,350	7.3	1,963	1.2	1,608	0.8	1,307	0.6
Total Gross Loans	130,065	100.0	155,242	100.0	170,016	100.0	206,532	100.0	233,509	100.0

As illustrated in the above table, GRB is primarily a commercial lender, with 71.0% of its loan portfolio in commercial and industrial loans (35.5%) and commercial mortgage loans (35.5%), followed by residential lending at 16%.

DFS examiners did not identify financial or legal impediments that had an adverse impact on GRB's ability to meet the credit needs of its community.

Assessment Area

GRB's assessment area is comprised of Monroe County.

According to 2010 U.S. Census, there are 192 census tracts in the area, of which 40 (20.8%) are low-income, 34 (17.7%) are moderate-income, 71 (37%) are middle-income, 44 (22.9%) are upper-income, and 3 (1.6%) are tracts with no income indicated.

The assessment area appears reasonable based upon the location of GRB's offices and its lending patterns. Examiners did not find evidence suggesting that GRB arbitrarily excluded LMI areas.

Demographic & Economic Data

The assessment area had a population of 744,000 during the examination period. About 13.5% of the population were over the age of 65 and 19.7% were under the age of sixteen.

Of the 182,000 families in the assessment area, 21.4% were low-income, 17.0% were moderate-income, 21.2% were middle-income, and 40.4% were upper-income families. There were 291,000 households in the assessment area, of which 13.4% had income below the poverty level and 3.9% were on public assistance.

The weighted average median family income in the assessment area was \$68,000.

There were 318,000 housing units within the assessment area, of which 264,000 (83%) were one-to-four family units, and 51,000 (16.3%) were multifamily units. A majority (60.9%) of the area's housing units were owner-occupied, while 30.4% were rental units. Of the 194,000 owner-occupied housing units, 17.4% were in LMI census tracts, and 82.6% were in middle- and upper-income census tracts. The median age of the housing stock was 53 years, and the median home value in the assessment area was \$130,000.

There were 52,000 non-farm businesses in the assessment area. Of these, 70.8% were businesses with reported revenues of less than or equal to \$1 million, 5.4% reported revenues of more than \$1 million, and 23.8% did not report their revenues. Of all the businesses in the assessment area, 80.3% were businesses with less than fifty employees and 90.2% operated from a single location. The largest industries in the area were service providers (47%), retail trade (13%) and construction (7%), while 13% of businesses were not classified.

According to the New York State Department of Labor, the average unemployment rate in 2013 for Monroe County was 7.0% which was lower than the New York State average of 7.7%. Over the entire course of the evaluation period, the unemployment rate for Monroe County was marginally lower than that of the NYS average.

Assessment Area Unemployment Rates		
	NYS	Monroe
2009	8.3	8.0
2010	8.6	8.1
2011	8.2	7.7
2012	8.5	8.0
2013	7.7	7.0

Community Information

DFS examiners interviewed representatives from two community organizations for this evaluation. Both were involved in providing affordable housing and counseling services to LMI individuals and families.

GRB's assessment area is comprised of Monroe County which includes the City of Rochester. One community contact commented that Rochester was one of the poorest cities in New York. The comment was supported by a 2013 special report by Rochester Area Community Foundation and ACT Rochester, called "Poverty and the Concentration of Poverty in the Nine-County Greater Rochester Area." The ongoing problems for Monroe County and the City of Rochester are the loss of jobs due to companies downsizing and the migration of individuals to other states. This migration is most notable among philanthropic-minded individuals and college graduates.

The community contacts expressed that there is the need for institutions to provide financial education to LMI neighborhoods, mortgage refinancing programs to help avoid foreclosures, and affordable mortgage programs to assist first-time homebuyers.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated GRB according to the small bank performance criteria in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent, which consists of the lending test. This test includes (1) loan-to-deposit ratio and other lending-related activities; (2) assessment area concentration; (3) distribution of loans by borrower characteristics; (4) geographic distribution of loans; and (5) action taken in response to written complaints regarding CRA. DFS examiners also considered the following factors in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; evidence of any GRB practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; the institution's record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which GRB helped meet the credit needs of its entire community.

DFS used statistics in this evaluation derived from various sources. GRB submitted bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council (FFIEC) and deposit data from the FDIC. DFS calculated loan-to-deposit ratios from information shown in the GRB's Uniform Bank Performance Report, as submitted to the FDIC.

DFS derived the demographic data referred to in this report from the 2000 and 2010 U.S. censuses and the U.S. Department of Housing and Urban Development. DFS based business demographic data used in this report on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The assessment period included calendar years 2009 through 2013.

Examiners considered GRB's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted above.

DFS evaluated actual HMDA-reportable loan origination data in this performance evaluation. DFS extrapolated GRB's small business loan data from a total random sample of 272 loans for the five-year evaluation period.

Small business loan aggregate data are shown for comparative purposes. GRB is not required to report this data, and this data is not included in the aggregate data. As GRB made no small farm loans, all analyses were based only on small business lending.

At its **prior** Performance Evaluation as of December 31, 2008, DFS assigned GRB a rating of “2,” reflecting a “Satisfactory” record of helping to meet community credit needs.

Current CRA Rating: “Satisfactory”

Lending Test: “Satisfactory”

GRB’s HMDA-reportable and small business lending activity was reasonable in light of aggregate and peer group activity and the demographics of the assessment area.

LTD Ratio and other Lending-Related Activities: “Satisfactory”

GRB’s average LTD ratio was reasonable considering its size, business strategy, financial condition, and peer group activity. GRB’s average LTD ratio of 71.8% was below its peer group’s average of 76.9%. Over the course of the evaluation period, GRB’s LTD ratios ranged from a high of 81.4% to a low of 64.0%. The fluctuations in GRB’s LTD ratios were largely due to one customer making large withdrawals during the first and third quarters of each year for operational expenses, and re-depositing the funds during the second and fourth quarters of each year.

The table below shows GRB’s LTD ratios in comparison with the peer group’s ratios for the 20 quarters of the evaluation period:

	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	Avg.
Bank	78.4	70.5	77.0	77.4	69.7	79.7	81.4	68.5	75.2	76.1	70.0	71.1	69.9	71.6	65.7	67.3	64.5	69.5	64.0	68.1	71.8
Peer	85.1	83.7	82.8	81.1	79.3	78.8	77.8	76.7	74.9	75.0	74.4	73.9	71.9	74.3	74.5	74.0	73.2	74.9	75.1	75.8	76.9

Assessment Area Concentration: “Satisfactory”

During the evaluation period, GRB originated 77.3% by number and 75.1% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a satisfactory record of lending.

HMDA-Reportable Loans:

During the evaluation period, GRB originated 74.0% by number and 71.2% by dollar value of its HMDA-reportable loans within the assessment area, which showed improvement compared to the previous evaluation period’s ratios of 69.0% by number and 67.0% by dollar value.

Small Business Loans:

During the evaluation period, GRB originated 80.3% by number and 78.5% by dollar value of its small business loans within the assessment area. The small business lending displayed some fluctuations between 2009 and 2013. The year 2012 showed the lowest volume of lending by both number of loans (74.6%) and dollar value (64%). GRB's majority of lending inside of its assessment area was a satisfactory record of lending.

The following table shows the percentages of GRB's HMDA-reportable and small business loans originated inside and outside of the assessment area:

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2009	55	73.3%	20	26.7%	75	11,129	71.1%	4,518	28.9%	15,647
2010	122	73.5%	44	26.5%	166	25,102	71.9%	9,803	28.1%	34,905
2011	93	73.8%	33	26.2%	126	16,016	69.4%	7,062	30.6%	23,078
2012	85	73.3%	31	26.7%	116	18,211	68.4%	8,424	31.6%	26,635
2013	70	76.9%	21	23.1%	91	14,539	76.3%	4,518	23.7%	19,057
Subtotal	425	74.0%	149	26.0%	574	84,997	71.2%	34,325	28.8%	119,322
Small Business										
2009	73	79.3%	19	20.7%	92	19,284	78.2%	5,376	21.8%	24,660
2010	63	75.9%	20	24.1%	83	10,103	73.2%	3,699	26.8%	13,802
2011	91	74.6%	31	25.4%	122	17,089	64.0%	9,612	36.0%	26,701
2012	118	83.1%	24	16.9%	142	26,035	85.0%	4,594	15.0%	30,629
2013	141	84.9%	25	15.1%	166	31,227	86.0%	5,084	14.0%	36,311
Subtotal	486	80.3%	119	19.7%	605	103,738	78.5%	28,365	21.5%	132,103
Grand Total	911	77.3%	268	22.7%	1,179	188,735	75.1%	62,690	24.9%	251,425

Distribution by Borrower Characteristics: "Satisfactory"

The distribution of loans based on borrower characteristics demonstrated reasonable rates of lending to individuals across different income levels and businesses of different revenue sizes.

HMDA-Reportable Loans:

GRB's HMDA-reportable lending demonstrated a poor rate of lending to LMI borrowers.

GRB competes with seven national banks that held a combined deposit market share of 91.6%, and the top five institutions accounted for 44.9% of all lending activity in the assessment area. GRB held 0.5% of the market for loan originations.

With the region slowly recovering from the economic downturn, GRB is beginning to

show improvement, which is evident in its 2013 lending data, where it originated 15.9% by number and 8.1% by dollar value of loans to LMI borrowers, compared to 2009 at 9.1% and 4.8%, respectively.

The following table provides a summary of GRB's HMDA-reportable lending distribution by borrower income:

Distribution of 1-4 Family Loans by Borrower Income

2009												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	#	%	\$000's	%	%			
Low	1	1.8%	100	0.9%	1,686	10.2%	106,662	5.6%	19.7%			
Moderate	4	7.3%	437	3.9%	4,088	24.8%	357,071	18.7%	17.2%			
LMI	5	9.1%	537	4.8%	5,774	35.1%	463,733	24.2%	36.9%			
Middle	8	14.5%	975	8.8%	4,083	24.8%	431,559	22.6%	21.7%			
Upper	42	76.4%	9,617	86.4%	6,109	37.1%	957,078	50.0%	41.4%			
Unknown		0.0%		0.0%	490	3.0%	60,723	3.2%				
Total	55		11,129		16,456		1,913,093					
2010												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	#	%	\$000's	%	%			
Low	1	0.8%	248	1.0%	1,463	10.0%	89,464	5.3%	19.7%			
Moderate	14	11.5%	1,399	5.6%	3,498	24.0%	286,345	16.9%	17.2%			
LMI	15	12.3%	1,647	6.6%	4,961	34.0%	375,809	22.2%	36.9%			
Middle	17	13.9%	2,294	9.1%	3,598	24.7%	379,225	22.4%	21.7%			
Upper	87	71.3%	20,243	80.6%	5,718	39.2%	897,389	53.1%	41.4%			
Unknown	3	2.5%	918	3.7%	301	2.1%	37,916	2.2%				
Total	122		25,102		14,578		1,690,339					
2011												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	#	%	\$000's	%	%			
Low	1	1.1%	5	0.0%	1,395	9.8%	87,781	5.4%	19.7%			
Moderate	11	12.0%	986	6.2%	3,436	24.2%	283,664	17.4%	17.2%			
LMI	12	13.0%	991	6.2%	4,831	34.0%	371,445	22.8%	36.9%			
Middle	19	20.7%	2,380	15.0%	3,542	25.0%	367,417	22.5%	21.7%			
Upper	60	65.2%	12,421	78.0%	5,518	38.9%	853,929	52.4%	41.4%			
Unknown	1	1.1%	124	0.8%	303	2.1%	37,766	2.3%				
Total	92		15,916		14,194		1,630,557					
2012												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	#	%	\$000's	%	%			
Low	2	2.4%	179	1.1%	1,586	9.6%	106,040	5.4%	21.4%			
Moderate	8	9.6%	892	5.3%	3,627	21.9%	314,273	15.9%	17.0%			
LMI	10	12.0%	1,071	6.4%	5,213	31.5%	420,313	21.2%	38.4%			
Middle	8	9.6%	1,152	6.9%	4,312	26.0%	453,645	22.9%	21.2%			
Upper	60	72.3%	13,520	80.4%	6,571	39.7%	1,034,202	52.2%	40.4%			
Unknown	5	6.0%	1,067	6.3%	473	2.9%	72,599	3.7%				
Total	83		16,810		16,569		1,980,759					
2013												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	Data Not Available				%			
Low	3	4.3%	153	1.2%								21.4%
Moderate	8	11.6%	872	6.9%								17.0%
LMI	11	15.9%	1,025	8.1%								38.4%
Middle	10	14.5%	1,597	12.7%								21.2%
Upper	47	68.1%	9,941	78.8%								40.4%
Unknown	1	1.4%	56	0.4%								
Total	69		12,619									
GRAND TOTAL												
Borrower	Bank				Aggregate				Fam.Dem.			
Income	#	%	\$000's	%	#	%	\$000's	%	%			
Low	8	1.9%	685	0.8%	6,130	9.9%	389,947	5.4%				
Moderate	45	10.7%	4,586	5.6%	14,649	23.7%	1,241,353	17.2%				
LMI	53	12.6%	5,271	6.5%	20,779	33.6%	1,631,300	22.6%				
Middle	62	14.7%	8,398	10.3%	15,535	25.1%	1,631,846	22.6%				
Upper	296	70.3%	65,742	80.6%	23,916	38.7%	3,742,598	51.9%				
Unknown	10	2.4%	2,165	2.7%	1,567	2.5%	209,004	2.9%				
Total	421		81,576		61,797		7,214,748					

Small Business Loans:

GRB's small business loans demonstrated a reasonable rate of lending to businesses with revenues of \$1 million or less.

GRB originated 38.1% by number and 33.6% by dollar value of its business loans to businesses with revenues of \$1 million or less. This compared favorably with aggregate levels of 32.6% and 29.3%, respectively.

The following table provides a summary of the distribution of loans by revenue size of GRB's business borrowers during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business									
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	56	76.7%	14,791	76.7%	3,070	28.7%	129,625	28.9%	75.8%
Rev. > \$1MM	17	23.3%	4,493	23.3%					5.6%
Rev. Unknown	-	0.0%	0	0.0%					18.5%
Total	73		19,284		10,700		447,912		
2010									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	34	54.0%	5,385	53.3%	2,897	29.7%	128,002	30.6%	76.0%
Rev. > \$1MM	29	46.0%	4,718	46.7%					5.4%
Rev. Unknown	-	0.0%	0	0.0%					18.6%
Total	63		10,103		9,768		417,963		
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	22	24.2%	991	5.8%	4,185	36.2%	144,433	28.9%	66.9%
Rev. > \$1MM	69	75.8%	16,098	94.2%					3.8%
Rev. Unknown	-	0.0%	0	0.0%					29.3%
Total	91		17,089		11,548		500,586		
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	22	18.6%	4,173	16.0%	3,959	35.2%	129,627	28.9%	71.3%
Rev. > \$1MM	79	66.9%	16,527	63.5%					5.1%
Rev. Unknown	17	14.4%	5,335	20.5%					23.6%
Total	118		26,035		11,234		448,059		
*2013									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	Data Not Available				%
Rev. <= \$1MM	51	36.2%	9,531	30.5%					%
Rev. > \$1MM	77	54.6%	19,397	62.1%					%
Rev. Unknown	13	9.2%	2,299	7.4%					%
Total	141		31,227						%
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	185	38.1%	34,871	33.6%		32.6%		29.3%	
Rev. > \$1MM	271	55.8%	61,233	59.0%					
Rev. Unknown	30	6.2%	7,634	7.4%					
Total	486		103,738						

For small business lending, analysis was performed on a sample of 272 loans for the 5-year evaluation period. Number and dollar value of loans were then extrapolated from the resulting percentages and are not actual results.

Geographic Distribution of Loans: “Satisfactory”

The distribution of loans in census tracts of varying income levels demonstrated adequate rates of lending.

HMDA-Reportable Loans:

GRB’s overall lending fluctuated during the evaluation period, peaking in 2010 at 122 loans with a dollar value of \$25.1 million, while 2009 showed the lowest overall lending with 55 loans with a dollar value \$11.1 million.

GRB’s HMDA-reportable loans by the income level of the geography demonstrated a poor rate of lending in LMI geographies. This poor performance might be attributable to GRB’s low number of branches, a slow economy, and the highly competitive market conditions in GRB’s assessment area.

GRB’s average lending rates in LMI census tracts were 4.2% by number and 3.8% by dollar value of loans, compared to the aggregate’s rates of 10.9% and 7.1%, respectively. In 2012, however, GRB’s rate of lending in LMI census tracts improved to 8.2% by number and 10.5% by dollar value of loans and compared favorably with the aggregate’s rate of lending by dollar value (8.8%).

The following table provides a summary of GRB’s HMDA-reportable lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2009									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	290	1.8%	20,331	1.0%	4.9%
Moderate	1	1.8%	198	1.8%	1,462	8.9%	103,282	5.3%	10.7%
LMI	1	1.8%	198	1.8%	1,752	10.6%	123,613	6.3%	15.6%
Middle	9	16.4%	1,916	17.2%	6,914	41.9%	670,447	34.6%	42.4%
Upper	45	81.8%	9,015	81.0%	7,838	47.5%	1,145,232	59.1%	42.0%
Unknown		0.0%		0.0%		0.0%	113	0.0%	
Total	55		11,129		16,504		1,939,405		
2010									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	0.8%	132	0.5%	303	2.1%	16,181	0.9%	4.9%
Moderate	3	2.5%	240	1.0%	1,266	8.7%	92,553	5.0%	10.7%
LMI	4	3.3%	372	1.5%	1,569	10.7%	108,734	5.9%	15.6%
Middle	27	22.1%	3,872	15.4%	6,078	41.6%	674,006	36.7%	42.4%
Upper	91	74.6%	20,858	83.1%	6,979	47.7%	1,052,195	57.3%	42.0%
Unknown		0.0%		0.0%		0.0%		0.0%	
Total	122		25,102		14,626		1,834,935		
2011									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	312	2.2%	28,246	1.6%	4.9%
Moderate	2	2.2%	270	1.7%	1,163	8.1%	94,061	5.4%	10.7%
LMI	2	2.2%	270	1.7%	1,475	10.3%	122,307	7.0%	15.6%
Middle	25	26.9%	3,194	19.9%	5,908	41.4%	622,850	35.7%	42.4%
Upper	66	71.0%	12,552	78.4%	6,891	48.3%	999,766	57.3%	42.0%
Unknown		0.0%		0.0%	1	0.0%	83	0.0%	
Total	93		16,016		14,275		1,745,006		
2012									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	2.4%	268	1.5%	391	2.3%	38,586	1.9%	4.6%
Moderate	5	5.9%	1,653	9.1%	1,561	9.4%	144,033	6.9%	12.7%
LMI	7	8.2%	1,921	10.5%	1,952	11.7%	182,619	8.8%	17.3%
Middle	19	22.4%	2,967	16.3%	7,973	47.9%	850,217	40.9%	48.6%
Upper	59	69.4%	13,323	73.2%	6,721	40.4%	1,044,407	50.3%	34.1%
Unknown		0.0%		0.0%	2	0.0%	101	0.0%	1.0%
Total	85		18,211		16,648		2,077,344		
2013									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	2.9%	280	1.9%	Data Not Available				4.6%
Moderate	2	2.9%	166	1.1%					12.7%
LMI	4	5.7%	446	3.1%					17.3%
Middle	21	30.0%	2,783	19.1%					48.6%
Upper	45	64.3%	11,310	77.8%					34.1%
Unknown		0.0%		0.0%					
Total	70		14,539						
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	1.2%	680	0.8%	1,296	2.1%	103,344	1.4%	
Moderate	13	3.1%	2,527	3.0%	5,452	8.8%	433,929	5.7%	
LMI	18	4.2%	3,207	3.8%	6,748	10.9%	537,273	7.1%	
Middle	101	23.8%	14,732	17.3%	26,873	43.3%	2,817,520	37.1%	
Upper	306	72.0%	67,058	78.9%	28,429	45.8%	4,241,600	55.8%	
Unknown	-	0.0%	-	0.0%	3	0.0%	297	0.0%	
Total	425		84,997		62,053		7,596,690		

Small Business Loans:

The distribution of small business loans based on the income level of the geography of the business demonstrated a reasonable rate of lending.

During the evaluation period, GRB originated 27.2% by number and 22.8% by dollar value of its business loans in LMI census tracts. This compared favorably to the aggregate level by number of loans (20.3%) but unfavorably to the aggregate level by dollar value (25.5%). For the three years from 2009 to 2011, GRB's rate of lending by number and dollar value outperformed the aggregate and the business demographics in the assessment area.

The following table provides a summary of GRB's small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2009									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	14	19.2%	3,780	19.6%	829	7.7%	48,116	10.7%	12.0%
Moderate	10	13.7%	2,526	13.1%	1,237	11.6%	60,081	13.4%	13.4%
LMI	24	32.9%	6,306	32.7%	2,066	19.3%	108,197	24.2%	25.4%
Middle	23	31.5%	6,132	31.8%	4,034	37.7%	186,638	41.7%	37.8%
Upper	26	35.6%	6,846	35.5%	4,598	43.0%	153,027	34.2%	36.6%
Unknown		0.0%		0.0%	2	0.0%	50	0.0%	0.1%
Total	73		19,284		10,700		447,912		
2010									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	8	12.7%	1,212	12.0%	741	7.6%	46,349	11.1%	10.9%
Moderate	10	15.9%	1,617	16.0%	1,216	12.4%	61,023	14.6%	13.0%
LMI	18	28.6%	2,829	28.0%	1,957	20.0%	107,372	25.7%	23.9%
Middle	19	30.2%	3,101	30.7%	3,758	38.5%	165,874	39.7%	38.2%
Upper	26	41.3%	4,173	41.3%	4,051	41.5%	144,702	34.6%	37.8%
Unknown		0.0%		0.0%	2	0.0%	15	0.0%	0.1%
Total	63		10,103		9,768		417,963		
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	22	24.2%	3,725	21.8%	861	7.5%	53,198	10.6%	10.4%
Moderate	9	9.9%	906	5.3%	1,432	12.4%	73,288	14.6%	12.7%
LMI	31	34.1%	4,631	27.1%	2,293	19.9%	126,486	25.3%	23.1%
Middle	17	18.7%	3,230	18.9%	4,345	37.6%	202,419	40.4%	38.7%
Upper	43	47.3%	9,228	54.0%	4,908	42.5%	171,670	34.3%	38.2%
Unknown		0.0%		0.0%	2	0.0%	11	0.0%	0.1%
Total	91		17,089		11,548		500,586		
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	10	8.5%	2,333	9.0%	1,276	11.4%	77,062	17.2%	13.0%
Moderate	19	16.1%	1,989	7.6%	1,198	10.7%	44,406	9.9%	12.2%
LMI	29	24.6%	4,322	16.6%	2,474	22.0%	121,468	27.1%	25.2%
Middle	28	23.7%	10,023	38.5%	4,934	43.9%	195,509	43.6%	43.7%
Upper	61	51.7%	11,690	44.9%	3,812	33.9%	130,700	29.2%	30.8%
Unknown		0.0%		0.0%	14	0.1%	382	0.1%	0.2%
Total	118		26,035		11,234		448,059		
2013									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	Data Not Available				%
Low	13	9.2%	2,717	8.7%	Data Not Available				13.2%
Moderate	17	12.1%	2,842	9.1%	Data Not Available				12.1%
LMI	30	21.3%	5,559	17.8%	Data Not Available				25.2%
Middle	21	14.9%	5,933	19.0%	Data Not Available				43.3%
Upper	90	63.8%	19,735	63.2%	Data Not Available				31.2%
Unknown		0.0%		0.0%	Data Not Available				0.3%
Total	141		31,227						
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	67	13.8%	13,767	13.3%	3,707	8.6%	224,725	12.4%	
Moderate	65	13.4%	9,880	9.5%	5,083	11.8%	238,798	13.2%	
LMI	132	27.2%	23,647	22.8%	8,790	20.3%	463,523	25.5%	
Middle	108	22.2%	28,419	27.4%	17,071	39.5%	750,440	41.4%	
Upper	246	50.6%	51,672	49.8%	17,369	40.2%	600,099	33.1%	
Unknown	-	0.0%	-	0.0%	20	0.0%	458	0.0%	
Total	486		103,738		43,250		1,814,520		

Action Taken In Response to Written Complaints with Respect to CRA:

Neither GRB nor DFS received any written complaints related to its CRA performance since the prior CRA evaluation.

Additional Factors

The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The CRA officer oversees and coordinates compliance with the provisions of CRA. GRB's board of directors is responsible for ensuring that CRA is a fundamental part of GRB's business. CRA matters are presented to the board through the Compliance Committee. The CRA policy and procedures are reviewed and approved by the board annually.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

DFS did not note evidence of practices by GRB intended to discourage applications for the types of credit offered by GRB.

Evidence of prohibited discriminatory or other illegal credit practices.

DFS examiners did not find evidence of prohibited discriminatory or other illegal credit practices.

Record of opening and closing offices and providing services at offices

GRB has five office locations, two of which were opened in 2013 for loan production only. Both of these offices are located in the City of Rochester. One is in an upper-income census tract and the other is in a middle-income census tract. The two full service branches in Greece and Pittsford are located in middle- and upper-income census tracts and are open from 8:55 AM to 5:05 PM, Monday through Friday. These branches are supported by a non-deposit capability ATM network. GRB reimburses its customers up to \$10.00 per month for non-GRB ATM fees. GRB's Linden Oaks office serves as its headquarters and offers limited banking services (non-cash transactions only).

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Monroe	0	0	0	2	3	5	0%
Total	-	-	-	2	3	5	0%

Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

GRB employees, especially senior management are active members in various nonprofit and community based organizations. During the evaluation period, five senior bank officers served on the boards, or were members of committees of nonprofit organizations that provide services for LMI individuals and families, and affordable housing in GRB's assessment area.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

GRB advertises its products and services through various local magazines and journals. In addition to print advertising, GRB gains recognition through business-related, charitable sponsorships and its website.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

During the evaluation period, GRB received several awards from the Small Business Administration. These included the Silver Award given to lenders whose small business loan volume is between \$5 million and \$10 million, and the Bronze Award for lenders with small business loan volume over \$1 million.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

“Community development”:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

Community Development Loan

A loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

Service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.