



## Modern/FNB NY Increases its Madison Holdings to 9.9%

Hauppauge, N.Y. – (Business Wire) – April 5, 2011 – Madison National Bancorp, Inc. (Madison) (stock symbol MNBZ, OTCBB) today announced that on March 31, 2011, it sold 182,260 shares of its common stock to FNB NY Bancorp, Inc. (FNB NY) pursuant to the stock purchase agreement entered into by Madison and FNB NY on October 21, 2010, and on April 5, 2011, Madison sold an additional 40,468 shares to FNB NY pursuant to a stock purchase agreement dated April 5, 2011. The shares were sold at \$8.48 per share, for an aggregate purchase price of approximately \$1.9 million. As a result of these sales, and the sale of 182,260 shares to FNB NY upon execution of the stock purchase agreement dated October 21, 2010, FNB NY now holds a total of 404,988 shares of Madison's common stock, or 9.9% of the total shares outstanding, making FNB NY the largest shareholder of Madison. The total sale of 404,988 shares of common stock to FNB NY has increased Madison's capital by an aggregate of approximately \$3.4 million.

The stock purchase agreements were entered into in connection with a merger agreement pursuant to which FNB NY and its parent, Modern Capital Holdings LLC, will acquire Madison and its banking subsidiary, Madison National Bank, in a transaction valued at approximately \$33.5 million. Consummation of the merger is subject to the approval of the stockholders of Madison, as well as applicable bank regulatory approvals. There can be no assurances as to whether or when the required regulatory approvals will be received. The merger agreement may be terminated by either party if not consummated by July 31, 2011.

Under the terms of the merger agreement, stockholders of Madison will receive cash consideration for each share of common stock equal to \$9.09 per share, as adjusted for certain net loan losses and mark-to-market adjustments for non-performing loans after June 30, 2010 and prior to closing to the extent such losses and adjustments exceed the bank's existing loan loss reserve, subject to a minimum per share price of \$8.18. Following the merger, Madison National Bank will continue to operate as a full service banking subsidiary of FNB NY. No branch closings are expected in connection with the merger and it is expected that the majority of Madison's executive officers and staff will remain with the Bank. Daniel L. Murphy, current Chief Executive Officer of the Bank, will continue as Chief Executive Officer of FNB NY's banking subsidiary which will be renamed First National Bank of New York.

### **About Madison National Bank**

Madison National Bank is a locally owned and operated commercial bank, focusing on highly personalized and efficient services and products, responsive to local needs. Management and the Board of Directors is comprised of a select group of successful local businessmen and women who are committed to the success of the Company by knowing and understanding Long Island's

financial needs and opportunities. Backed by state-of-the art technology, Madison offers a full range of modern financial services. Madison employs a complete suite of consumer and commercial banking products and services, including multifamily and commercial mortgages, construction loans, home equity lines of credit, business loans and lines of credit. Madison also offers 24-hour ATM service with no fees attached, free checking with interest, telephone banking, the most advanced technologies in internet banking for our consumer and business customers, safe deposit boxes and much more. Madison National Bank maintains its corporate offices in Hauppauge, New York and currently operates three New York branch offices in Merrick, Melville, and Massapequa. Madison National Bank is a member of the Federal Deposit Insurance Corporation and is an Equal Housing/Equal Opportunity Lender. For further information, call 631-348-6999 or visit the Company's website at [www.madisonnational.com](http://www.madisonnational.com).

### **Forward-Looking Statements**

This news release contains certain forward-looking statements about the proposed merger of Madison and FNB NY. This release may also contain certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and may be identified by the use of such words as "may," "believe," "expect," "anticipate," "should," "plan," "estimate," "predict," "continue," and "potential" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, estimates with respect to the financial condition, results of operations and business of Madison National Bank. Any or all of the forward-looking statements in this release and in any other public statements made by Madison National Bank may turn out to be incorrect. They can be affected by inaccurate assumptions Madison National Bank might make or by known or unknown risks and uncertainties. Consequently, no forward-looking statement can be guaranteed. Madison National Bank does not intend to update any of the forward-looking statements after the date of this release or to conform these statements to actual events.

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