TRUSTED

Our conservative approach and sound financial position along with FDIC insurance coverage make us a safe, trusted option for all of your banking needs.

Jane M. Shaffer continued – Jane stated that “I appreciate the opportunity to further highlight my community and some of the great organizations that make it up. I believe in each one and have been an active volunteer with them. Each of these organizations’ missions are unique to themselves, but they are all community based. I feel that it is everyone’s civic responsibility to weave themselves into the fabric of their community.”

We are honored to have Jane as a contributing member of our local Advisory Board. Jane’s commitment to, and enthusiasm for local organizations, as well as that of other local Board members like Jane, help keep us connected to our communities and focused on remaining a Main Street Bank.

continued from front cover – Pictured with Jane are standing left to right: Dave Duprey, Celebrate Commemorate Memorial Day; Karen Beals, United Way of Seneca County; John Kenny, Waterloo Rotary Club; and Lynne Tyler, The American Red Cross of the Finger Lakes.
We ended 2009 on a strong financial note as our quarterly income increased by 22% over the full year 2008 – $3.7 million versus $3.1 million. We continued to gain local market share as evidenced by non-interest income that was 3.75% as compared to 3.1% in 2008. As of December 31, 2009, this reserve equaled 1.70% of loans outstanding as compared to 1.41% on December 31, 2008. Net income before income taxes for all of 2009 was $4.39/share versus $3.63 in 2008.

While generating more revenue is most important to profitability over time, we have also “stayed the course” as it relates to improving operational efficiencies. In the fourth quarter, our efficiency ratio (which measures the percentage of income used to cover expenses) fell to 66% from 69% in the third quarter. For the year as a whole, it declined to 72% from 76% in 2008. Our financial success has translated into higher returns for you, our shareholders. We continue to gain local market share as evidenced by non-interest income that was 3.75% as compared to 3.1% in 2008. As of December 31, 2009, this reserve equaled 1.70% of loans outstanding as compared to 1.41% in 2008. We are working closely with our state and national associations to have our voice heard as Congress crafts new regulations pertaining to the overhaul of the financial industry. It remains imperative that our elected officials understand the differences between Wall Street Banks and Main Street Banks. This will continue the fight to protect the value of our franchise and the benefits it provides to our staff, the communities we serve, and you, our shareholders.

Sincerely,

Robert A. Schick
President and Chief Executive Officer

While generating more revenue is most important to profitability over time, we have also “stayed the course” as it relates to improving operational efficiencies. In the fourth quarter, our efficiency ratio (which measures the percentage of income used to cover expenses) fell to 66% from 69% in the third quarter. For the year as a whole, it declined to 72% from 76% in 2008.

Our financial success has translated into higher returns for you, our shareholders. We continue to gain local market share as evidenced by non-interest income that was 3.75% as compared to 3.1% in 2008. As of December 31, 2009, this reserve equaled 1.70% of loans outstanding as compared to 1.41% in 2008. We are working closely with our state and national associations to have our voice heard as Congress crafts new regulations pertaining to the overhaul of the financial industry. It remains imperative that our elected officials understand the differences between Wall Street Banks and Main Street Banks. This will continue the fight to protect the value of our franchise and the benefits it provides to our staff, the communities we serve, and you, our shareholders.

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