

GREATER HUDSON BANK, N.A. REPORTS INCREASED EARNINGS FOR 2014 FIRST QUARTER

NET INCOME INCREASED 26.0% AND THE LOAN PORTFOLIO INCREASES 6.6% FOR THE 2014 FIRST QUARTER

Middletown, NY, April 15, 2014 – Greater Hudson Bank, N.A. (the “Bank”) (OTCQB: GHDS), with assets of \$354.5 million, today reported net income of \$654,000 or \$0.07 per common share for the first quarter of 2014 compared to \$519,000 or \$0.05 per common share for the 2013 first quarter. Return on average common stockholders’ equity was 6.59 percent for the three months ended March 31, 2014 compared to 5.28 percent for the first quarter ended March 31, 2013.

Edward T. Lutz, President and CEO stated, “The first quarter results represent the first step in our plan to reach additional customers within our target markets and expand our market share. As evidence of our commitment to the Hudson Valley, we relocated our Warwick branch to a more visible location on Main Street. We believe this will create more opportunities to better serve our customers in the Warwick community. We are also looking to increase profitability and efficiency as our business grows and evolves. Our fundamental approach of building customer relationships and providing ready access to decision-makers and effective servicing of accounts is resonating with our clientele. We are excited about our prospects and look forward to continued progress throughout the year.”

Financial highlights as of March 31, 2014 compared to December 31, 2013 are as follows:

- Total assets increased \$18.7 million, or 5.6 percent, to \$354.5 million.
- Loans, net of unearned income, increased \$14.7 million, or 6.6 percent, to \$235.4 million.
- Deposits increased \$18.4 million, or 6.9 percent, to \$285.7 million.

Performance highlights for the three months ended March 31, 2014 compared to the March 31, 2013 period are as follows:

- Net interest income increased \$328,000, or 12.3 percent, to \$3.0 million.
- Non-interest expense increased \$284,000, or 14.1 percent, to \$2.3 million.
- Non-interest income decreased \$32,000, or 24.4 percent, to \$99,000.
- Gains on securities transactions increased \$422,000.
- Provision for loan losses increased \$212,000 to \$178,000.
- Provision for income taxes increased \$87,000, or 29.2 percent, to \$385,000.

“We are very pleased with the first quarter 2014 results,” stated Kenneth J. Torsoe, chairman of the board of directors of Greater Hudson Bank. Mr. Torsoe further stated that, “We strongly feel that the changes we put in place last year are starting to yield results as we work to make Greater Hudson Bank the Hudson Valley’s choice in banking. As other Banks turn their attention away from the Hudson Valley area, we continue to work to support the local businesses and consumers that make this region special.”

EARNINGS

*Results Unaudited	Three months Ended March 31,	
SUMMARY OF OPERATIONS DATA:	2014	2013
Net interest income	\$ 2,997	\$ 2,669
Provision for loan losses	178	(34)
Noninterest income	99	131
Gains on securities transactions	422	-
Noninterest Expense	2,301	2,017
Income before income taxes	1,039	817
Provision for income taxes	385	298
Net income	\$ 654	\$ 519
Efficiency Ratio	74.3%	72.0%
AVERAGE BALANCE SHEET DATA:	2014	2013
Earning Assets	\$ 332,406	\$ 299,142
Total Interest Bearing Liabilities	275,593	249,721
Net interest spread	3.54%	3.50%
Net interest margin	3.61%	3.57%

Net income increased for the three months ended March 31, 2014 compared to the three months ended March 31, 2013, due to increases in net interest income of \$328,000 and security gains of \$422,000. The increase in net interest income was driven by the growth in the loan portfolio over the past twelve months. The security gains realized in the first quarter of 2014 were the result of the Bank’s ability to take advantage of market conditions in the first quarter of 2014. The increases in net interest income and security gains were partially offset by an increase in non-interest expense, primarily related to increases in legal fees, salary expense, and occupancy expense, reflecting the Bank’s continued growth, as well as and an increase to the provisions for loan losses as loans, net of unearned income increased \$14.7 million.

The provision for income taxes increased \$87,000 for the first quarter of 2014 compared to the prior year period primarily as a result of an increase in income before income taxes for the three months ended March 31, 2014 compared to the three months ended March 31, 2013.

BALANCE SHEET & CREDIT QUALITY

SELECTED BALANCE SHEET DATA – Unaudited

(in thousands, except ratios)

	March 31, 2014	Dec. 31, 2013	March 31, 2013
Total Investments	\$ 93,113	\$ 91,080	\$ 107,264
Loans, net of unearned income	235,405	220,742	182,024
Allowance for loan losses	3,940	3,861	2,531
Total assets	354,504	335,787	315,962
Total deposits	285,693	267,245	251,751
Borrowings	26,654	27,667	22,707
Nonperforming assets	6,279	3,666	1,861
Allowance for loan losses to total net loans	1.67%	1.75%	1.39%
Nonperforming assets to total assets	1.77%	1.09%	0.59%

The Bank increased loans, net of unearned income, by \$14.7 million as of March 31, 2014 compared to December 31, 2013. The increase in the loan portfolio was funded primarily by an increase in deposits of \$18.4 million.

Nonperforming assets increased to \$6.3 million as of March 31, 2014 from \$3.7 million as of December 31, 2013. The increase is related to a limited number of loan relationships that the Bank is actively attempting to remediate and is closely monitoring.

CAPITAL

EQUITY – Unaudited

(in thousands, except ratios)

	March 31, 2014	As of Dec. 31, 2013	March 31, 2013
Tier 1 Capital	\$ 39,806	\$ 39,146	\$38,614
Total Stockholders' Equity	\$ 39,610	38,975	\$39,362
Book value per common share	3.96	3.89	3.93
Tier 1 Leverage Ratio	11.4%	12.2%	12.2%

At March 31, 2014, the Bank had \$39.6 million in stockholders' equity. The Bank's leverage ratio was 11.4 percent at March 31, 2014 compared to 12.2 percent at March 31, 2013. As a result, the Bank continues to be considered a well-capitalized institution under current Federal regulatory guidelines.

Greater Hudson Bank's annual Stockholder's Meeting will be held Thursday, May 22, 2014 at 10:00 a.m. at the Salvation Army Conference Center in West Nyack, NY. All shareholders and interested parties are invited to attend.

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Greater Hudson Bank, N.A. founded in 2002, is headquartered in Middletown, New York. The Bank has 5 branches which are located in Middletown, Warwick and Monroe, Orange County, New York, Bardonia, Rockland County, New York, and White Plains, Westchester County, New York. The Bank is chartered by the Office of the Comptroller of the Currency and its deposits are insured by the Federal Deposit Insurance Corporation. Further information can be found on the Bank's website at www.GreaterHudsonBank.com.

Forward-Looking Statements: This Press Release may contain certain statements which are not historical facts or which concern the Bank's future operations or economic performance and which are to be considered forward-looking statements. Any such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Bank cautions that all forward-looking statements involve risk and uncertainties, and that actual results may differ from those indicated in the forward-looking statements as a result of various factors, such as changing economic and competitive conditions and other risk and uncertainties. In addition, any statements in this news release regarding historical stock price performance are not indicative of or guarantees of future price performance.