For Release to the Press

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GREATER HUDSON BANK
REPORTS INCREASED EARNINGS FOR THE
2016 FIRST QUARTER

Bardonia, NY, April 25, 2016 – Greater Hudson Bank (the "Bank") (OTCQX: GHDS), with assets of $437.7 million, today reported net income of $930,000 or $0.09 per common share for the first quarter of 2016 compared to $828,000 or $0.08 per common share for the 2015 first quarter. Return on average common stockholders' equity was 8.14 percent for the three months ended March 31, 2016 compared to 8.07 percent for the three months ended March 31, 2015.

Edward T. Lutz, president and CEO stated, "We are proud to present the results for the 1st quarter of 2016. They reflect continued earnings momentum forged over the last several years. In ensuing quarters, we expect to look to win market share in all our core markets with particular emphasis on Westchester County where opportunities abound. An underlying precept is an emphasis on measured loan and deposit accumulation predicated on building lasting relationships and providing high quality service to existing and new clientele. Congratulations to our "Greater" staff for their dedication and hard work."

Financial highlights as of March 31, 2016 compared to December 31, 2015 are as follows:

- Total assets increased $5.0 million, or 1.2 percent, to $437.7 million.
- Investments increased $9.5 million, or 7.4 percent, to $136.9 million.
- Deposits increased $3.4 million, or 1.0 percent, to $343.4 million.
- Nonperforming assets increased $2.4 million to $5.5 million.

Performance highlights for the three months ended March 31, 2016 compared to the March 31, 2015 period are as follows:

- Net interest income increased $343,000, or 10.4 percent, to $3.6 million.
- Non-interest expense increased $86,000 or 3.8 percent to $2.4 million.
- Gains on securities transactions decreased $112,000.

Kenneth J. Torsoe, chairman of the board stated that, “The quarterly results reflect the diligence and effort put forth by the “Greater” team and on behalf of the Board we are quite pleased with the results. The Bank is operated efficiently, geared to win market share in a measured way and committed to build shareholder value over time. The first quarter results fully meet those expectations.”

EARNINGS

*Results Unaudited	Three months ended March 31, (in thousands, except ratios)	
SUMMARY OF OPERATIONS DATA:	**2016**	**2015**
Net interest income	$ 3,638	$ 3,295
Provision for loan losses	98	135
Noninterest income	95	141
Gains on securities transactions	91	203
Noninterest Expense	2,367	2,281
Income before income taxes	1,359	1,223
Provision for income taxes	429	395
Net income	$ 930	$ 828
Efficiency Ratio	63.4%	66.4%
AVERAGE BALANCE SHEET DATA:	**2016**	**2015**
Earning Assets	$ 417,889	$ 376,305
Total Interest Bearing Liabilities	336,840	310,090
Net interest spread	3.39%	3.44%
Net interest margin	3.48%	3.50%

The increase in net income for the three months ended March 31, 2016 compared to the three months ended March 31, 2015, is primarily attributable to an increase in net interest income of $343,000 as a result of an increase in average earning assets. The increase in net interest income was partially offset by a decrease in security gains of $112,000 and an increase to noninterest expense of $86,000, primarily attributable to increases in New York State Franchise Tax, data processing expense, and other employee expenses.

BALANCE SHEET & CREDIT QUALITY

SELECTED BALANCE SHEET DATA – Unaudited: (in thousands, except ratios)	As of March 31, 2016	December 31, 2015	March 31, 2015
Total Investments	$ 136,929	$ 127,460	$ 108,040
Loans, net of unearned income	282,667	282,548	261,684
Allowance for loan losses	3,653	3,555	3,441
Total assets	437,709	432,701	398,507
Total deposits	343,448	340,011	314,067
Borrowings	44,270	45,335	38,281
Nonperforming assets	5,538	3,185	3,415
Allowance for loan losses to total net loans	1.29%	1.26%	1.31%
Nonperforming assets to total assets	1.27%	0.74%	0.86%

The Bank increased total investments by $9.5 million to $136.9 million as of March 31, 2016 compared to December 31, 2015. The increase in investments was funded by an increase in total deposits of $3.4 million, as well as a decrease in cash and due from banks.

Nonperforming assets increased $2.4 million to $5.5 million as of March 31, 2016 from $3.2 million as of December 31, 2015. Of the $2.4 million increase in nonperforming loans, approximately $1.8 million is guaranteed by the Small Business Administration, which is in the process of collection. 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 March 31, 2016	2015
Tier 1 Capital	$ 44,146	$ 40,721
Total Stockholders' Equity	46,302	42,775
Book value per common share	4.62	4.27
Tier 1 Leverage Ratio	10.2%	10.3%

At March 31, 2016, the Bank had $46.3 million in stockholders' equity. The Bank's leverage ratio was 10.2 percent at March 31, 2016 compared to 10.3 percent at March 31, 2015. The Bank continues to be considered a well-capitalized institution under current Federal regulatory guidelines.

Greater Hudson Bank’s annual Stockholders’ Meeting will be held Thursday, April 28, 2016 at 10:00 a.m. at the Salvation Army Conference Center in West Nyack, NY 10994. All shareholders and interested parties are invited to attend.

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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 Bank's 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.