



**Elmira**  
Savings Bank  
The People's Bank



AMERICAN BANKER

**BEST BANKS  
TO WORK  
FOR** 2014

2014  
Annual Report



## OUR MISSION

**THE MISSION OF ELMIRA SAVINGS BANK** is to provide above average returns to our shareholders while providing a broad range of financial services that meet the needs of the individuals, businesses, and organizations of our community.

We will achieve this through our commitment to:

- Consistent and superior quality service for our customers.
- A culture that incents employees to excel personally and professionally.
- Leadership in and support for our community.
- Independence as a local community bank.



**DESIGN** PS Graphic Design

**PHOTOGRAPHY** Frank Borkowski



## ELMIRA SAVINGS BANK BOARD OF DIRECTORS

*(Back row l-r) Robert K. Lambert, President/Chief Executive Officer, Arnot Health; Marianne W. Young, President/Chief Executive Officer, Market Street Trust Company; Arie J. van den Blink, Chairman/Chief Executive Officer, The Hilliard Corporation; Katherine H. Roehlke, President/Chief Executive Officer, F.M. Howell & Company; Donald G. Quick, Jr., Retired Partner, Mengel, Metzger, Barr & Co. LLP; Kristin A. Swain, Executive Director, Rockwell Museum of Western Art.*

*(Front row l-r) A. Scott Welliver, Chairman/Chief Executive Officer, Welliver McGuire, Inc.; John R. Alexander, Vice Chairman and Corporate Secretary of the Board/Managing Partner, Sayles & Evans; Thomas M. Carr, President/Chief Executive Officer; Michael P. Hosey, Chairman of the Board; George Howell, Chairman of the Board, F.M. Howell & Company.*



*Thomas M. Carr  
President/Chief Executive Officer*

## DEAR SHAREHOLDERS,

As I reflect on this past year it becomes apparent that 2014 was a year of change for the organization. At the Board of Directors level we saw Michael P. Hosey appointed Chairman of the Board after 30 years of service to the company. John R. Alexander, Esq. moved into the role of Vice Chairman after serving on the Board of Directors since 1985. We began 2014 by adding Robert K. Lambert, M.D., President & CEO of Arnot Health, to our Board of Directors. However, in June of 2014 due to unforeseen events we suddenly lost our Chairman of the Board and a stalwart of the company when John Brand, III passed away unexpectedly.

Upon Mike Hosey's retirement I was appointed President & CEO which required me to pass some of my existing responsibilities to Kevin Berkley, Executive Vice President & Senior Loan Officer, who is responsible for all lending functions at the bank, Jason Sanford, CPA, Senior Vice President & Chief Financial Officer, who accepted oversight of our technology operations along with his previous responsibility for accounting and treasury functions, and Donna Tangorre, Senior Vice President & Branch Administrator, who is responsible for all branch operations, deposit support services, electronic delivery vehicles and ESB Advisory Services. The support and efforts of these individuals have made the transitions experienced by the organization seamless.

During the year the Senior Officers and Board of Directors worked vigorously on a new strategic plan for the company. This plan was approved by the Board of Directors in the third quarter and management began implementation immediately. The core theme of our new strategic direction is a commitment to growing the company in order to increase profitability. The customer is at the center of our business strategy with a primary goal of growing organically. This will be achieved by expanding our existing relationships and acquiring new customers while continuing to provide a high level of customer service and a high quality consistent experience through the entire life of the relationship that meets or exceeds the expectations of our customers.

Our goal is to create an organization in which every employee has an intense focus on acquiring new customers and expanding our relationship with every existing customer. This goal has heightened focus in markets that we have entered over the last ten years because they represent our greatest opportunity for growth and because we have already invested in physical branches and human resources.

During 2014 the company continued to make financial progress. Total assets grew by 6% or \$31.6 million to total \$546.0 million at December 31, 2014. This asset growth was composed of 7% loan growth or \$28.2 million which brings our outstanding loan portfolio

to \$417.4 million. We funded this balance sheet growth with deposit growth of 6% or \$24.8 million to bring total deposits to \$422.6 million at December 31, 2014.

Net income totaled \$3.7 million for 2014, down \$1.4 million or 28% from 2013. This decline was partially due to a one time retirement expense recorded in the third quarter totaling \$820,000 combined with noninterest income being lower by \$799,000 due primarily to lower gains on sales of mortgages. These gains were reduced partially by lower mortgage activity, but also by a shift in the mix of originations between portfolio products and saleable products.

Net interest margin, our primary source of revenue, remained steady during 2014 declining by only 2 basis points from 3.25% in 2013 to 3.23% in 2014. Our operating expenses were increased year to year by \$0.6 million; however, absent the one-time retirement charge our expenses would have been slightly reduced year to year. Asset quality continues to remain strong with our nonperforming loans being 1.13% of total loans and delinquencies, excluding non performing loans, totaling .26% of total loans at December 31, 2014.

During 2014 we continued to pay quarterly cash dividends totaling ninety two cents per share which equates to a 4% dividend yield based on our share price on December 31, 2014.

In addition to financial progress the company also had many other achievements during the year. In March of 2014 we acquired a bank building in Watkins Glen, NY, and are looking forward to opening our 13th full service branch during the first quarter of 2015. In April of 2014 we closed the largest single commercial loan in our history totaling \$7.5 million when we provided the financing for CFA Apartments in Corning, NY. We were also proud to be able to finance a significant student housing project adjacent to the Cornell University campus when we partnered with Rabco, LLC.

During the third quarter ESB Advisory Services, a wholly-owned subsidiary, converted its operating platform and has had a marked increase in activity since this upgrade.

In the fourth quarter we added long-term tenants to our Big Flats and Corning facilities. Keller Williams of the Southern Tier and Finger Lakes, a premier local real estate agency, joined us in our Big Flats location and Three Rivers Development Corporation joined us on the second floor of our Market Street, Corning, location. We look forward to working more closely with these organizations in the future.

Another accomplishment of the organization in 2014 was our contribution to the communities in which we serve. During 2014 we contributed over \$180,000 to

agencies throughout our six counties of operation. Our employees, and all officers, volunteered at over 117 community organizations during the year helping to improve our communities.

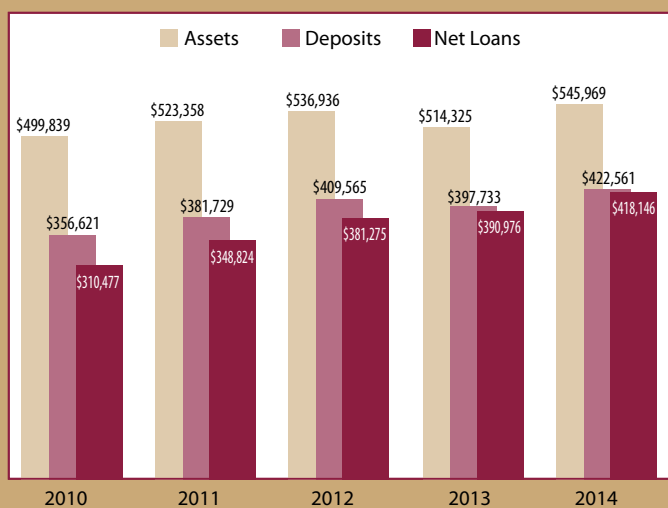
As we look forward to the coming year we are engaged in implementing our strategic plan. We have already made strategic staffing decisions; implemented results-based incentive systems, and established management processes to monitor and initiate business development activities. We have begun a business line process review targeted to create efficiencies and scalability and we are planning focused sales training to assist our staff with their success.

We understand that to achieve stronger results and increased profitability we will need to work harder, be more determined, and display patience. We endeavor to make these improvements for the benefit of our shareholders, customers, and employees but realize we will only be successful with their continued support.

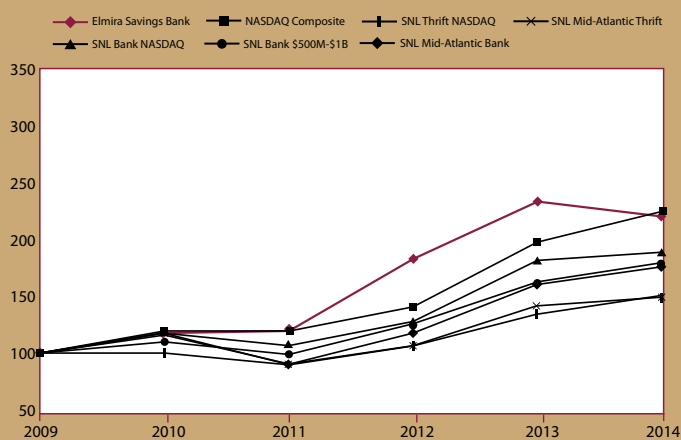


Thomas M. Carr  
President and  
Chief Executive Officer

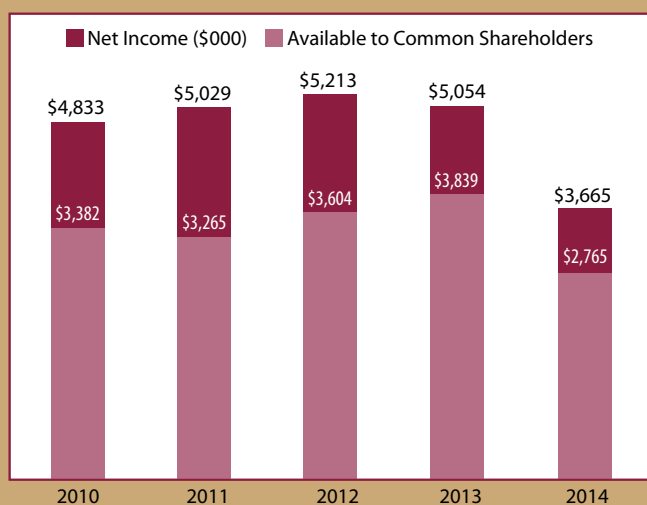
## Assets, Deposits, and Net Loans



## Total Return Performance



## Net Income (\$000)



## SELECTED FINANCIAL DATA

(in thousands, except share and per share amounts)

| FINANCIAL STATEMENT HIGHLIGHTS                 | 2014       | 2013    |
|--|------------|---------|
| Assets   | \$ 545,969 | 514,325 |
| Loans (including loans held for sale)          | 418,146    | 390,976 |
| Allowance for loan losses                      | 3,974      | 3,834   |
| Deposits                                       | 422,561    | 397,733 |
| Shareholders' equity                           | 55,493     | 54,025  |
| Net interest income                            | 15,412     | 15,053  |
| Provision for loan losses                      | 407        | 315     |
| Non-interest income                            | 4,758      | 5,557   |
| Non-interest expense                           | 14,503     | 13,862  |
| Net income attributable to Elmira Savings Bank | 3,665      | 5,054   |

## PER SHARE INFORMATION

|                            |         |       |
|----------------------------|---------|-------|
| Basic earnings per share   | \$ 1.03 | 1.47  |
| Diluted earnings per share | 0.99    | 1.40  |
| Book value per share       | 16.91   | 16.64 |
| Cash dividend per share    | 0.92    | 0.84  |

## SELECTED RATIOS

|                                |        |        |
|--------------------------------|--------|--------|
| Return on average assets       | 0.70%  | 0.97%  |
| Return on average equity       | 6.60%  | 8.51%  |
| Shareholders' equity to assets | 10.16% | 10.50% |
| Dividend payout ratio          | 89.32% | 57.14% |
| Efficiency ratio               | 71.90% | 67.26% |

## OTHER SELECTED DATA

|   |           |           |
|---|-----------|-----------|
| Number of offices                           | 16        | 15        |
| Number of automated teller machines         | 13        | 13        |
| Weighted average shares outstanding         | 2,677,252 | 2,617,073 |
| Weighted average diluted shares outstanding | 2,799,670 | 2,745,934 |

## Consolidated Balance Sheets

*Elmira Savings Bank and Subsidiaries*

(in thousands, except for share and per share data)

December 31,  
2014

December 31,  
2013

### ASSETS

|   |                   |                   |
|---|-------------------|-------------------|
| Cash and due from banks   | \$ 7,959          | \$ 7,077          |
| Federal funds sold and other short-term investments   | 606               | 564               |
| <hr/>   |                   |                   |
| Total cash and equivalents  | 8,565             | 7,641             |
| Securities available for sale, at fair value  | 65,624            | 63,464            |
| Securities held to maturity - fair value of \$7,641<br>at December 31, 2014, and \$8,302 at December 31, 2013 | 7,389             | 7,805             |
| Federal Reserve and Federal Home Loan Bank (FHLB) stock, at cost  | 11,182            | 10,417            |
| Loans held for sale   | 787               | 1,847             |
| Loans receivable  | 417,359           | 389,129           |
| Less: Allowance for loan losses   | 3,974             | 3,834             |
| <hr/>   |                   |                   |
| Net Loans   | 413,385           | 385,295           |
| Premises and equipment, net   | 9,475             | 8,620             |
| Bank-owned life insurance   | 12,790            | 12,387            |
| Accrued interest receivable   | 1,566             | 1,454             |
| Intangible assets, net  | 125               | 210               |
| Goodwill  | 12,320            | 12,320            |
| Other assets  | 2,761             | 2,865             |
| <hr/>   |                   |                   |
| <b>Total assets</b>   | <b>\$ 545,969</b> | <b>\$ 514,325</b> |

### LIABILITIES AND SHAREHOLDERS' EQUITY

|                          |                |                |
|--------------------------|----------------|----------------|
| Deposits                 | \$ 422,561     | \$ 397,733     |
| Borrowings               | 62,000         | 56,500         |
| Other liabilities        | 5,915          | 6,067          |
| <hr/>                    |                |                |
| <b>Total liabilities</b> | <b>490,476</b> | <b>460,300</b> |

### SHAREHOLDERS' EQUITY:

|   |                   |                   |
|---|-------------------|-------------------|
| Preferred stock, \$1,000 liquidation value per issued share; 5,000,000 shares authorized;<br>10,000 shares issued at December 31, 2014 and 2013 | 9,700             | 9,700             |
| Common stock, \$1 par value; authorized 5,000,000 shares; 2,809,364 shares<br>issued at December 31, 2014 and 2,776,240 at December 31, 2013    | 2,809             | 2,776             |
| Additional paid-in capital  | 42,365            | 41,693            |
| Retained earnings   | 2,769             | 2,485             |
| Treasury stock, at cost - 104,418 shares at December 31, 2014 and<br>116,268 shares at December 31, 2013  | (3,053)           | (3,327)           |
| Accumulated other comprehensive income  | 849               | 644               |
| <hr/>   |                   |                   |
| Total Elmira Savings Bank shareholders' equity  | 55,439            | 53,971            |
| Noncontrolling interest   | 54                | 54                |
| <hr/>   |                   |                   |
| <b>Total shareholders' equity</b>   | <b>55,493</b>     | <b>54,025</b>     |
| <hr/>   |                   |                   |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 545,969</b> | <b>\$ 514,325</b> |

## Consolidated Statements of Income

*Elmira Savings Bank and Subsidiaries*

| (in thousands, except for per share amounts)               | Years Ended December 31 |                 |                 |
|--|-------------------------|-----------------|-----------------|
|  | 2014                    | 2013            | 2012            |
| <b>INTEREST AND DIVIDEND INCOME</b>                        |                         |                 |                 |
| Interest and fees on loans                                 | \$ 17,709               | \$ 17,733       | \$ 18,114       |
| Interest and dividends on securities                       |                         |                 |                 |
| Taxable  | 1,659                   | 1,744           | 2,111           |
| Non-taxable  | 899                     | 776             | 760             |
| <b>Total interest and dividend income</b>                  | <b>20,267</b>           | <b>20,253</b>   | <b>20,985</b>   |
| <b>INTEREST EXPENSE</b>                                    |                         |                 |                 |
| Interest on deposits                                       | 2,986                   | 3,224           | 3,712           |
| Interest on borrowings                                     | 1,869                   | 1,976           | 2,184           |
| <b>Total interest expense</b>                              | <b>4,855</b>            | <b>5,200</b>    | <b>5,896</b>    |
| Net interest income  | 15,412                  | 15,053          | 15,089          |
| Provision for loan losses                                  | 407                     | 315             | 463             |
| <b>Net interest income after provision for loan losses</b> | <b>15,005</b>           | <b>14,738</b>   | <b>14,626</b>   |
| <b>NONINTEREST INCOME</b>                                  |                         |                 |                 |
| Service fees   | 1,437                   | 1,357           | 1,242           |
| Gain on sale of loans held for sale                        | 1,633                   | 3,007           | 3,561           |
| Net gain on sale of securities                             | 422                     | 61              | 75              |
| Other service fees   | 687                     | 660             | 677             |
| Earnings on bank-owned life insurance                      | 404                     | 399             | 388             |
| Other  | 175                     | 73              | 107             |
| <b>Total noninterest income</b>                            | <b>4,758</b>            | <b>5,557</b>    | <b>6,050</b>    |
| <b>NONINTEREST EXPENSE</b>                                 |                         |                 |                 |
| Salaries and benefits                                      | 7,692                   | 7,382           | 6,770           |
| Net occupancy  | 1,416                   | 1,259           | 1,130           |
| Equipment  | 1,012                   | 1,022           | 946             |
| Marketing and public relations                             | 884                     | 676             | 722             |
| Professional fees  | 690                     | 674             | 643             |
| Other  | 2,809                   | 2,849           | 2,733           |
| <b>Total noninterest expense</b>                           | <b>14,503</b>           | <b>13,862</b>   | <b>12,944</b>   |
| Income before income taxes                                 | 5,260                   | 6,433           | 7,732           |
| Income taxes   | 1,590                   | 1,374           | 2,514           |
| Net income   | 3,670                   | 5,059           | 5,218           |
| Less: Net income attributable to noncontrolling interest   | 5                       | 5               | 5               |
| <b>Net income attributable to Elmira Savings Bank</b>      | <b>\$ 3,665</b>         | <b>\$ 5,054</b> | <b>\$ 5,213</b> |
| Dividend on preferred stock                                | 900                     | 1,215           | 1,609           |
| <b>Income available to common shareholders</b>             | <b>\$ 2,765</b>         | <b>\$ 3,839</b> | <b>\$ 3,604</b> |
| Basic earnings per common share                            | \$ 1.03                 | \$ 1.47         | \$ 1.44         |
| Diluted earnings per common share                          | \$ 0.99                 | \$ 1.40         | \$ 1.37         |

Per share data has been restated to reflect a 10% stock dividend paid on December 27, 2013.



## Consolidated Statements of Comprehensive Income

*Elmira Savings Bank and Subsidiaries*

| (in thousands)   | Years Ended December 31, |                 |                 |
|--|--------------------------|-----------------|-----------------|
|  | 2014                     | 2013            | 2012            |
| Net income   | \$ 3,665                 | \$ 5,054        | \$ 5,213        |
| <b>OTHER COMPREHENSIVE INCOME (LOSS):</b>                              |                          |                 |                 |
| Net unrealized holding gains (losses) on securities available for sale | 757                      | (1,943)         | -               |
| Tax benefit (expense)  | (293)                    | 753             | -               |
|  | 464                      | (1,190)         | -               |
| Realized securities gains included in net income                       | (422)                    | (61)            | (75)            |
| Tax expense  | 163                      | 23              | 29              |
|  | (259)                    | (38)            | (46)            |
| <b>Other comprehensive income (loss), net of tax</b>                   | <b>205</b>               | <b>(1,228)</b>  | <b>(46)</b>     |
| <b>Comprehensive income</b>  | <b>\$ 3,870</b>          | <b>\$ 3,826</b> | <b>\$ 5,167</b> |

## Consolidated Statements of Shareholders' Equity

*Elmira Savings Bank and Subsidiaries*

| (in thousands, except for share and per share amounts) | Preferred Stock | Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Accumulated other comprehensive income | Noncontrolling Interest | Total         |
|--|-----------------|--------------|----------------------------|-------------------|----------------|--|-------------------------|---------------|
| <b>Balance at December 31, 2013</b>                    | <b>\$ 9,700</b> | <b>2,776</b> | <b>41,693</b>              | <b>2,485</b>      | <b>(3,327)</b> | <b>644</b>                             | <b>54</b>               | <b>54,025</b> |
| Net income   | -               | -            | -                          | 3,665             | -              | -                                      | 5                       | 3,670         |
| Other comprehensive income                             | -               | -            | -                          | -                 | -              | 205                                    | -                       | 205           |
| Stock based compensation expense                       | -               | -            | 421                        | -                 | -              | -                                      | -                       | 421           |
| Issuance of common shares<br>(8,566 shares)            | -               | 9            | (9)                        | -                 | -              | -                                      | -                       | -             |
| Exercise of stock options, net<br>(24,558 shares)      | -               | 24           | 235                        | -                 | -              | -                                      | -                       | 259           |
| Issuance of treasury stock<br>(11,850 shares)          | -               | -            | 25                         | -                 | 274            | -                                      | -                       | 299           |
| Cash dividend on preferred stock                       | -               | -            | -                          | (900)             | -              | -                                      | (5)                     | (905)         |
| Cash dividend on common stock<br>(\$.92 per share)     | -               | -            | -                          | (2,481)           | -              | -                                      | -                       | (2,481)       |
| <b>Balance at December 31, 2014</b>                    | <b>\$ 9,700</b> | <b>2,809</b> | <b>42,365</b>              | <b>2,769</b>      | <b>(3,053)</b> | <b>849</b>                             | <b>54</b>               | <b>55,493</b> |

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

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Elmira Savings Bank and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows (not presented herein) for each of the three years in the year ended December 31, 2014, and in our report dated March 18, 2015, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying consolidated financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

*S.R. Snodgrass P.C.*  
Wexford, Pennsylvania  
March 18, 2015

## YOUR COMMUNITY BANK

The following organizations have received contributions from the Bank or volunteer services from its employees.

- |  |   |  |
|--|---|--|
| <p>American Association of Retired Persons<br/>Able 2<br/>Adult Hockey League - First Arena<br/>American Legion<br/>American Red Cross<br/>Arctic League<br/>Arnot Art Museum<br/>Arnot Health<br/>Arnot Health Foundation<br/>Autism Awareness<br/>Bethany Village<br/>Better Housing for Tompkins County, Inc.<br/>Big Flats Community Center<br/>Big Flats Little League Baseball<br/>Binghamton Triple Cities Spiedie Fest &amp; Balloon Rally<br/>Camp Good Days and Special Times<br/>CareFirst<br/>Cayuga Chamber Orchestra<br/>Chemung County Agricultural Society<br/>Chemung County Chamber of Commerce<br/>Chemung County Historical Society<br/>Chemung Volunteer Fire Department<br/>Children's Miracle Network<br/>CHOW New Life Food Pantry<br/>Clemens Center<br/>CNY Motocross Riders of America<br/>Community Foundation<br/>Community Wesleyan Church<br/>Corning Area Chamber of Commerce<br/>Corning Community College Foundation<br/>Cortland Hospital<br/>Diven Elementary School<br/>Eagles Mere Conservance<br/>Elmira Animal Shelter<br/>Elmira City Club<br/>Elmira College<br/>Elmira Country Club<br/>Elmira Downtown Development</p> | <p>Elmira Heights Events Committee<br/>Family Enrichment Network of Broome County<br/>Federal Home Loan Bank of NY<br/>Finger Lakes Land Trust<br/>First Baptist Church of Waverly<br/>First United Church of Christ<br/>Food Bank of the Southern Tier<br/>Friends of the Chemung River Watershed<br/>Friends of Indian Mound Cemetery<br/>Friends of Woodlawn Cemetery of Elmira, Inc.<br/>Fur, Fin &amp; Feathers, Inc.<br/>George F. Randolph Foundation, Inc.<br/>Girl Scouts<br/>Girls Hockey - Ithaca<br/>Girls on the Run of the Southern Tier<br/>Greater Binghamton Airport Advisor Board<br/>Greater Binghamton Chamber of Commerce<br/>Greater Binghamton Realtor Association<br/>Groton Central School<br/>Groton Fall Boosters<br/>Groton Youth Soccer Program<br/>Guthrie Corning Hospital<br/>Hangar Theatre<br/>Hendy Elementary School<br/>Historic Elmira<br/>Holy Family Elementary School<br/>Horseheads Babe Ruth League<br/>Horseheads High School<br/>Horseheads Middle School<br/>Horseheads Snowmobile Club<br/>Ithaca Downtown Business Women<br/>J.E. Hullett Fire Company<br/>JE Wheelock's Fire Department Auxiliary<br/>Junior Achievement of the Twin Tiers<br/>Lawrenceville Cinderella Softball<br/>Lions Club<br/>Meals on Wheels<br/>Montour Falls Beautification Committee<br/>Montour Falls Fire Department<br/>Moravia/Locke Chamber of Commerce<br/>Moravia Village Planning Board<br/>Muscular Dystrophy Association<br/>National Soaring Museum</p> | <p>North Chemung Cemetery<br/>Notre Dame High School<br/>Orchestra of the Southern Finger Lakes<br/>Paleontological Research Institution<br/>Powers Library<br/>Regional Economic Development and Energy Corporation<br/>Ridge Riders Snowmobile Club<br/>Rockwell Museum<br/>Rotary Clubs<br/>Schuyler Health Foundation<br/>Schuyler Hospital Auxiliary<br/>Sciencenter<br/>Schuyler County Partnership for Economic Development<br/>Slot Car Club of the Twin Tiers<br/>So. Tier CASH Program<br/>So. Tier Economic Growth<br/>So. Tier Technology Education Association<br/>Southport Recreation Association<br/>St. Jude's Research Children's Hospital<br/>St. Mary Our Mother School<br/>STAR Reader Program<br/>Susan G. Komen Foundation<br/>Tanglewood Nature Center &amp; Museum<br/>Three Rivers Development Corporation<br/>Tom Sawyer Youth League<br/>Tompkins County Area Development<br/>Town of Southport<br/>United Way of the Southern Tier<br/>United Way of Tompkins County<br/>Upstate Chill Travel Baseball Organization<br/>Victory Highway Church<br/>Watkins Glen Chamber of Commerce<br/>Waverly Basketball and Booster Clubs<br/>Waverly Soccer Club<br/>West Elmira Cal Ripken Baseball<br/>West Elmira Recreation Corp.<br/>Wings of Eagles Discovery Center<br/>Woodbrook Assisted Living Residence, Inc.<br/>Young Entrepreneurs Academy<br/>YWCA Elmira &amp; the Twin Tiers</p> |
|--|---|--|

### MARKET PRICE INFORMATION

The Bank's common stock was first offered in March 1985, and is now listed on the NASDAQ exchange under the symbol ESBK. This table summarizes the high and low market price for the Bank's stock during 2014 and 2013.

| Quarters | 2014  |       | 2013  |       |
|----------|-------|-------|-------|-------|
|          | High  | Low   | High  | Low   |
| First    | 26.97 | 22.25 | 23.05 | 20.67 |
| Second   | 24.78 | 21.92 | 23.93 | 18.18 |
| Third    | 24.54 | 20.16 | 22.73 | 19.30 |
| Fourth   | 23.00 | 20.50 | 28.45 | 20.15 |



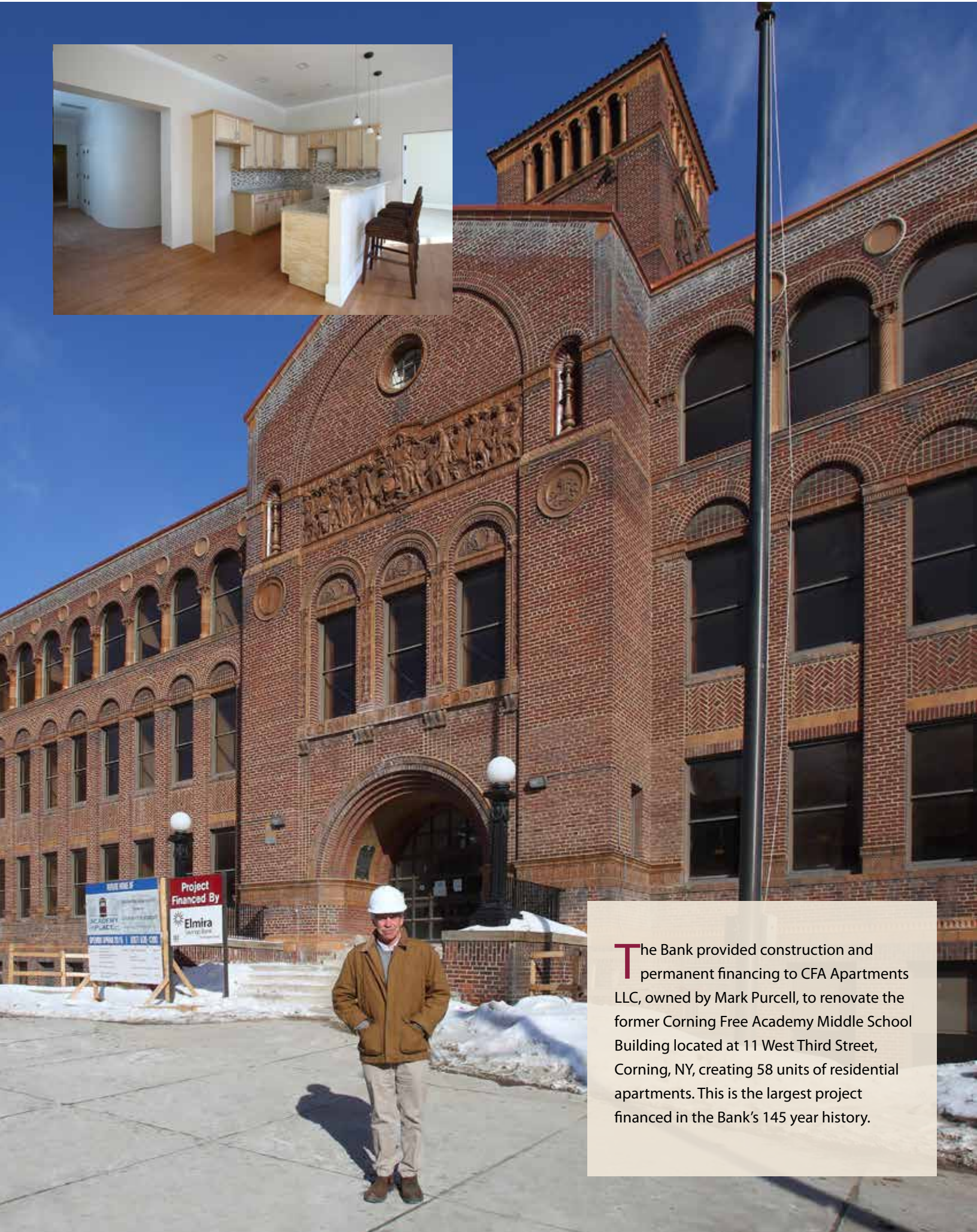
Keller Williams of the Southern Tier and Finger Lakes is a premier real estate agency in our region. We are very pleased to welcome them as a tenant to our Big Flats facility on County Route 64. We look forward to a long and lasting partnership with this company.





We were very pleased to provide construction and permanent financing to Rabco Highland House I, LLC for the expansion of their student housing complex at 304 Thurston Avenue, Ithaca, NY. This three-building project created 18 new apartments convenient for 59 students of Cornell University.





The Bank provided construction and permanent financing to CFA Apartments LLC, owned by Mark Purcell, to renovate the former Corning Free Academy Middle School Building located at 11 West Third Street, Corning, NY, creating 58 units of residential apartments. This is the largest project financed in the Bank's 145 year history.

## ELMIRA SAVINGS BANK OFFICERS

### EXECUTIVE

**Thomas M. Carr**  
President  
Chief Executive Officer

**Shirley A. Weigand**  
Assistant Secretary

### AUDIT AND CONTROL

**Joseph P. Klaiber**  
Vice President

**Edith B. Keebler**  
Assistant Vice President

**Jill M. McConnell**  
Assistant Secretary

### COLLECTIONS

**Tricia Rennells**  
Assistant Vice President

### FINANCE

**Jason T. Sanford**  
Senior Vice President  
Chief Financial Officer

**John J. Stempin**  
Assistant Vice President

**Judy A. Woodruff**  
Assistant Secretary

### HUMAN RESOURCES

**Bradley V. Serva**  
Vice President

**Stacy Ward**  
Assistant Secretary

### LENDING

**Kevin J. Berkley**  
Executive Vice President  
Senior Loan Officer

**Gary O. Short**  
Senior Vice President

**Tamara S. Pabis**  
Vice President

**Jason Sorochinsky**  
Vice President

**Susan M. Cook**  
Assistant Vice President

**Carrie L. Spencer**  
Assistant Vice President

**Amy Ward**  
Assistant Vice President

**Jennifer M. Murphy**  
Assistant Secretary

### MANAGEMENT INFORMATION SYSTEMS

**Joseph L. Walker**  
Vice President

**Phillip J. Collins**  
Assistant Vice President

### OPERATIONS

**Margaret A. Phillips**  
Vice President

**Frank P. Spena, Jr.**  
Assistant Vice President

### RETAIL SERVICES

**Donna J. Tangorre**  
Senior Vice President

**Deborah L. Adams**  
Assistant Vice President

**Kimberly A. Elliott**  
Assistant Vice President

**John Strong**  
Assistant Vice President

**Janette Allen**  
Assistant Treasurer

**Linda Confer**  
Assistant Treasurer

**Theresa A. Emo**  
Assistant Treasurer

**Lorenda D. Gneo**  
Assistant Treasurer

**Margaret Hurd**  
Assistant Treasurer

**Phylis A. Jensen**  
Assistant Treasurer

**Debra S. Knowles**  
Assistant Treasurer

**Renee A. Wheeler**  
Assistant Secretary

Michael P. Hosey came to work at Elmira Savings Bank in 1984 as Controller. At that time the Bank had total assets of \$162 million and \$2.5 million of net worth. The Bank had a net loss in 1984 of \$146,000. After 30 years of Mike's involvement, including 19 years as an executive officer, 12 of which he served as President and CEO, the Bank has \$546 million in total assets, net worth of \$55.5 million, and earnings of \$3.7 million.

In addition to the financial progress the Bank has made, Mike is an active and committed community member, participating in a leadership role in many key local organizations.

We wish Mike all the best in his retirement and are pleased that he remains with us as Chairman of the Board.



Michael P. Hosey

John ("Skip") Brand, III was elected to the Bank's Board of Directors in 1988. Mr. Brand served in a variety of capacities at the board level highlighted by ten years as Chairman of the Audit Committee and as Chairman of the Board of Directors from 2012 until his untimely passing in June of 2014.

Mr. Brand's thoughtful and inquisitive manner was an uplifting and guiding force for the Board of Directors and Management. Mr. Brand was a trusted steward of the Bank and he will be missed by all.



John ("Skip") Brand, III

## ELMIRA SAVINGS BANK LOCATIONS

### MAIN OFFICE

333 East Water Street  
Elmira, NY 14902-9967  
607-734-3374

### HORSEHEADS

2149 Grand Central Avenue  
Horseheads, NY 14845  
607-734-3374

### SOUTHPORT

1136 Pennsylvania Avenue  
Elmira, NY 14904  
607-734-3374

### WEST ELMIRA

930 West Church Street  
Elmira, NY 14905  
607-734-3374

### BIG FLATS

971 County Route 64  
Big Flats, NY 14841  
607-734-3374

### ELMIRA HEIGHTS

2075 Lake Road  
Elmira Heights, NY 14903  
607-734-3374

### CORNING

19 East Market Street, Suite 101  
Corning, NY 14830  
607-962-0812

### ERWIN

404 S. Hamilton Street  
Painted Post, NY 14870  
607-936-1806

### ITHACA LOAN CENTER

301 East State Street  
Ithaca, NY 14850  
607-257-3584

### COMMONS

301 East State Street  
Ithaca, NY 14850  
607-272-1111

### SOUTH MEADOW

702 South Meadow Street  
Ithaca, NY 14850  
607-272-2211

### TRIPHAMMER

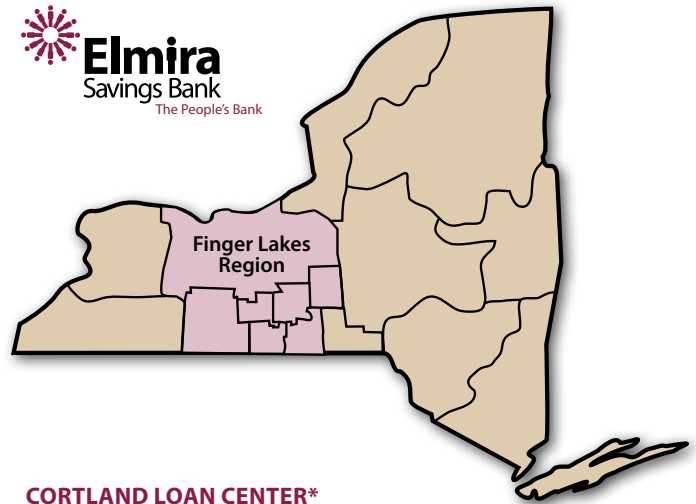
2300 North Triphammer Road  
Ithaca, NY 14850  
607-257-8808

### MORAVIA

142 Main Street  
Moravia, NY 13118  
315-497-1300

### MONTOUR FALLS\*

401 West Main Street, Suite 110  
Montour Falls, NY 14865  
607-535-4026



### CORTLAND LOAN CENTER\*

77 South West Street  
Homer, NY 13077  
607-749-7251

### VESTAL LOAN CENTER\*

3439 Vestal Parkway E.  
Vestal, NY 13850  
607-729-0386

### WATKINS GLEN

712 N. Franklin Street  
Watkins Glen, NY 14891  
607-535-4026

### ARNOT MALL ATM

Entrance 4 - Center Court  
Horseheads, NY 14845  
607-734-3374

\*ATM available at all locations  
except for the  
Montour Falls Office,  
Cortland Loan Center and  
Vestal Loan Center.

### ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting will be held at 10 a.m. on April 28, 2015 at the Clemens Center, 207 Clemens Center Parkway, Elmira, NY 14901

### SHAREHOLDER INQUIRIES

The Bank's transfer agent is:  
Computershare, Inc.  
Computershare Investor Services  
PO Box 30170, College Station, TX 77842  
(800) 368-5948

The Bank's Annual Report on Form 10-K will be furnished  
without charge upon written request to:

Thomas M. Carr  
President/Chief Executive Officer  
Elmira Savings Bank  
333 E. Water Street, Elmira, NY 14901



**Elmira**  
Savings Bank

The People's Bank

[www.elmirasavingsbank.com](http://www.elmirasavingsbank.com)



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