



FOR IMMEDIATE RELEASE
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KINDERHOOK BANK CORP. AND PATRIOT FEDERAL BANK ANNOUNCE PLAN TO MERGE

Kinderhook Bank Corp. (OTCQB: NUBK), the parent bank holding company of The National Union Bank of Kinderhook (“Kinderhook Bank”), and Patriot Federal Bank (“Patriot”) announced today that they have agreed to merge in an all-stock transaction. The proposed merger of these two strong community banks is subject to approval by regulatory agencies and the shareholders of Patriot and customary closing conditions. The transaction is expected to close in the fourth quarter of 2017.

The combined organization would operate as Kinderhook Bank with 11 offices across five counties and, based on financial results as of December 31, 2016, approximately \$601 million in total assets, \$446 million in total loans and \$521 million in total deposits.

Pursuant to the terms of the merger agreement, Patriot would merge into Kinderhook Bank and Patriot shareholders would receive 0.300 shares of Kinderhook Bank Corp. common stock for each share of Patriot Federal Bank common stock. Upon closing, Patriot shareholders will own approximately 29% of the stock in the combined company, on a fully-diluted basis.

Patriot, headquartered in Canajoharie, NY, is a federally chartered savings institution organized in 2005. It serves customers in Montgomery and Fulton counties, NY, from offices in Amsterdam, Canajoharie and Johnstown, all of which would remain open after the merger and operate as Kinderhook Bank branches. The National Union Bank of Kinderhook is a 164-year-old independent community bank with offices in Albany, Chatham, Delmar, East Greenbush, Greenport, Kinderhook, Latham and Valatie, NY.

John A. Balli, president and chief executive officer of Kinderhook Bank, will serve as president and chief executive officer of the combined organization. He expects the majority of Patriot employees will be invited to become part of the Kinderhook Bank team, and the bank will continue its focus on providing the highest level of customer service.

“We believe that combining Kinderhook Bank and Patriot will create greater opportunities to serve our customers and communities, provide for more career options for employees, and offer enhanced returns for our shareholders,” Mr. Balli said.

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“Patriot’s strong residential lending expertise complements Kinderhook Bank’s robust commercial lending business. Both are strong community banks that are a good fit financially, strategically and culturally, and the combined organization will be able to offer larger lending limits, creating a bank with greater scale, product breadth and efficiency to compete more effectively and deliver strong returns to our shareholders.”

Kathleen J. Wolfe, president and chief executive officer of Patriot, said: “Combining with Kinderhook was a clear strategic choice for Patriot. Our customers and communities will benefit from the resources of a larger banking organization committed to serving local businesses and individuals. We believe our combined growth prospects are strong.”

Endicott Financial Advisors LLC served as financial advisor to Kinderhook and rendered a fairness opinion in connection with the transaction. Cranmore, FitzGerald & Meaney served as legal counsel to KBC. The Bank Advisory Group served as financial advisor to Patriot and rendered a fairness opinion. Hunton & Williams served as legal counsel to Patriot.

About Kinderhook Bank Corp.

Kinderhook Bank Corp. is the parent company of The National Union Bank of Kinderhook, a national bank established in 1853 to serve the banking needs of customers throughout Columbia County and has expanded into Albany and Rensselaer counties in New York State. Kinderhook Bank is the sole bank headquartered in Columbia County with branch locations in Albany, Chatham, Delmar, East Greenbush, Greenport, Kinderhook, Latham and Valatie, New York. As of December 31, 2016, The National Union Bank of Kinderhook had total assets of approximately \$460 million; total loans of approximately \$332 million; total deposits of approximately \$403 million; and total capital of approximately \$43 million.

About Patriot Federal Bank

Patriot is a federally chartered savings institution which has served the banking needs of customers in Montgomery and Fulton County, New York since its organization in 2005 with three (3) offices in Amsterdam, Canajoharie and Johnstown. Patriot offers a variety of savings and checking products as well as commercial, residential and consumer lending. As of December 31, 2016, Patriot had total assets of \$141 million; loans of \$114 million; deposits of \$118 million; and total capital of approximately \$12.3 million.

Forward-Looking Statements

Any forward-looking statements regarding the proposed Agreement and Plan of Merger among Kinderhook Bank Corp., The National Union Bank of Kinderhook and Patriot Federal Bank involve uncertainties. Those uncertainties include, but are not limited to: legislation or changes in regulatory requirements, shareholder actions, technical or systems issues affecting dates of consummation or conversion, and the potential for costs, difficulties, or economic conditions that are less favorable than expected.

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This Communication Does Not Constitute a Solicitation of Proxies

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or the solicitation of any vote or approval. In connection with the proposed merger, Kinderhook Bank Corp. intends to file a Proxy Statement/Offering Circular on Form 1-A in accordance with the requirements of 17 C.F.R. §§230.252 and 230.253 with the Securities and Exchange Commission (SEC), which will contain the proxy materials and certain other information regarding The National Union Bank of Kinderhook, Kinderhook Bank Corp. and Patriot Federal Bank. These materials will set forth more details of the merger. Investors are urged to carefully read the materials when filed with the SEC, and any amendments or supplements thereto, as they will contain important information that should be considered before making any decision regarding the transaction. Investors will be able to obtain a copy of the proxy materials and offering circular free of charge (when available) at the SEC's website at www.sec.gov. Investors should read the proxy materials/offering circular before making a decision regarding the merger.

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