The Advisor

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A Newsletter for Elmira Savings Bank Shareholders, Customers and Community

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Elmira Savings Bank, FSB

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Service is a Priority at Elmira Savings Bank

n 2004, a group of employees from various areas of the Bank were brought together to improve customer service and to differentiate Elmira Savings Bank from other financial institutions. To reach the level of remarkable customer service that the Bank was committed to, this group developed a set of Customer Service Standards. These standards became the baseline by which Elmira Savings Bank employees perform.

Remarkable Customer Service Is:

Exceeding customer expectations with responsive, accurate and effective solutions, in order to develop the trust, respect, and satisfaction of the customer.

Customer Service Standards

EXCELLENCE We Will:

 Guarantee quality service that meets or exceeds expectations to ensure a positive experience when dealing with our employees and develop effective solutions in an effort to gain the trust and respect of our customers.

COMMITMENT We Will:

- Be friendly, courteous, respectful, and professional at all times.
- Take responsibility for providing solutions that will best meet your need and for assisting you when referring you to someone who can provide a solution.

TIMELINESS We Will:

 Value your time by giving you the right answer the first time and by conveying sincerity that shows we are dedicated to your overall financial satisfaction.

RESPONSIVENESS We Will:

- Respond promptly to all requests within 24 hours.
- Cover the telephone at all customer-contact points during normal business hours.
- Answer the phone by the third ring.

Several ideas have emerged from the Service Team, one of

which is the Service Pride Award program. This program recognizes employees who exhibit and are committed to *remarkable customer service* on a daily basis.

Service Pride empowers all employees to award a gold coin to a fellow employee who displays excellent, committed, and consistent customer service which is remarkable.

When the employee is presented with a gold coin, they also receive an award. The presenter then sends an e-mail to the rest of the Bank announcing the award.

Not only does the employee receive the award, but the employee also has the possibility of winning monthly, quarterly, and annual Service Pride awards.

The Service Pride program has been very successful since its inception in 2004.

Elmira Savings Bank is pleased to announce that we launched our remodeled website on May 4. Please visit us at www.elmirasavingsbank.com.

Customer Appreciation Weeks Coming Up

Please join us during our 2011 Customer Appreciation Weeks, featuring free food and entertainment. See your local branch for complete details.

**Elmira Savings Bank Customer Appreciation Week
We appreciate your business!

Southport: June 27 – July 1

South Meadow: July 5 – 8

Moravia: July 11 - 15

Corning: July 18 – 22 Commons: July 25 – 29

West Elmira: Aug. 1 – 5 Main Office: Aug. 8 – 12

Arnot Mall: Aug. 15 – 19

Triphammer: Aug. 22 – 26

Horseheads: Aug. 29 – Sept. 2

Elmira Savings Bank

HISTORY

May 8, 1986

The Elmira Savings Bank, FSB was first listed on NASDAQ Stock Exchange under the ticker symbol ESBK. The Bank continues to be traded on NASDAQ under this ticker symbol. We currently have 2.0 million shares of common stock issued and outstanding and a market capitalization of \$32 million.

Elmira Savings Bank Reports Earnings Increase

Imira Savings Bank, FSB (NASDAQ:ESBK) today announced net income for the three months ended March 31, 2011 totaling \$1,114,000 or \$.38 per diluted share, compared to the \$1,079,000 of net income or \$.36 per diluted share reported for the same period in 2010. This represents a \$35,000 or 3% increase in net income from the corresponding period in 2010.

Net interest income was \$3.9 million for the first quarter of 2011 compared to \$3.8 million for the same period last year. Noninterest expense was \$3.1 million for the first quarter of 2011, slightly increased from the \$3.0 million for the same period last year. Noninterest income was \$836,000 for the first quarter of 2011, slightly below the \$869,000 for the first quarter of 2010. The provision for loan losses and gain on sale of securities were lower by \$150,000 and \$140,000, respectively, for the first quarter of 2011 when compared to the same quarter a year ago.

Total assets declined by \$5.5 million or 1% from \$499.8 million at December 31, 2010 to \$494.3 million as of March 31, 2011. Total loans increased by \$4.4 million or 1% from \$310.5 million as of December 31, 2010

Shareholder Inquiries

The Bank's transfer agent is: Registrar and Transfer Company 10 Commerce Dr. Cranford, NJ 07016-3752 (800) 866-1340

The Bank's annual and quarterly reports, 10-K, and 10-Q will be furnished without charge upon written request to:

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

The brokers currently making a market in the Bank's common stock are: Stifel Nicolaus Spear, Leeds & Kellogg Moors & Cabot Baird Patrick to \$314.9 million as of March 31, 2011. Total deposits were \$356.7 million as of March 31, 2011 compared to \$356.6 million as of December 31, 2010. Borrowed funds declined during the quarter by \$5.0 million due to maturities.

"During the first quarter of 2011, our mortgage and consumer loan production remained strong and our commercial loan production increased by 10% over the same period in 2010," said Michael P. Hosey, President and CEO. Hosey continued, "We continue to aggressively monitor delinquencies, focus on maintaining efficiency, and continue to evaluate our capital levels so that we may maximize shareholder return."

Elmira Savings Bank, FSB with \$494.3 million in total assets, is insured by the Federal

Deposit Insurance Corporation (FDIC) and is a federally chartered Bank with five offices in Chemung County, NY; three offices and a loan center in Tompkins County, NY; one office in Steuben County, NY; one office in Cayuga County, NY; one cashless office in Schuyler County; NY; and a loan center in Cortland County, NY.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve the risks and uncertainties, including the timely availability and acceptance of Bank products, the impact of competitive products and pricing, the management of growth, and other risks detailed from time to time in the Bank's regulatory reports.

Elmira Savings Bank, FSB

SELECTED CONSOLIDATED INCOME STATEMENT ITEMS

(Unaudited)

(In thousands except per share amounts)

TI		F
inree	Months	Enaea

		March 31,	
	2011	_	2010
Net interest income	\$ 3,924	\$	3,812
Provision for loan losses	150		300
Net gain on sale of securities	66		206
Other noninterest income	836		869
Total noninterest expense	3,058		2,982
Income before taxes	1,618		1,605
Net income	1,114		1,079
Dividends on preferred stock	359		359
Income available to common shareholders	755		720
Basic earnings per common share	\$ 0.39	\$	0.37
Diluted earnings per common share	\$ 0.38	\$	0.36
Dividends per common share	\$ 0.20	\$	0.20

Elmira Savings Bank, FSB

SELECTED CONSOLIDATED BALANCE SHEET ITEMS

(Unaudited)

(In thousands except per share amounts)

	March 31,	December 31,	
	2011	2010	
Total assets	\$ 494,277	\$ 499,839	
Loans receivable (including loans held for sale)	314,923	310,477	
Allowance for loan losses	2,827	2,909	
Deposits	356,709	356,621	
Borrowings	76,075	81,093	
Shareholders' equity	56,828	56,451	
Book value per common share	\$ 19.49	\$ 19.30	
Borrowings	81,093	87,162	
Shareholders' equity	56,451	54,546	
Book value per common share	\$ 19.30	\$ 18.82	

Tompkins Cortland Homebuilder Show

n March 4, 5, and 6 at the athletic center on the campus of Tompkins Cortland Community College (TC3) in Dryden, NY, the annual Tompkins Cortland Homebuilders Home Show was held. This is the second year Elmira Savings Bank has participated. This year, with the opening of our loan production office in Cortland, the event was of even more value to the Bank.

The planning started many months in advance and, as with each event, a theme had to be developed that would include the display and giveaways for the booth. As the discussions went on, led this year by the key person for the event Melissa Wright, it occurred to the group that the timing was just before the start of the college basketball March Madness Tournament. In addition, Syracuse University would be included in the tournament and is a local favorite in Ithaca and Cortland for college basketball.



(From left to right) Melissa Wright, Tammy Barker and Jim Shippy.

As a result of connections that Bank employees Jim Shippy and Jackie Newton had, we were able to secure two Syracuse University Basketball Jerseys, one signed by former player and current coach Gerry MacNamara, and one signed by the current team members. The jerseys were put in professional displays and were

raffled off, with the proceeds going to Habitat for Humanity, which is the main recipient of funds raised by Homebuilders Associations nation-wide. After a small donation from Elmira Savings Bank combined with the proceeds from the raffle, a \$1,000 donation was made to Habitat for Humanity.

ESB Cabin Fever on Market Street!

le are proud to announce our first year to participate in this event, along with the 30 other businesses that participated. We were the only financial institution to participate and the first one to ever do so! We had Standing Stone Vineyards serve wine tastings to over 260 people while we served chocolate and cheese and crackers. We also had a gift basket giveaway that everyone got to sign up for. The winner of the gift basket was Dan Wilhelm of



Revelers at the Corning Branch.

the Southern Tier of the Central Regional Planning Board. All in all, the event was a success and a great opportunity to interact with our community!



On Feb.12, 2011 the Elmira Savings Bank employees enjoyed a night of games, dancing, and laughs at the Cabin Fever Reliever at the Statler Hotel, in Ithaca, NY.

Valentine's Day at ESB

e Love Our Customers" was the theme on Valentine's Day at the Elmira Savings Bank. Customers and employees alike delighted in the day's festivities. The branches were outfitted with cookies, carnations, and kisses, (Hershey's Kisses that is) to treat our customers. Each branch also gave away \$125 dinner gift certificates to upscale restaurants in their areas. A \$500 vacation package for romantic Watkins Glen, the overall grand prize, included gift certificates to the Glen Harbor Hotel and Captain Bill's Seneca Lake Cruises.



(From left to right) Shannon Smith, Michelle Tilden, Nancy Manwaring, and Kristen Dupuis.

Wedding Expo

ebruary was certainly the month of love this year for Elmira Savings Bank! In addition to our Valentine's Customer Appreciation event, ESB participated in the annual Wedding Expo at the Shops at Ithaca Mall. Businesses and vendors from all around the Fingerlakes area set up booths and tables at the Mall on February 26 to meet and mingle with fellow professionals, mall shoppers, and the excited brides and their families.

While many businesses offered brides services and planning for the big day, ESB helped show soon-to-be newlyweds the products and financing we offer to help start their new life together. In addition to the booths, tables, pamphlets, and brochures for brides to browse, the Shops at Ithaca even performed a marriage in the middle of all the fun! For our part, Elmira Savings Bank provided 350 little gift box favors for the brides to be, complete with chocolate kisses inside and delicately tied with a bow and business card. The gift boxes were put together by Kristin of the Triphammer Branch and South Meadow's own Ashley, Nicole, and Samantha.

Lorenda, Manager of the Triphammer Branch, coordinated and worked the event with style, along with Jessica of Triphammer, Christina, Peggy and Robin of the Commons Branch, Ashley of the South Meadow Branch, and Kelly and Courtney of the Moravia Branch.

The Expo was a bustling event, with a steady stream of people browsing the businesses and services all day, until the actual wedding that evening. Elmira Savings Bank was pleased and honored to have met so many people from different walks of life, especially those planning for the happy day. The event was a joy to participate in, both for the opportunity to discuss our loan and product options, and the fun of the Wedding Expo!

Welcome New ESB Employees!

de are privileged to welcome one new employee to Elmira Savings Bank in the 1st quarter of 2011! Rachael Curtis joins ESB as a Full-time Teller at the South Meadow Branch. Rachael has customer service experience as a Concierge, as well as previous waitressing experience. She has a Bachelor's degree in Marketing and Business Administration from Grace College. Welcome to Elmira Savings Bank!

Congratulations to the following Employees!

ive employees were promoted to Bank
Officer status in the first quarter of 2011.
Jill McConnell has been promoted to
Assistant Secretary. Ashley Case, Lorenda
Gneo, Phylis Jensen, and Edie Keebler were
promoted to Assistant Treasurer.

Ashley Case joined Elmira Savings Bank as an Assistant Manager through the Ithaca Branch acquisition in December of 2007. She was promoted to the South Meadow Branch Manager in July of 2008. Ashley has a Bachelor's degree in Communications from Mansfield University.

Lorenda Gneo joined Elmira Savings Bank as an Assistant Manager through the Ithaca Branch acquisition in December of 2007. She was then promoted to Triphammer Branch Manager in January 2009. Lorenda has previous banking experience from First Niagara Bank.

Phylis Jensen came to Elmira Savings Bank in August of 2006 as a Teller Coordinator at the Corning Branch. She was promoted to Assistant Manager at the Mall Branch in March of 2008 and to Branch Manager of the Mall Branch in November, 2008. Phylis has previous bank experience from M&T Bank and previous management experience from a veterinary hospital in South Carolina.

Edie Keebler joined Elmira Savings Bank as an Internal Auditor in November of 2009. She previously worked at ESB in the Accounting Department as a Financial Analyst. Edie has experience with other companies in the Accounting field as well. Edie is an Elmira College graduate with a Bachelor of Science degree in Accounting.

Jill McConnell joined the Elmira Savings
Bank as a Mall Branch Teller in 1989. She
was promoted to Head Teller in 1990 and
then promoted to Branch Manager in 1998.
Jill transferred to the Main Branch in 2001
as the Branch Manager. She was promoted
to Auditor in April of 2002 and on to BSA
Officer in 2005. Jill is a certified Community
Bank Internal Auditor and a Certified BSA/
AML Professional. She has a General Banking
Diploma through CFT and has a Business
Certificate from Elmira Business Institute.

Congratulations to you all!

Bulk Rate Postage PAID Elmira, NY Permit #178

