

At Apple Bank, There's Safety in Numbers.

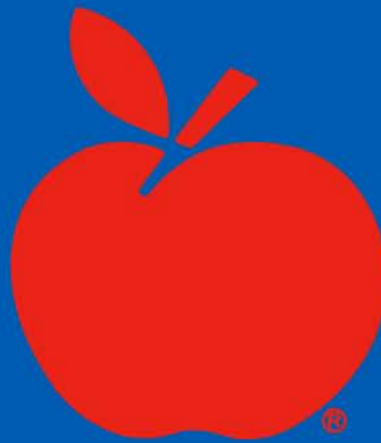
2X the Capital Ratio Average of Peer Banks.*

3X the Capital Required by Regulators.

Zero Subprime Loans.

Zero TARP Funds.

Five-Star Rating by Bauer Financial.



Member FDIC

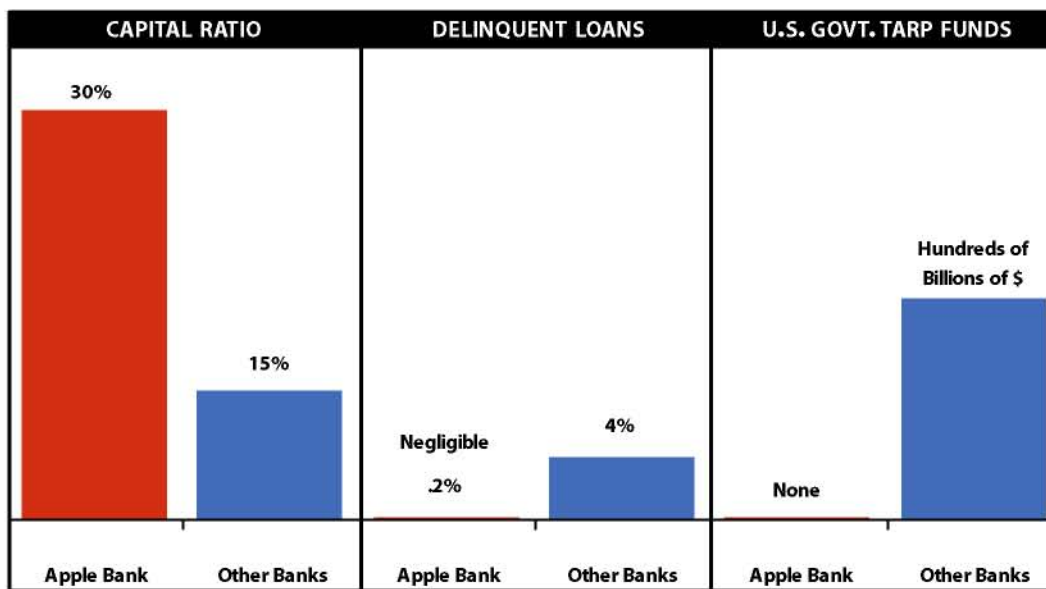
All financial information is based on FDIC call report data as of 03/31/10 as compiled by Bauer Financial, Inc. *Peer group banks for "Capital Ratio" include all banks with only domestic offices and assets over \$1 billion, as compiled by Bauer Financial, Inc. "Capital Ratio" is Total Risk Based Capital. Bauer Financial independently analyzes all U.S. chartered banks and all federally insured credit unions with assets of at least \$1.5 million. No institution pays for its rating, nor can an institution elect not to be rated. Under Bauer's star rating system, the highest rating a financial institution can receive is five stars (Superior). Five star (Superior) rated institutions are financially sound and are operating well above regulatory capital requirements. In determining star ratings, Bauer Financial evaluates capital ratios, profitability/loss trend, level of delinquent loans and repossessed assets, and liquidity, among other criteria.

Apple Bank Has Continued to Outperform Its Peers in One of the Most Challenging Periods in Banking History

Key Measures of Strength:

- **Capital Ratio - More is Better!** Apple Bank has 2X the average of other banks and almost 3X the amount required by regulators to be classified as "well capitalized".
- **Delinquent Loans - Less is Better!** Apple Bank's delinquent loans have remained near zero throughout the current financial crisis.
- **U.S. Government TARP Funds - Less is Good. None is Even Better.** Apple Bank has not sought or needed any TARP funding throughout the current financial crisis.
- **Profitability.** As one of the most conservatively managed and safest banks in America, Apple Bank has remained profitable in 2008, 2009 and 2010 while many larger banks have lost billions and billions of dollars.

Apple Bank vs. Peer Banks: Key Measures



Rated ★★★★★: Superior for over 10 consecutive years by Bauer Financial. Visit www.BauerFinancial.com to see Apple Bank's performance vs. other banks.

See Apple Bank's Safe and Sound® Rating from Bankrate.com. Visit www.Bankrate.com.

One of America's Strongest Banks • Since 1863 • Member FDIC

All financial information based on FDIC Call Report Data as of March 31, 2010 as compiled by Bauer Financial, Inc. Peer group banks for "Capital Ratio" and "Delinquent Loans" include all banks with only domestic offices and assets over \$1 billion as compiled by Bauer Financial, Inc. "Capital Ratio" shown is Total Risk Based Capital. TARP stands for Troubled Assets Relief Program, a US government program to purchase assets and equity from financial institutions to strengthen the US financial sector. TARP information shown for "Other Banks" is an approximation taken from various industry sources.

Apple Bank
Safe. Sound. Secure.
Serving the Needs of Our Customers Since 1863

Strength and Safety

- ▶ Apple Bank for Savings is one of the most conservatively managed and strongest banks in the nation.
- ▶ We have grown and remained profitable despite the challenging economy and housing market.
- ▶ Apple Bank does not originate or hold subprime loans, in line with its credit policy.
- ▶ We have a consistent and disciplined risk management program.
- ▶ We are an FDIC insured institution and extend full coverage to our customers of up to \$250,000 per account ownership type.*
- ▶ Apple Bank has not sought or received any taxpayer funds in connection with government programs designed to support the banking system, such as TARP (Troubled Assets Relief Program).

Commitment to Customer Service

- ▶ As a community bank with approximately \$7 billion in assets, we are big enough to deliver the full range of banking services to our individual and small business customers, yet small enough to provide these services in a personalized manner.
- ▶ Our bankers are locally based and understand the marketplace and their customers' needs.
- ▶ Our prudent and disciplined lending practices enable us to continue to lend in an environment in which other banks have pulled back.
- ▶ As the third largest savings bank in New York State, we are favorably positioned to serve the needs of our customers with 50 full-service branches in the greater New York area, including the five boroughs, Long Island and Westchester.

Strong Financial Position

- ▶ Apple Bank's balance sheet is comprised primarily of high-quality liquid securities and well-secured mortgage loans on properties in New York City and its suburbs.
- ▶ As of December 31, 2009, Apple Bank had solid financial performance:
 - Net income of \$20.5 million
 - Deposits of \$5.9 billion
 - Non-performing loans of only \$3.0 million in a loan portfolio of \$2.4 billion
 - Total capital and reserves of \$639 million
 - Capital ratios that are almost 3 times regulatory requirements
 - 5-star rating (Superior) from Bauer Financial for over 10 consecutive years.
 - See Apple Bank's Safe and Sound[®] rating from Bankrate.com. Visit www.Bankrate.com.

We are:

- ▶ Dedicated to serving your needs with neighborhood branch banking. Apple Bank has continued to expand in neighborhoods from which other banks have withdrawn or ignored.
- ▶ Providing financial solutions for our customers, based on their needs
- ▶ Expanding and enhancing our products and services
- ▶ Helping local community organizations through sponsorships and contributions
- ▶ Staying the course with prudent, conservative financial management and disciplined operations
- ▶ Committed to remaining a safe, sound, and secure community bank

Please see the 2009 Financial Summary for more information on Apple Bank's performance. The 2009 Financial Summary is available on our Web site at www.applebank.com. Go to "About Apple Bank" and click "Financial Information" to view.

*Deposits may be insured for more than \$250,000 depending on the way they are titled. Please visit www.fdic.gov to see more detailed information and use the FDIC's Electronic Deposit Insurance Estimator.

Your FDIC-Insured Deposits at Apple Bank

Effective as of July 21, 2010, the FDIC has ***permanently*** increased deposit insurance at member banks to \$250,000 per account ownership type*. A summary of FDIC insurance as it currently applies to your accounts at Apple Bank is shown below.

\$250,000 Per Depositor, Per Account Ownership Type*

Personal and Business Checking Accounts including:

- ▶ Apple ExtraValue[®] Checking
- ▶ Apple BasicValue[®] Checking
- ▶ Apple ClassValue[®] Checking
- ▶ Apple SmartValue Business[®] Checking
- ▶ Apple SimpleValue Business[®] Checking
- ▶ Apple SupremeValue Business[®] Checking
- ▶ Apple GoldValue NOW[®] Checking
- ▶ Apple Edge NOW[®] Checking
- ▶ Apple Grand Yield Advantage NOWsm Account
- ▶ IOLA Attorney Trust Checking Accounts
- ▶ Electronic Transfer Accounts (ETAs)

All Certificates of Deposit

All Savings Accounts including:

- ▶ Apple Gold Savings[®] Account
- ▶ Apple Premium Savings Account
- ▶ Apple Super Savings Account
- ▶ Apple Grand Yield Savings[®] Account
- ▶ Apple Edge Savings[®] Account
- ▶ Apple Advantage Savingssm Account
- ▶ Apple Grand Yield Directsm Savings
- ▶ Lease Security Accounts

All Money Market Accounts including:

- ▶ Apple Money Market Account
- ▶ Apple Advantage Money Marketsm Account
- ▶ Apple Edge Money Market[®] Account
- ▶ Apple Treasury Bill Indexed Money Market[®] Account
- ▶ Apple Business Money Market Account
- ▶ Apple Grand Yield Advantage NOWsm Account

Coverage of Your Insured Deposits at Apple Bank

Apple Bank is FDIC insured to the fullest extent of the law. This means that, for each *single* depositor, if your deposit accounts at Apple Bank total \$250,000* or less, the deposits are fully insured. However, a depositor at an FDIC-insured bank such as Apple Bank can have more than \$250,000 in deposits and still be fully insured provided the accounts meet certain requirements.

The FDIC provides separate coverage for deposits held in different account ownership categories. The coverage limits shown in the chart below refer to the total of all deposits that an accountholder has in the same ownership categories at each FDIC-insured bank.

Basic FDIC Deposit Insurance Coverage Limits*

Single Accounts (owned by one person)	\$250,000 per owner
Joint Accounts (two or more persons)	\$250,000 per co-owner
IRAs and certain other retirement accounts	\$250,000 per owner
Informal Trust Accounts	\$250,000 per owner per beneficiary subject to specific limitations and requirements
Corporation, Partnership and Unincorporated Association Accounts	\$250,000 per corporation, partnership or unincorporated association
Employee Benefit Plan Accounts	\$250,000 for the non-contingent, ascertainable interest of each participant
Government Accounts	\$250,000 per official custodian

*On July 21, 2010, basic FDIC insurance coverage permanently increased at member banks to \$250,000 per depositor, for each account ownership type.

A Family of Four Could Receive Up To \$6 Million in FDIC Deposit Insurance Coverage

Individual Account owned by John Smith	\$250,000
Individual Account owned by Mary Smith	\$250,000
Individual Account owned by son, James Smith	\$250,000
Individual Account owned by daughter, Anne Smith	\$250,000
Joint Account owned by John and Mary Smith and two children	\$1,000,000
IRA owned by John Smith	\$250,000
IRA owned by Mary Smith	\$250,000
IRA owned by son, James Smith	\$250,000
IRA owned by daughter, Anne Smith	\$250,000
Revocable Trust Account owned by John Smith for benefit of wife and two children	\$750,000
Revocable Trust Account owned by Mary Smith for benefit of husband and two children	\$750,000
Revocable Trust Account owned by James Smith for benefit of mother, father and sister	\$750,000
Revocable Trust Account owned by Anne Smith for benefit of mother, father and brother	\$750,000
Total:	\$6,000,000

For more information, please visit www.FDIC.gov, or call toll-free 1-877-ASK-FDIC. You may also contact Apple Bank's CustomerLine at 1-914-902-APPLE (2775). CustomerLine Agent Service is available Monday through Friday 9:00 am to 5:00 pm. You may also visit the Apple Bank Web site at www.applebank.com.