



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

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: June 30, 2019

Institution: Genesee Regional Bank
1850 South Winton Road
Rochester, NY 14618

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” or the “Bank”) 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 June 30, 2019.

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 (“GRS”) 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 intermediate small bank performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2017 and 2018 for the lending test, and April 1, 2017 through June 30, 2019 for the community development test. GRB is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

Lending Test: Satisfactory

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, and financial condition, as well as the lending activity of its peer group, and the demographic characteristics and credit needs of its assessment area.

The Bank's average LTD ratio of 86.8% exceeded the peer group's average rate of 82.1%.

Assessment Area Concentration: Satisfactory

During the evaluation period, GRB originated 77.5% by number and 78.7% by dollar value of its total HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable concentration of lending within the Bank's assessment area.

Distribution by Borrower Characteristics: Satisfactory

GRB's one-to-four family HMDA-reportable and small business lending demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

Geographic Distribution of Loans: Satisfactory

GRB's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither DFS nor GRB received any written complaints during the evaluation period regarding GRB's CRA performance.

Community Development Test: Outstanding

GRB's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering the Bank's capacity, and the need for and availability of opportunities for community development in its assessment area.

Community Development Lending: Outstanding

During the evaluation period, GRB originated \$16.5 million in new community development loans, and had \$22.4 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Qualified Investments: Satisfactory

During the evaluation period, GRB made \$3.4 million in new qualified investments and had \$115,000 outstanding from prior evaluation periods. In addition, the Bank made \$41,000 in qualified grants. This demonstrated a reasonable level of qualified investments over the course of the evaluation period.

Community Development Services: Satisfactory

GRB demonstrated a reasonable level of community development services over the course of the evaluation period.

Senior management and staff participated on the boards of local community organizations that provide affordable housing and community services. Bank employees also participated in housing seminars.

Innovative or Complex Lending and Investment Practices

GRB did not make use of innovative investments to support community development.

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 GRS Part 76.

PERFORMANCE CONTEXT

Institution Profile

GRB is a commercial bank headquartered in Rochester, Monroe County, New York. The Bank is a wholly owned subsidiary of Greater Rochester Bancorp, Inc.

GRB operates three full-service branches located in either middle- or upper-income census tracts in the towns of Winton, Pittsford, and Greece. The branch in Winton, located at the Bank's headquarters, was opened during the current evaluation period. The Bank also operates a mortgage representative office in Liverpool, NY, opened in May of 2019. Automated teller machines ("ATM") that are owned and operated by eGlobal supplement the banking offices. Three of the ATMs are located at the three branches, and one is located at an off-site retail facility in an upper-income census tract. In addition, the Bank has an agreement with three ATM network providers that combined offer GRB customers surcharge free access to more than 100,000 ATMs throughout the United States.

GRB offers a variety of deposit products, including consumer and business checking, savings, and money market accounts, and municipal banking. Loan products offered include residential construction and mortgage loans, personal and auto loans, as well as commercial mortgage loans, lines-of-credit and letters of credit. Banking services offered include online and mobile banking, which allows customers to perform a variety of banking services remotely 24 hours a day.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2018, filed with the Federal Deposit Insurance Corporation ("FDIC"), GRB reported total assets of \$581.7 million, of which \$424.3 million were net loans and lease financing receivables. It also reported total deposits of \$480.2 million, resulting in a LTD ratio of 88.3%. According to the latest available comparative deposit data, as of June 30, 2019, GRB had a market share of 3.53%, or \$505.2 million in a market of \$14.3 billion, ranking it 7th among 15 deposit-taking institutions in its assessment area.

The following is a summary of GRB's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2017 and 2018 Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
Loan Type	2017		2018	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	65,386	15.3	71,241	16.5
Commercial & Industrial Loans	131,797	30.9	130,418	30.1
Commercial Mortgage Loans	154,981	36.4	166,207	38.4
Multifamily Mortgages	24,638	5.8	17,626	4.1
Consumer Loans	4,440	1.0	4,712	1.1
Farmland Loans	613	0.1	591	0.1
Construction Loans	35,453	8.3	33,398	7.7
Other Loans	8,872	2.1	8,839	2.0
Total Gross Loans	426,180		433,032	

As illustrated in the above table, GRB is primarily a commercial lender. As of December 31, 2018, commercial & industrial and commercial mortgage loans accounted for 68.5% of total gross loans, while 1-4 family residential mortgages and multifamily mortgages made up 20.6% of the gross loan portfolio.

Examiners did not find evidence of 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.

There are 193 census tracts in the area, of which 44 are low-income, 29 are moderate-income, 62 are middle-income, 53 are upper-income, and five are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Monroe	5	44	29	62	53	193	37.8
Total	5	44	29	62	53	193	37.8

Demographic & Economic Data

The assessment area had a population of 749,356 during the evaluation period. Approximately 15% of the population was over the age of 65 and 19.1% was under the age of sixteen.

Of the 182,181 families in the assessment area 22% were low-income, 16.4% were moderate-income, 19.3% were middle-income and 42.3% were upper-income

families. There were 299,764 households in the assessment area, of which 14.1% had income below the poverty level and 4.6% are on public assistance.

The weighted median family income in the assessment area was \$71,891.

There were 323,313 housing units within the assessment area, of which 82.4% were one-to-four family units and 16.8% were multifamily units. A majority (59.5%) of the area's housing units were owner-occupied, while 33.2% were rental units. Of the 192,326 owner-occupied housing units, 15.5% were in LMI census tracts while 84.5% were in middle- and upper-income census tracts. The median age of the housing stock was 57 years, and the median home value in the assessment area was \$132,345.

There were 40,862 non-farm businesses in the assessment area. Of these, 81% were businesses with reported revenues of less than or equal to \$1 million, 7.6% reported revenues of more than \$1 million, and 11.4% did not report their revenues. Of all the businesses in the assessment area, 95.8% were businesses with less than fifty employees while 86.6% operated from a single location. The largest industries in the area were services (46.5%), retail trade (14.1%), and finance, insurance and real estate (7.9%); while 9.5% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State was lower than the annual unemployment rate for Monroe County for each year of the evaluation period. However, unemployment rates for New York State and Monroe County both declined during the evaluation period.

Assessment Area Unemployment Rate		
Year	New York State	Monroe County
2018	4.1	4.3
2017	4.7	4.9
Average	4.4	4.6

Community Information

DFS examiners conducted interviews with two community organizations active in the Bank's assessment area.

One organization is a regional small business development organization providing resources to small business owners including general business advice, and assistance in developing a marketing plan and securing financing. The representative of this organization specified that financial education continues to be a primary need in the assessment area. This includes training programs and counseling for potential and small business owners on developing a business plan and applying and securing a small business loan. Credit scores are a major factor for loan denials to small business owners.

The second organization promotes sustainable and affordable housing for seniors and homeowners, offers services and programs to prevent homelessness, and partners with community-based organizations to offer financial counseling and aid to first-time homebuyers. The representative of this organization indicated that there is a need for workforce development programs and a better public transportation system to allow better access to employment opportunities in Rochester. The representative identified the need for financial education, physical bank branches and rehab loans. The representative also noted while 70% of the housing stock in the area was built before 1940 and much of it requires repairs, it is difficult for smaller landlords to obtain financing for the purpose of maintaining their properties.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated GRB under the intermediate small bank performance standards in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending 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.*

The community development test includes:

- 1. Community development lending;*
- 2. Community development investments;*
- 3. Community development services; and*
- 4. Responsiveness to community development needs.*

DFS also considered the following factors in assessing the bank's record of performance:

- 1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Evidence of any practices intended to discourage credit applications;*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. Record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

DFS derived statistics employed in this evaluation from various sources. GRB submitted bank-specific information both as part of the examination process and in 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 obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

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

The evaluation period included calendar years 2017 and 2018 for the lending test, and April 1, 2017 through June 30, 2019 for the community development test.

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

HMDA-reportable loan data evaluated in this performance evaluation represented actual originations. Small business loans were evaluated based on a random sample of 59 loans.

Because GRB is not required to report small business loan data, GRB's small business and small farm lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

Examiners gave greater weight to GRB's HMDA-reportable loans in this evaluation, as they represented 83% by number and 71.6% by dollar value of total HMDA-reportable and small business loans originated by GRB within its assessment area.

At its **prior** Performance Evaluation, as of March 31, 2017, DFS assigned GRB a rating of "2," reflecting a "Satisfactory" record of helping to meet the credit needs of GRB's community.

Current CRA Rating: Satisfactory

Lending Test: Satisfactory

GRB's HMDA-reportable and small business lending activities were reasonable in light of GRB's size, business strategy, and financial condition, as well as aggregate and peer group activity, and the demographic characteristics and credit needs of the assessment area.

Loan-to-Deposit Ratio and other Lending-Related Activities: Satisfactory

GRB's average LTD ratio was reasonable considering its size, business strategy, and financial condition, as well as the lending activity of its peer group and the demographic characteristics and credit needs of its assessment area.

GRB's average LTD ratio of 86.8% exceeded the peer group's average ratio of 82.1%. The Bank's market share of HMDA lending was 4th and 8th among 204 and 187 HMDA lenders within the Bank's assessment area in 2017 and 2018, respectively.

The following table shows GRB's LTD ratios in comparison with the peer group's ratios for the eight quarters of this evaluation period.

Loan-to-Deposit Ratios									
	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Avg.
Bank	81.7	92.1	87.8	88.3	85.6	86.4	83.7	89.1	86.8
Peer	80.4	81.7	82.1	82.2	81.7	82.8	83.2	83.1	82.1

Assessment Area Concentration: Satisfactory

During the evaluation period, GRB originated 77.5% by number and 78.7% by dollar value of its total HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable concentration of lending.

HMDA-Reportable Loans:

During the evaluation period, GRB originated 76.5% by number and 74.4% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of its assessment area reflects a reasonable concentration of lending.

Small Business Loans:

During the evaluation period, GRB originated 83.1% by number and 92% by dollar value of its small business loans within the assessment area. This majority of lending inside of its assessment area reflects a reasonable concentration of lending.

The following table shows the percentages of the Bank'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										
2017	681	78.4%	188	21.6%	869	110,540	76.9%	33,242	23.1%	143,782
2018	588	74.4%	202	25.6%	790	95,204	71.8%	37,411	28.2%	132,615
Subtotal	1,269	76.5%	390	23.5%	1,659	205,744	74.4%	70,653	25.6%	276,397
Small Business										
2017	141	86.5%	22	13.5%	163	46,663	97.2%	1,344	2.8%	48,007
2018	119	79.3%	31	20.7%	150	34,788	85.9%	5,710	14.1%	40,498
Subtotal	260	83.1%	53	16.9%	313	81,451	92.0%	7,054	8.0%	88,505
Grand Total	1,529	77.5%	443	22.5%	1,972	287,195	78.7%	77,707	21.3%	364,902

* DFS based its analysis of HMDA-reportable lending on actual loans. For small business lending, DFS analyzed a sample of 30 loans in 2017 and 29 loans in 2018. DFS then extrapolated the number and dollar volume of loans from the resulting percentages.

Distribution by Borrower Characteristics: Satisfactory

GRB's one-to-four HMDA-reportable and small business lending demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes. Greater weight was given to one-to-four family HMDA-reportable loans, as they made up 83% by number and 70.4% by dollar value of total loans originated within the assessment area.

One-to-Four Family HMDA-Reportable Loans:

GRB's HMDA-reportable lending demonstrated a reasonable distribution of loans among borrowers of different income levels.

GRB's average rate of lending to LMI borrowers was 37.7% by number and 26.8% by dollar value of loans. This level of lending was higher than the aggregate's rates of 32.2% and 22.6%, respectively. In addition, GRB's average rate of lending by number of loans was comparable to the assessment area LMI family demographic of 38.4%.

The following table provides a summary of the distribution of the Bank's one-to-four family HMDA-reportable loans by borrower income.

Distribution of one-to-four Family Loans by Borrower Income									
2017									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	57	8.4%	5,024	4.8%	1,200	8.9%	83,630	5.0%	22.0%
Moderate	181	26.7%	19,681	18.7%	3,009	22.4%	271,489	16.2%	16.4%
LMI	238	35.1%	24,705	23.4%	4,209	31.4%	355,119	21.2%	38.4%
Middle	181	26.7%	23,716	22.5%	3,454	25.7%	389,902	23.3%	19.3%
Upper	257	37.9%	51,649	49.0%	5,277	39.3%	862,924	51.5%	42.3%
Unknown	2	0.3%	5,350	5.1%	480	3.6%	66,319	4.0%	
Total	678		105,420		13,420		1,674,264		
2018									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	63	10.8%	5,779	6.5%	1,668	9.8%	118,710	5.8%	22.0%
Moderate	176	30.0%	21,520	24.3%	3,921	23.0%	363,435	17.9%	16.4%
LMI	239	40.8%	27,299	30.9%	5,589	32.8%	482,145	23.7%	38.4%
Middle	160	27.3%	23,191	26.2%	4,041	23.7%	448,445	22.1%	19.3%
Upper	187	31.9%	37,914	42.9%	6,218	36.5%	942,210	46.3%	42.3%
Unknown		0.0%		0.0%	1,197	7.0%	160,155	7.9%	
Total	586		88,404		17,045		2,032,955		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	120	9.5%	10,803	5.6%	2,868	9.4%	202,340	5.5%	
Moderate	357	28.2%	41,201	21.3%	6,930	22.7%	634,924	17.1%	
LMI	477	37.7%	52,004	26.8%	9,798	32.2%	837,264	22.6%	
Middle	341	27.0%	46,907	24.2%	7,495	24.6%	838,347	22.6%	
Upper	444	35.1%	89,563	46.2%	11,495	37.7%	1,805,134	48.7%	
Unknown	2	0.2%	5,350	2.8%	1,677	5.5%	226,474	6.1%	
Total	1,264		193,824		30,465		3,707,219		

Small Business Loans:

GRB's small business lending demonstrated a less than adequate distribution of loans among businesses of different revenue sizes.

GRB's average rates of lending of 40.8% by number and 20.6% by dollar value of loans to small business with gross annual revenues of \$1 million or less trailed the aggregate's rates of 47.6% and 30%, respectively. The lending rates for the Bank and the aggregate were well below the assessment area's business demographic, where 81% of businesses had gross annual revenue of \$1 million or less.

The following table provides a summary of the distribution of the Bank's small business lending by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2017									
Rev. Size	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	65	46.1%	9,239	19.8%	5,697	49.2%	164,028	30.3%	80.5%
Rev. > \$1MM	76	53.9%	37,424	80.2%					7.8%
Rev. Unknown		0.0%		0.0%					11.7%
Total	141		46,663		11,587		541,713		
2018									
Rev. Size	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	41	34.5%	7,549	21.7%	5,856	46.3%	163,547	29.7%	81.0%
Rev. > \$1MM	78	65.5%	27,239	78.3%					7.6%
Rev. Unknown		0.0%		0.0%					11.4%
Total	119		34,788		12,659		550,173		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	106	40.8%	16,788	20.6%	11,553	47.6%	327,575	30.0%	
Rev. > \$1MM	154	59.2%	64,663	79.4%					
Rev. Unknown		0.0%		0.0%					
Total	260		81,451		24,246		1,091,886		

Geographic Distribution of Loans: Satisfactory

GRB's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

HMDA-Reportable Loans:

The distribution of GRB's HMDA-reportable loans among census tracts of different income levels was reasonable.

GRB's average rates of lending in LMI census tracts for the evaluation period were 16.5%

by number and 10.3% by dollar value of loans. GRB's rate of lending by number outperformed the aggregate's rate of 13.9% and its rate of lending by dollar value was in line with the aggregate's rate of 10%. GRB's average rate of lending by number of loans exceeded the LMI demographic for owner-occupied housing units, while GRB's rate of lending by dollar value of loans trailed the LMI demographic.

The following table provides a summary of the distribution of the Bank's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2017									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	15	2.2%	1,208	1.1%	495	3.7%	78,611	3.9%	5.1%
Moderate	87	12.8%	8,000	7.2%	1,469	10.9%	140,773	7.0%	10.4%
LMI	102	15.0%	9,208	8.3%	1,964	14.5%	219,384	10.9%	15.5%
Middle	307	45.1%	44,558	40.3%	5,905	43.7%	787,665	39.2%	42.4%
Upper	272	39.9%	56,774	51.4%	5,650	41.8%	1,001,944	49.9%	42.1%
Unknown		0.0%		0.0%	5	0.0%	604	0.0%	
Total	681		110,540		13,524		2,009,597		
2018									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	23	3.9%	2,071	2.2%	632	3.7%	59,040	2.6%	5.1%
Moderate	85	14.5%	9,950	10.5%	1,669	9.8%	145,965	6.5%	10.4%
LMI	108	18.4%	12,021	12.6%	2,301	13.4%	205,005	9.1%	15.5%
Middle	264	44.9%	40,113	42.1%	7,421	43.4%	908,955	40.4%	42.4%
Upper	216	36.7%	43,070	45.2%	7,390	43.2%	1,132,780	50.4%	42.1%
Unknown		0.0%		0.0%	5	0.0%	1,235	0.1%	
Total	588		95,204		17,117		2,247,975		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	38	3.0%	3,279	1.6%	1,127	3.7%	137,651	3.2%	
Moderate	172	13.6%	17,950	8.7%	3,138	10.2%	286,738	6.7%	
LMI	210	16.5%	21,229	10.3%	4,265	13.9%	424,389	10.0%	
Middle	571	45.0%	84,671	41.2%	13,326	43.5%	1,696,620	39.8%	
Upper	488	38.5%	99,844	48.5%	13,040	42.6%	2,134,724	50.1%	
Unknown		0.0%		0.0%	10	0.0%	1,839	0.0%	
Total	1,269		205,744						

Small Business Loans:

The distribution of GRB's small business loans among census tracts of varying income levels was reasonable.

GRB's average rates of lending in LMI census tracts were 26.5% by number and 36.7% by dollar value of loans during the evaluation period. These rates of lending exceeded the

aggregate's rates of 20.4% and 23.2%, respectively. GRB's average rates of lending in LMI geographies also exceeded the business demographic of small businesses located in LMI geographies.

The following table provides a summary of the distribution of the Bank's small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2017									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	22	15.6%	9,286	19.9%	1,259	10.9%	73,395	13.5%	12.9%
Moderate	11	7.8%	3,733	8.0%	1,152	9.9%	61,906	11.4%	11.6%
LMI	33	23.4%	13,019	27.9%	2,411	20.8%	135,301	25.0%	24.6%
Middle	43	30.5%	16,845	36.1%	4,326	37.3%	191,646	35.4%	37.6%
Upper	65	46.1%	16,799	36.0%	4,830	41.7%	213,473	39.4%	37.6%
Unknown		0.0%		0.0%	20	0.2%	1,293	0.2%	0.3%
Total	141		46,663		11,587		541,713		
2018									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	21	17.6%	8,140	23.4%	1,317	10.4%	60,771	11.0%	12.7%
Moderate	15	12.6%	8,697	25.0%	1,216	9.6%	57,710	10.5%	11.7%
LMI	36	30.3%	16,837	48.4%	2,533	20.0%	118,481	21.5%	24.4%
Middle	31	26.1%	6,053	17.4%	4,688	37.0%	206,507	37.5%	37.5%
Upper	52	43.7%	11,898	34.2%	5,423	42.8%	223,105	40.6%	37.8%
Unknown		0.0%		0.0%	15	0.1%	2,080	0.4%	0.3%
Total	119		34,788		12,659		550,173		
GRAND TOTAL									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	43	16.5%	17,426	21.4%	2,576	10.6%	134,166	12.3%	
Moderate	26	10.0%	12,430	15.3%	2,368	9.8%	119,616	11.0%	
LMI	69	26.5%	29,856	36.7%	4,944	20.4%	253,782	23.2%	
Middle	74	28.5%	22,898	28.1%	9,014	37.2%	398,153	36.5%	
Upper	117	45.0%	28,697	35.2%	10,253	42.3%	436,578	40.0%	
Unknown		0.0%		0.0%	35	0.1%	3,373	0.3%	
Total	260		81,451		24,246		1,091,886		

Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither DFS nor GRB received any written complaints during the evaluation period regarding the Bank's CRA performance.

Community Development Test: Outstanding

GRB's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, investments, and services, considering the Bank's capacity, and the need for and availability of opportunities for community development in its assessment area.

During the evaluation period, GRB originated \$16.5 million in new community development loans, and had \$22.4 million outstanding from prior evaluation periods. GRB made \$3.4 million in new qualified investments and had \$115,000 outstanding from prior evaluation periods. GRB also made \$41,000 in community development grants during the evaluation period.

Community Development Lending: Outstanding

During the evaluation period, GRB originated \$16.5 million in new community development loans and had \$22.4 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

The majority of community development loans were made for revitalization and stabilization activities, to businesses and organizations located in low- and moderate-income census tracts.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	3	1,325	2	641
Economic Development	8	4,850	4	2,562
Community Services	0	0	4	2,347
Revitalize/Stabilize	17	10,380	14	16,869
Total	28	16,555	24	22,419

Below are a few highlights of the Bank's community development lending:

- GRB refinanced \$1.6 million on the existing mortgages of three multifamily buildings located in LMI census tracts within the City of Rochester. A majority of the units rent at or below fair market rents.
- The Bank took a \$1 million participation in an affordable housing loan to a housing development fund acquiring and rehabilitating homes for LMI borrowers in Rochester.

- GRB originated three SBA term loans totaling \$650,000 for a local business located in a LMI census tract providing employment primarily to LMI individuals.
- The Bank took a \$1.3 million participation in a construction and permanent financing loan for an addition to a charter school in Rochester, NY. All students attending the charter school come from LMI families.

Qualified Investments: Satisfactory

During the evaluation period, GRB made \$3.4 million in new qualified investments and had \$115,000 outstanding from prior evaluation periods. In addition, GRB made \$41,000 in qualified grants. This demonstrated a reasonable level of qualified investments over the course of the evaluation period.

The majority of qualified investments were municipal bonds from school districts and mortgage-backed securities for affordable housing. Grants were primarily made to organizations providing community services for LMI individuals.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	1	964		
Economic Development	1	250		
Community Services	5	2,217	1	115
Total	7	3,431	1	115
CD Grants	# of Grants	\$000	Not Applicable	
Community Services	36	41		
Total	36	41		

Below are some highlights of the Bank's qualified investments and grants:

Qualified Investments

- GRB invested \$1.2 million in a school facility bond issued by a local Industrial Development Agency. The bond was issued to finance the renovation of certain public-school facilities within the City of Rochester where a majority of students are part of the reduced or free school lunch program.
- The Bank invested \$963,969 in a pool of mortgage-back securities of which the underlying mortgages were made to LMI borrowers in Monroe and Erie counties.
- GRB invested \$250,000 in a small business investment company that focuses on making investments between \$500,000 and \$3 million to small businesses in Upstate New York and to date has invested more than \$70 million in 47 small businesses.

Grants

- GRB made \$8,400 in grants to a child advocacy organization which provides services and resources to prevent child abuse and provides support and protection to children of abuse.
- The Bank made \$2,500 in grants to a local youth center that provides at risk youths temporary and transitional housing, and crisis and outreach services.
- GRB made \$4,000 in grants to a childcare center located in a low-income census tract and an area of high childhood poverty in the City of Rochester. The center offers free and low-cost daily childcare and meals through the federal Child and Adult Food Care Program.

Community Development Services: Satisfactory

GRB demonstrated a reasonable level of community development services over the course of the evaluation period.

Senior management and staff were members of the boards of local community organizations focusing on affordable housing and community services. GRB employees also provided housing seminars.

Below are highlights of GRB's community development services:

- A community relationship manager and retail banking manager served on the board of a local nonprofit organization that offers home and community-based services for children, adults and families under the Medicaid Managed Care Program. The organization also offers services for substance abuse and mentoring of children of incarcerated parents.
- A commercial relationship manager serves on the board of two affordable housing organizations. One organization develops, owns and manages over 100 residential units which are rented to Section 8 recipients who are at least 55 years of age, handicapped, or disabled. The other organization offers homebuyer and home repair programs for LMI individuals with the mission to provide affordable and suitable housing.
- A community relationship manager is a committee member of a local organization that offers counseling and other free services to individuals who are victims of domestic abuse and partner violence.
- GRB employees provided multiple affordable housing and home ownership seminars, held at various community organizations focusing on LMI individuals and families. These seminars provided information on the homebuying process and noted the Bank's various residential mortgage products that benefit LMI borrowers.

Innovativeness of Qualified Investments:

GRB did not make use of innovative investments to support community development during the evaluation period.

Responsiveness to Community Development Needs:

GRB demonstrated a reasonable level of responsiveness to credit and community development needs.

The Bank offers a variety of residential mortgage lending programs that benefit LMI borrowers such as:

- Homebuyer Dream Program – GRB and the Federal Home Loan Bank of New York in cooperation provide grant assistance to qualified first-time homebuyers. The program provides grants of up to \$10,500 towards the purchase of a home to qualified applicants, who must complete a homeownership course and have a total household income of 80% or less of the area median income.
- HomeReady – GRB offers an affordable option to first time and repeat buyers. The program offers down payments as low as 3%, flexible sources of funds for closing costs and down payment, no minimum contribution from borrower's own funds and cancellable private mortgage insurance.

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 CRA.

GRB's CRA policy is reviewed and approved annually by the Board. The policy stipulates that it is management's responsibility to implement policies, procedures, and practices to ensure ongoing compliance with CRA. The Bank has established a Community Reinvestment Plan that covers a three-year period (current plan 2020-2022) that is updated and reapproved by the Board annually. The Plan establishes the bank's goals as it relates to CRA and the timetable to achieve these goals, as well as the organizational structure providing support for these activities and the reporting requirements. Reporting on progress towards the Plan's goals is provided quarterly to the community support committee, biannually to the Board's risk committee and annually to the Board.

Discrimination and other illegal practices

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

DFS examiners 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 note evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

GRB did not close or open any branch during the evaluation period. However, in 2019 the Bank relocated its branch from 2300 West Ridge Road, Rochester, NY (middle-income tract) to 4180 West Ridge Road, Rochester, NY (middle-income tract), a distance of approximately three miles.

GRB has three branches, one located in a middle-income and two in upper-income census tracts. All branches offer retail hours Monday through Friday from 8:55 AM to 5:05 PM. An ATM network of four ATMs owned and serviced by eGlobal supplements the banking offices. The ATMs are located one at each branch and one is in a retail facility in an upper-income census tract. Additionally, the Bank has an agreement with three ATM networks offering surcharge free access to 100,000 ATMs throughout the United States, including several in Rochester. None of the ATMs are deposit taking; however, the branches offer night depository services.

GRB customers can also utilize alternative channels offered by the Bank to access their accounts such as online banking, mobile banking and text banking. Features include 24-hour access to customer accounts, bank to bank transfers and bill pay.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Monroe	0	0	0	1	2	3	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 ascertains the community credit needs of its assessment area through continuous outreach performed by board members, management, and employees. In addition, management and employees of the Bank are members of the boards and committees of various local community nonprofit organizations.

- *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 utilizes ads on social media sites such as Facebook, search engines and flyers to advertise its programs that benefit LMI borrowers such as First Home Club, Cash Saver, and Homebuyer Dream Program.

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

In addition to an excellent level of community development loans within its assessment area, GRB also made three community development loans in the amount of \$1.5 million outside its assessment area, but within New York State.

GLOSSARY

Aggregate Lending

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 Metropolitan Statistical Area ("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

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.

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 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.