For Release to the Press

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GREATER HUDSON BANK REPORTS NET INCOME FOR THE 2015 SECOND QUARTER

Bardonia, NY, July 15, 2015 – Greater Hudson Bank (the "Bank") (OTCQX: GHDS), with assets of $409.3 million, today reported net income of $745,000 or $0.07 per common share for the second quarter of 2015 compared to $986,000 or $0.10 per common share for the 2014 second quarter. For the six months ended June 30, 2015, net income was $1.573 million or $0.16 per common share, compared to $1.641 million or $0.16 per common share for the six months ended June 30, 2014. Return on average common stockholders' equity was 6.86 percent and 7.32 percent for the three and six months ended June 30, 2015 compared to 9.80 percent and 8.20 percent for the three and six months ended June 30, 2014, respectively.

Edward T. Lutz, president and CEO stated, "Our quarterly results continue to show our progress in building our franchise. We continue to register measured growth in our core markets, which has resulted in improvement in net interest income and non-interest income, while we have kept expenses reasonably well managed. We are particularly pleased with the year over year growth in tangible book value and, coupled with last year's special dividend, we are continuing to provide our shareholders with an attractive reward for their confidence in our stewardship."

Financial highlights as of June 30, 2015 compared to December 31, 2014 are as follows:

- Total assets increased $14.9 million, or 3.8 percent, to $409.3 million.
- Loans, net of unearned income, increased $6.9 million, or 2.7 percent, to $263.6 million.
- Investments decreased $2.9 million, or 2.5 percent, to $110.2 million.
- Deposits increased $8.4 million, or 2.7 percent, to $325.4 million.

Performance highlights for the three months ended June 30, 2015 compared to the June 30, 2014 period are as follows:

- Net interest income increased $308,000, or 9.9 percent, to $3.4 million.
- Non-interest expense increased $215,000 or 9.4 percent to $2.5 million.
- Provision for loan losses increased $551,000.
- Provision for income taxes decreased $263,000, or 42.2 percent, to $360,000.

Performance highlights for the six months ended June 30, 2015 compared to the June 30, 2014 period are as follows:

- Net interest income increased $606,000, or 9.9 percent, to $6.7 million.
- Gains on securities transactions decreased $237,000.
- Non-interest expense increased $194,000, or 4.2 percent, to $4.8 million.
- Provision for loan losses increased $508,000.
- Provision for income taxes decreased $251,000, or 24.9 percent, to $756,000.

"Speaking for myself and the Board of Directors, we continue to be pleased with the achievements of our Greater bankers," stated Kenneth J. Torsoe, chairman of the board. Mr. Torsoe further stated that, "The team is producing high quality results and have effectively and profitably expanded our presence in our core markets. Our business direction and management effort bode well for effective execution of our strategic direction."

EARNINGS

*Results Unaudited	Three months Ended June 30,		Six months Ended June 30,	
	(in thousands, except ratios)			
SUMMARY OF OPERATIONS DATA:	**2015**	**2014**	**2015**	**2014**
Net interest income	$3,411	$3,103	$6,706	$6,100
Provision for loan losses	(89)	(640)	46	(462)
Noninterest income	106	134	247	233
Net gains on securities transactions	-	18	203	440
Noninterest Expense	2,501	2,286	4,781	4,587
Income before income taxes	1,105	1,609	2,329	2,648
Provision for income taxes	360	623	756	1,007
Net income	$745	$986	$1,573	$1,641
Efficiency Ratio	70.6%	64.7%	72.4%	68.3%
AVERAGE BALANCE SHEET DATA:	**2015**	**2014**	**2015**	**2014**
Earning Assets	$380,005	$342,300	$379,652	$337,380
Total Interest Bearing Liabilities	306,422	280,417	308,246	278,018
Net interest spread	3.49%	3.52%	3.45%	3.53%
Net interest margin	3.59%	3.63%	3.53%	3.62%

The decrease in net income for the three months ended June 30, 2015 compared to the three months ended June 30, 2014, is primarily attributable to an increase to the provision for loan losses of $551,000 primarily as a result of the elimination of a specific reserve for a non-accrual loan that was paid off in the second quarter of 2014. There was no similar reversal in 2015. Net income also decreased due to an increase in non-interest expense of $215,000 and a decrease to non-interest income of $28,000. These increases were partially offset by an increase in net interest income of $308,000, driven by growth in the loan portfolio, and a decrease in the provision for income taxes of $263,000, primarily as a result of the benefit of deductions for lending in the state

of New York that were included in changes to the New York State Tax Law that took effect in 2015.

Net income for the six months ended June 30, 2015 decreased $68,000 compared to the six months ended June 30, 2014. An increase in the provision for loan losses of $508,000 coupled with a decrease in securities gains of $237,000 and an increase in non-interest expense of $194,000 contributed to the overall decrease, while an increase of $606,000 in net interest income and a decrease in the provision for income taxes for the reason noted above, strongly alleviated some of the reduction in net income for the year.

BALANCE SHEET & CREDIT QUALITY

SELECTED BALANCE SHEET DATA – Unaudited

(in thousands, except ratios)	June 30, 2015	Dec. 31, 2014	June 30, 2014
Total Investments	$110,245	$113,104	$115,342
Loans, net of unearned income	263,650	256,745	232,299
Allowance for loan losses	3,352	3,306	3,182
Total assets	409,307	394,367	366,131
Total deposits	325,406	316,976	295,316
Borrowings	37,240	32,313	26,703
Nonperforming assets	3,203	2,986	3,790
Allowance for loan losses to total net loans	1.27%	1.29%	1.37%
Nonperforming assets to total assets	0.78%	0.76%	1.04%

The Bank increased loans, net of unearned income, by $6.9 million as of June 30, 2015 compared to December 31, 2014. The increase in the loan portfolio was funded by an increase to total deposits of $8.4 million as well as a decrease in the securities portfolio of $2.9 million. The Bank has also increased borrowings by $4.9 million during the year.

Nonperforming assets increased to $3.2 million as of June 30, 2015 from $3.0 million as of December 31, 2014. The balance 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)	As of June 30,	
	2015	2014
Tier 1 Capital	$41,473	$40,801
Total Stockholders' Equity	43,087	40,974
Book value per common share	4.30	4.09
Tier 1 Leverage Ratio	10.5%	11.3%

At June 30, 2015, the Bank had $43.1 million in stockholders' equity. The Bank's leverage ratio was 10.5 percent at June 30, 2015 compared to 11.3 percent at June 30, 2014. The Bank continues to be considered a well-capitalized institution under current Federal regulatory guidelines.

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Greater Hudson Bank, founded in 2002, is headquartered in Bardonia, NY. The Bank, which specializes in providing customized banking services to Hudson Valley based businesses, non-profits and municipal agencies is chartered by the New York State Department of Financial Services and its deposits are insured by the FDIC. As evidence of the Banks' financial strength, Greater Hudson Bank has been recognized with a superior rating by the country's leading independent bank rating and research firm, BauerFinancial, Inc. Further information can be found on the Bank's website at www.GreaterHudsonBank.com or by calling 844-GREAT-11.

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.