

PRESS RELEASE

We Are Here to Lend Your Business Money

Tuesday - November, 8 2011

MIDDLETOWN, NY - Contrary to certain reports that community banks are not lending due to undercapitalization and weak balance sheets, the truth is, community bank business lending is being hurt by a malaise of uncertainty with regard to health care costs, taxes, increased regulation at all government levels and inflation fears, among many concerns. The gravity-defying drop in business loan demand is being felt by all banks, including the great majority of American community banks that are well capitalized. While we are not blind to the weakness being experienced by a limited number of community banks, the institutions we represent populate the rule, not the exception.

Broad generalizations about America's community banks fail to isolate certain parts of the country where community banks continue to maintain strong capital positions - like the Hudson Valley. Our collective dedication to the success of businesses in our communities is more than just a business strategy. We recognize that these businesses create jobs and we must continue to support job-creators or our communities will fail. It's as simple as that.

Unless and until businesses feel confident about the direction of our economy and the ability of our government officials to provide a level of clarity on which they can depend, business owners will hire fewer people, won't invest as much and generally will get by with less. With that scenario in place, loans simply don't make sense for many businesses - even with historically low interest rates.

Somehow, the disconnect about community banks and their wrongly-perceived low inclination to make loans has spread like an urban legend in American media. Unfortunately for businesses across the country and here in the Hudson Valley, strong, well-capitalized, community banks get lumped in with the money center, "Too Big To Fail" banks that have drawn some negative media coverage.

As bankers we are very sensitive to mischaracterizations of fact, especially and most certainly when it relates to capital, soundness and, for our customers, our ability to make loans. We know businesses are dependent on community banks for working capital and growth opportunities. That is why we have endeavored to operate our institutions over these last few years, as we always have, in a manner which allows us to have the capital to make business loans.

Despite the difficulties we have faced the last few years, America still has the strongest banking system in the world and there is a place and purpose for global banks, regional banks and community banks. For most of the 7000+ community banks in America, including the local institutions represented here, we are adequately capitalized and we are here to lend your business money.

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