Elmira Savings Bank

T e Pe e’ Ba

2011 Annual Report

OUR MISSION

THE MISSION OF ELMIRA SAVINGS BANK de ab e
a e a e e a e de e d a b ad a e
a c a e ce a , ee e eed e d d a , b e e , a d
a , a c , , .

We ac e e c , , , e :

- Am l qgqrc l r _ l b qsncpgmp os_jgrw qcp tgac dmp msp asqrm k cpq,
- ? asjrspc r f _r g l ac l rq c k njmwccq rm cvacj ncpqm l _jjw _ l b npmdcqqgm l _jjw,
- Jc_bcpq fgn g l _ l b qsnnmpr dmp msp am k k s l grw,
- G l bcnc l bc l ac _q _ jma_j am k k s l grw `_ l i,

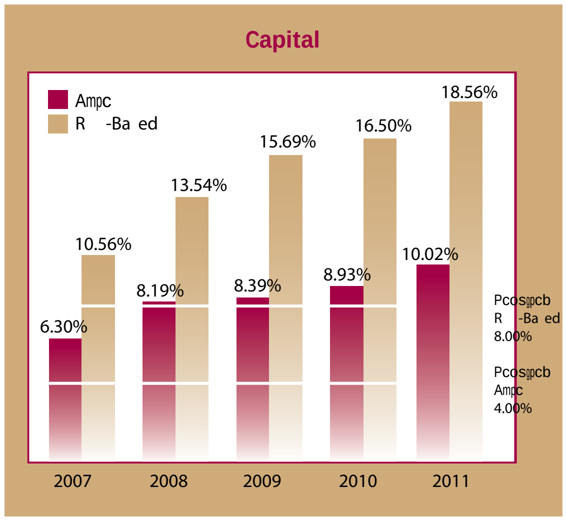
DESIGN PS G a c De , E , a, NY
COVER PHOTOGRAPHY F a S e a, J .
PORTRAIT PHOTOGRAPHY T , M e P a

Elmira Savings Bank
T e Pe e' Ba

SELECTED FINANCIAL DATA

&g l rfmsq_l bq* cvacnr dmp ncp qf_pc _kmslrq'

FINANCIAL STATEMENT HIGHLIGHTS		2011	2010
?qqcrq	"	301*136	277*617
Jm_l q &g l ajsbg l e jm_l q fcjb dmp q_jc'		126*602	1/ .*255
?jjmu_l ac dmp jm_l jmqqcq			



, a b e a .T a ac ded e Ba add a c e ca a a , a be ed e e a e e ba a ce ee .F a , ec e e Q@JD npmep_k _jjmucb sq rm g l apc_qc msp a_q f d de da d e e c d de d.

Msp `_j_lac q fccr g l apc_qcb dpm k "277,6 _r rfc clb md 0. / . rm "301,2 k gjjgm l _r rfc clb 2011, a c ea e 5%. T ba a ce ee a d e b a nmprdmjgmq md "14 k gjjgm l mp / 0#, Msp pcqgbc l rg_j k mpre_ec nmprdmjgm g l apc_qcb `w "04 k gjjgm l mp /3# ugrf mpgeg l _rgm l q cvaccbg l e "/ / . k gjjgm l a d c , , e c a a c ea ed `w "/2 k gjjgm l mp /2# m l rfc qrpc l erf md "05 , a a . T a e u_q ds l bcb `w _ l g l apc_qc md "03,/ k gjjgm l mp 7% de , ed b g l msp Qrcs`c l _ l b Rm k n i g l q Ams l rw `p_ l afcq,

We a e e, a ed d e , msp _qqcr os_jgrw* l cr g l rcpcqr k_pe g l *_ l b c Ĭ agc l aw, Msp _qqcr os_jgrw f_q g k npmtcb ugrf _pcbsargm l g l msp bcjg l osc l r jm_ l q rm ,/6# e a a d e , a rm "1,5 k gjjgm l , Uc am l rg l sc rm `c k g l bdsj e e e , a b c ea a a d ed c e ed e , e , c , b a e ac e c b bcnmqgrq, Msp c Ĭ agc l aw p_rgm g k npmtcb bspg l e 2011 60.18% , 60.78% 2010.

T e ea 2011 a a ed b a ca ade e Ba ' ec a c e. D e ea e

, e, e ed a e e e e e, a be e e e a e da a e , ea, e c ec e e a -, a e e, a d de ea e a d be e a e e l m l cvgqrc l r ugrf msp npc tgmsq qwqrc k , Uc a ee ee ed e Ba ' eb ea d c ea ed a a d ee a b e a d asppc l r, G l _bbgrgm l * bspg l e rfc wc_p uc pmjjcb , b e ba d c , aded ce e e e, , a d e e ed e d Faceb , a a e ed a c , e de e e , a e c e e ce.

?q md Bcac k `cp 1/* 0. / / * rfc @_ l i f_b cce acc , ed e c a e ba c a e a d , a e a . F e a 28 ea e ad bee a ede a c a e ed a ba e a ed b e M Ĭ ac md rfc Am k nrpmjjcp md rfc Asppc l aw, ?q md Bcac k `cp 1/* 0. / / * uc qsaacqqdsjjw c e ed a Ne Y S a e c a e ed a ba e Ne Y S a e D F a c a Se ce a , a e a . T e e e ed a e a ba c a e a d e a de c e ad e a ed , 1869 1983.

Bspg l e rfc dmsprf os_prcp md 0. / / _ l b g l rfc be 2012, e B a d D ec a cvn_ l bcb `w j tc k c k `cpq, Bm l _jb Osg a i * AN?* u_q _bbcb rm rfc @m_pb md Bgpcarmpq d a e 2011, e Ka e e R e e, Npcqgbc l r* D,K, F m ucjj g ?pgc t_ l bc l @jg l i * Npcqgbc l r* Rfc Fgjjg_pb Ampn, g K_pg_ l l c Wms l e* Npcqgbc l r* K_picr Qrpccr Rpsqr g _ l b Rfm k _q K, A_pp* CTN $ AMM md rfc @_ l i * ucpc _bbcb rm e B a d ea 2012. T e add e e

`sqg l cqq _ l b am k k s l grw jc_bcpq cvn_ l bq e e cea d ec ca e B a d e a d ec a e B a d e e .

F a , N e, be 2011, ee e ed a a ee, e c a e a b a c , ce ca ed _r 75/ Ams l rw Pmsrc 42, R fgq m Ĭ ac gq jma_rcb e e , a , c ed ad , a e . T e ac e ea d a d a d ec e e ce , ed e- a e a d a , e a . We e ed e , ce b e Feb a 1, 2012 a d be pcjma_rg l e msp ?p l mr K_jj m Ĭ ac asqrm k cpq rm rfgq d_agjgrw bspg l e rfc qcam l b os_prcp md 0. / 0, S l bcp msp Lcu Wmpi Qr_rc @_ l i Af_prcp* uc a e a ed e c , e- d c ea e a e. T e c a ba mncp_rgm l * _q ucjj _q 5* . . . qos_pc dccr md c , e- d c ea e a e.

T e ea 2011 a a cce a d e e wc_p _r Cj k gp_ Q_tg l eq @_ l i , Uc _pc cvagrcb ab e a d a d a cce e . We a ec a e c ed .

M c ae P. H e
P e de
A fgcd Cvcasrgtc M Ĭ acp

Elmira
Savings Bank
T e Pe e' Ba

Consolidated Balance Sheets

Elmira Savings Bank and Subsidiaries

&gl rfmsq_lbq* cvacnr dmp qf_pc _lb ncp qf_pc b_r_'	Dece. be 31, 2011	Dece. be 31, 2010
ASSETS		
A_qf _lb bsc dpmk `_liq	" 25*234	" 0/*674
Fede a d d a d e -e. e . e	740	821
Rmr_j a_qf _lb cosgt_jclrq	26*/74	00*5/5
Sec e a a ab e a e, a a a e	86,536	126,212
Qcaspgrgcq fcjb rm k_rspgrw + d_gp t_jsc md "2*701		
_r Bcack `cp 1/*0. / /* _lb "3*124 _r Bcack `cp 1/*0. /.	2*40/	3*..4
Dcbcp_j Fmkc Jm_l @_l i qrmai* _r amqr	3*073	2*02/
Jm_lq fcjb dmp q_jc	0*620	310
Jm_lq pcacgt_`jc	123*760	1.7*723
Jcqq8 ?jjmu_lac dmp jm_l jmqqcq	1*077	0*7.7
Lcr Jm_lq	120*461	1.5*.14
Npck gqcq _lb cosgn kclr* lcr	3*170	3*315
Ba - ed e a ce	10,100	9,731
?aapscb glrcpcqr pcacgt_`jc	/*4/3	/*6.5
Glr_leg`jc _qqcrq* lcr	222	372
G d	12,320	12,320
Mrfcp pc_j cqr_rc mulcb	0.0	32/
Mrfcp _qqcrq	1*//0	1*343
Total assets	**$523,358**	**$499,839**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bcnmqgrq	"16/*507	"134*40/
B	70,019	81,093
Mrfcp jg_`gjgrgcq	4*773	3*452
Total liabilities	**458,743**	**443,388**
SHAREHOLDERS' EQUITY:		
Npcdcppcb qrmai* "/*. . . jgosgb_rgml t_jsc ncp qgqscb qf_pc9 3*. . .*. . . qf_pcq _srfmpgxcb9		
02*.41 qf_pcq gqqscb _r Bcack `cp 1/*0. / /9 /7*.7. qf_pcq	01*541	/6*26/
gqqscb _r Bcack `cp 1/*0. /. lcr md bgqamslr md "030		
Amk kml qrmai* "/ n_p t_jsc9 _srfmpgxcb 3*. . .*. . . qf_pcq9 0*070*434 qf_pcq		
ed a Dece. be 31, 2011 a d 2,089,995 a Dece. be 31, 2010	2,293	2,090
?bbgrgml_j n_gb+gl a_ngr_j	16*2.0	13*.43
Re a ed ea	1,735	3,353
T ea c , a c - 125,865 a e a Dece. be 31, 2011		
_lb Bcack `cp 1/*0. /.	&1*326'	&1*326'
?aas k sj_rcb mrfcp amk npcfclqgtc glamkc	/*7/6	736
Rmr_j Cjk gp_ Q_tglеq @_li qf_pcfmjbcpq' cosgrw	42*341	34*177
N c e e	52	52
Total shareholders' equity	**64,615**	**56,451**
Total liabilities and shareholders' equity	**$523,358**	**$499,839**

Consolidated Statements of Income

Elmira Savings Bank and Subsidiaries

&gl rfmsq_lbq* cvacnr dmp ncp qf_pc _kmslrq'	Yea E ded Dece, be 31		
	2011	2010	2009
INTEREST AND DIVIDEND INCOME:			
Glrcpcqr _lb dccq ml jm_lq	" /6*/2.	" /6*/63	" /7*620
Glrcpcqr _lb bgtgbclbq ml qcaspgrgcq			
R_v_`jc	1*/2.	1*46/	2*312
Lml+r_v_`jc	60.	600	543
Total interest and dividend income	**22,100**	**22,688**	**25,141**
INTEREST EXPENSE:			
Glrcpcqr ml bcnmqgrq	1*63.	2*342	4*.53
Glrcpcqr ml `mppmugleq	0*5..	1*0.3	1*141
Total interest expense	**6,550**	**7,769**	**9,438**
Ne e e c , e	15,550	14,919	15,703
P a e	668	515	592
Net interest income after provision for loan losses	**14,882**	**14,404**	**15,111**
NONINTEREST INCOME:			
Se ce ee	1,236	1,409	1,606
Ga a e a e d a e	1,836	1,450	1,693
Ne a a e ec e	448	474	63
Mrfcp qcptgac dccq	412	40.	413
Ea ba - ed e a ce	369	353	378
Mrfcp	0.2	065	041
Total noninterest income	**4,727**	**4,593**	**4,638**
NONINTEREST EXPENSE:			
Sa a e a d be e	6,491	6,007	6,544
Ne cc a c	1,154	1,102	1,243
Cosgnkclr	632	702	766
Ma e a d b c e a	636	483	502
P e a ee	513	654	670
Re a a e , e	462	574	899
Da a ce	322	328	390
Te e e	244	220	204
D ec ee	200	212	218
?kmprgx_rgml md glr_leg`jc _qqcrq	/3.	/50	00.
P a d e	141	142	166
P a e	115	108	153
Mrfcp	70.	711	651
Total noninterest expense	**12,202**	**11,859**	**13,070**
Glamkc `cdmpc glamkc r_vcq	5*2.5	5*/16	4*457
Glamkc r_vcq	0*151	0*1..	0*/26
Lcr glamkc	3*.12	2*616	" 2*31/
Jcqq8 Lcr glamkc _rrpg`sr_`jc rm lmlamlrpmjjgle glrcpcqr	3	3	3
Net income attributable to Elmira Savings Bank	**$ 5,029**	**$ 4,833**	**$ 4,526**
D de d e e ed c	1,512	1,367	1,325
?aapcrgml md npcdcppcb qrmai bgqamslr	030	62	63
Income available to common shareholders	**$ 3,265**	**$ 3,382**	**$ 3,116**
@_qga c_plgleq ncp amkkml qf_pc	" /,30	" /,37	" /,26
Bgjsrcb c_plgleq ncp amkkml qf_pc	" /,26	" /,34	" /,23

Pe a e da a a bee e a ed e ec a 10% c d de d a d Dece, be 28, 2011.

Consolidated Statement of Shareholders' Equity

Elmira Savings Bank and Subsidiaries

&gl rfmsq_lbq* cvacnr dmp qf_pc _lb ncp qf_pc _kmslrq'	P e e ed S c	Amkkml S c	?bbgrgml_j Pa d- A_ngr_j	Re a ed ea	T ea S c	?aaskSj_rcb e c , e e e c , e	N c Glrcpcqr	T a
Balance at December 31, 2010	**$18,481**	**2,090**	**35,065**	**3,353**	**(3,548)**	**958**	**52**	**56,451**
Amknpcfclqgtc Glamkc8								
Ne ea, ed a ec e a a ab e a e, e ec a ca ad , e , lcr md r_vcq md "4.4	+	+	+	+	+	74.	+	74.
Lcr Glamkc	+	+	+	3*.07	+	+	3	3*.12
Rmr_j Amknpcfclqgtc Glamkc								3*772
/.# qrmai bgtgbclb &/74*6/7 qf_pcq'	+	/75	0*74.	&1*/35'	+	+	+	+
A_qf gl jgcs md dp_argml_j qf_pcq pcqsjrgle dpmk _ /.# qrmai bgtgbclb	+	+	+	&1'	+	+	+	&1'
Qrmai `_qcb amknclq_rgml cvnclqc	+	+	14.	+	+	+	+	14.
Gqqs_lac md amkkml qf_pcq &1*/06 qf_pcq'	+	1	&1'	+	+	+	+	+
Cvcpagqc md qrmai mnrgmlq* lcr &0*5/2 qf_pcq'	+	1	0.	+	+	+	+	01
Npcdcppcb qrmai pcbcknrgml &7*.7. qf_pcq'	&7*.11'	+	+	&35'	+	+	+	&7*.7 -

= qf_pcq'

Pe a e da a a bee e a ed e ec e 10% c d de d a d Dece, be 28, 2011.

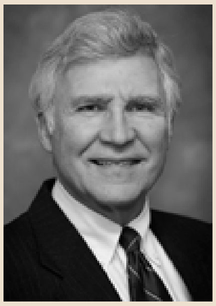
To the Board of Directors and Shareholders of Elmira Savings Bank and subsidiaries

Uc f_tc _sbgrcb* gl _aampb_lac ugrf rfc qr_lb_pbq md rfc Ns`jga Amkn_lw ?aams lrgle Mtcpqgefr @m_pb &Slgrcb Qr_rcq'* rfc amlqmjgb_rcb `_j_lac qfccrq md Cjkgp_ Q_tglcq @_li &rfc §@_li³' _lb qs`qgbg_pgcq _q md Bcack `cp 1/*0./ / _lb 0./.* _lb rfc pcj_rcb amlqmjgb_rcb qr_rckclrq md glamkc* qf_pcfmjbcpq cosgrw* _lb a_qf ımuq &lmr npcqclrcb fcpcgl '9 dmp c_af md rfc rfpcc wc_pq gl rfc ncpgmb clbcb Bcack `cp 1/*0.//* _lb gl msp pcnmpr b_rcb K_paf /1* 0./0* uc cvnpcqqcb _l slos_jgjcb mngglmlml rfmqc amlqmjgb_rcb j l_la_j qr_rckclrq,

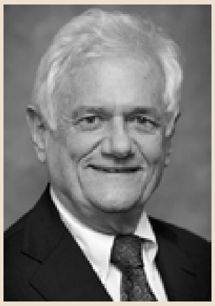
Gl msp mngglml* rfc gldmpk_rgml qcr dmprf gl rfc _aamkn_lwglc amlbclqcb amlqmjgb_rcb j l_la_j qr_rckclrq gq d_gpjw qr_rcb* gl _jj k_rcpg_j pcqncarq* gl e a e c da ed a c a a e, e , c a bee de ed.

Ucvdmpb* Nc l lqwjt_lg_
Ma c 13, 2012

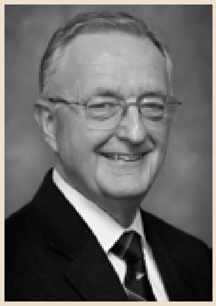
ELMIRA SAVINGS BANK BOARD OF DIRECTORS



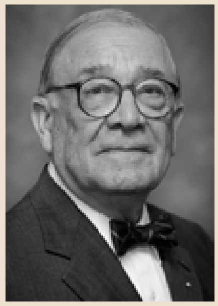
John R. Alexander
Corporate Secretary of the Board
Sayles & Evans



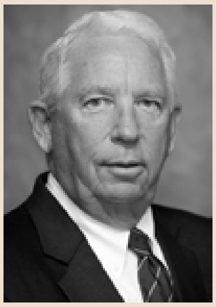
John Brand, III
Vice Chairman of the Board
Arnot Realty Corporation



Anthony J. Cooper
President
Arnot Health

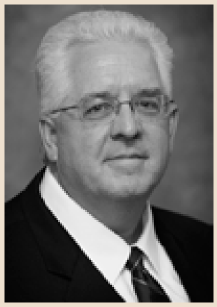


George L. Howell
Chairman of the Board
F.M. Howell & Company

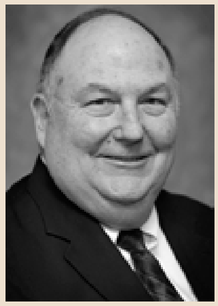


A. Scott Welliver
Chairman
Chief Executive Officer
Welliver McGuire, Inc.

Kristin A. Swain
President
Corning Incorporated Foundation



Michael P. Hosey
President
Chief Executive Officer
Elmira Savings Bank



Donald G. Quick, Jr.
Retired Partner
Mengel, Metzger, Barr & Co. LLP

Thomas M. Carr
Executive Vice President
Chief Operating Officer
Elmira Savings Bank

Katherine H. Roehlke
President
Chief Executive Officer
F.M. Howell & Company

Arie J. van den Blink
Chairman
Chief Executive Officer
The Hilliard Corporation

Marianne W. Young
President
Market Street Trust Company

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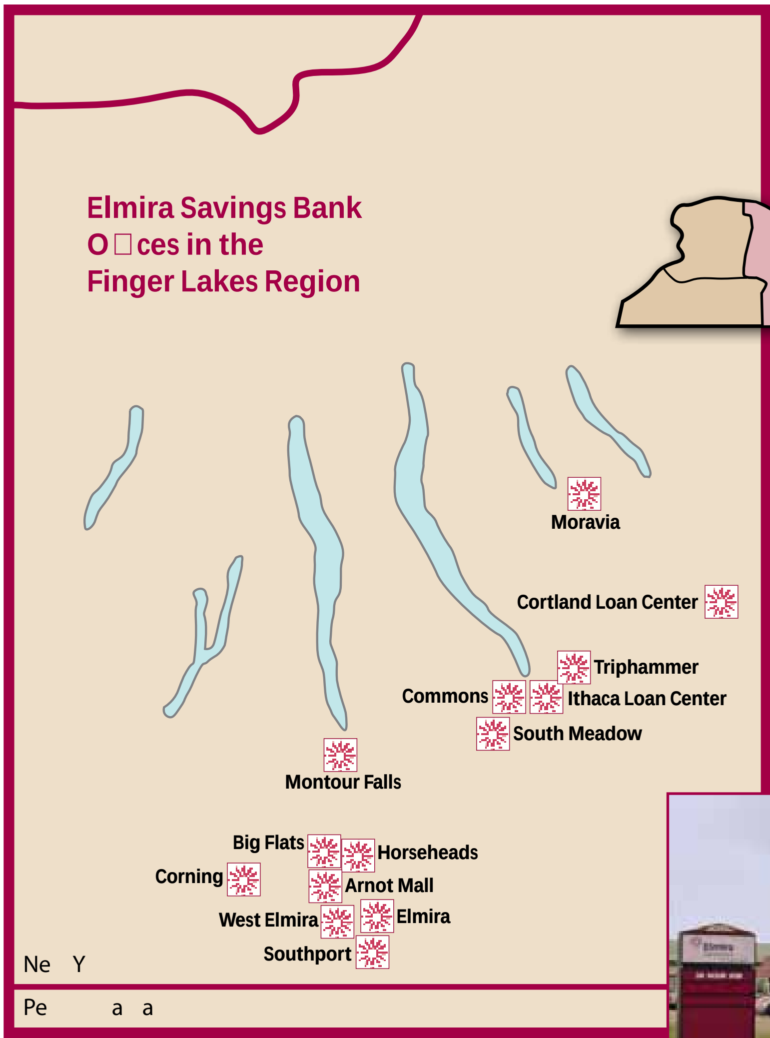

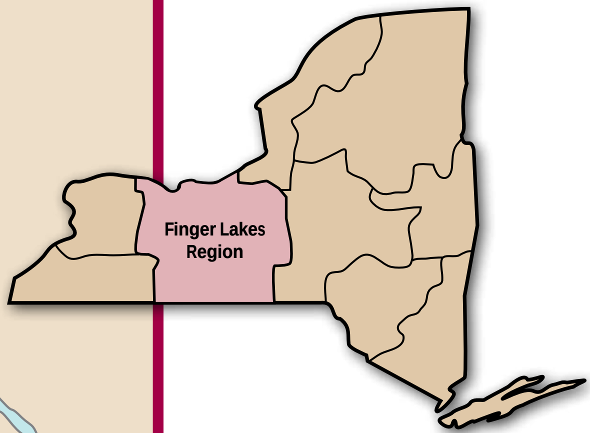

Elmira
Savings Bank
T e Pe e' Ba

New Elmira Savings Bank Big Flats Office

MAIN OFFICE
333 Ea Wa e S ee
E , a, NY 14902-9967
607-734-3374

HORSEHEADS OFFICE
0/27 Ep_lb AcIrp_j ?tcIsc
H e ead , NY 14845
607-734-3374

CORNING OFFICE
19 Ea Ma e S ee , S e 101
AmpIgIe* LW /261.
607-962-0812

TRIPHAMMER OFFICE
2300 N T a, , e R ad
Grf_a_* LW /263.
607-257-8808

WEST ELMIRA OFFICE
71. Ucqr Afspaf Qrpccr
E , a, NY 14905
607-734-3374

ARNOT MALL OFFICE**
CIrp_lac 2 + AcIrcp Amspr
H e ead , NY 14845
607-734-3374

ITHACA LOAN CENTER
301 Ea S a e S ee
Grf_a_* LW /263.
607-257-3584

MORAVIA OFFICE
142 Ma S ee
M a a, NY 13118
315-497-1300

SOUTHPORT OFFICE
//14 NcIIqwjt_Ig_?tcIsc
E , a, NY 14904
607-734-3374

BIG FLATS OFFICE
75/ AmsIrw Pmsrc 42
B F a , NY 14841
607-739-2180

COMMONS OFFICE
301 Ea S a e S ee
Grf_a_* LW /263.
607-272-1111

MONTOUR FALLS OFFICE*
401 We Ma S ee , S e 110
M Fa , NY 14865
607-535-4026

SOUTH MEADOW OFFICE
702 S Mead S ee
Grf_a_* LW /263.
607-272-2211

CORTLAND LOAN CENTER*
77 S We S ee
H , e , NY 13077
607-749-7251

*?RK _t_gj_`jc _r _jj jma_rgmIq cvacnr dmp rfc
KmIrmsp D_jjq M ĭac _Ib Amprj_Ib Jm_I AcIrcp.

**?r rfc ajmqc md `sqgIcqq mI K_w 2* 0. /0 rfc ?pImr K_jj M ĭac
ugjj `c pcjma_rcb rm rfc @ge Dj_rq M ĭac _r 75/ AmsIrw Pmsrc 42* @ge Dj_rq* LW.

Elmira
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T e Pe e’ Ba

.e , a a ba .c ,

Kck `cp DBGA z Cos_j Fmsqgle Jclbcp