



FOR IMMEDIATE RELEASE

Orange County Bancorp, Inc. Announces Record Third Quarter Results

- Quarterly Net Income increased 12.4% over prior quarter to \$3.2 million
- Average Loans up 31.7% year-over-year to \$841.9 million
- Average Demand Deposits up 38.5% year-over-year to \$308.2 million
- Total Assets up 16.3% versus same period last year to \$1.24 billion
- Tangible Book Value per Share of \$24.80 up 22% from same period last year

MIDDLETOWN, N.Y., OCTOBER 24, 2019 – Orange County Bancorp, Inc. (the “Company” - OTCQX: OCBI), parent of Orange Bank & Trust Co. (the “Bank”) and Hudson Valley Investment Advisors, Inc. (HVIA), today announced record net income of \$3.2 million, or \$0.71 per share, for the three months ended September 30, 2019. This compares with net income of \$2.8 million, or \$0.63 per share, for the three months ended June 30, 2019 and \$2.0 million, or \$0.51 per share, for the three months ended September 30, 2018. Net income for the nine month period ended September 30, 2019 increased \$3.3 million to \$8.2 million, or \$1.84 per share, compared to \$4.9 million, or \$1.39 per share, for the nine months ended September 30, 2018.

“I am very pleased to report another period of record results for the third quarter and year-to-date”, said Michael Gilfeather, President and Chief Executive Officer. “The earnings are the result of meaningful contributions from all business lines across our geographic footprint. Loans and deposits, the Bank’s core operations, continue to expand, even as the Bank maintains a conservative risk profile and low funding costs. Our ongoing investments in Rockland and Westchester counties remain key to this growth and our continued success. These counties now represent 41% of the Bank’s loans and 45% of the Bank’s deposits at September 30, 2019.

Total deposit growth was primarily in non-interest bearing commercial demand deposits (“DDA”) and NOW accounts; demonstrating a strong market response to our integrated, company-wide focus on business relationships. DDA and NOW balances were 46.7% of total deposits at September 30, 2019. The Bank’s investment in state-of the art cash management services has expanded our product depth and is expected to contribute to continued account growth and customer retention.

Our Trust and Asset Management businesses also performed well, significantly increasing fee and non-interest related income. Our newest business service, Private Banking, continues to grow, helping clients and the Company better leverage the capabilities across our organization.

Our record earnings are primarily a result of building on our firm’s core competencies – anticipating our customers’ needs and delivering the highest quality products, solutions, and services, with a particular focus on business customers in our expanded geographic footprint. Aside from record earnings, this strategy has led to an increase in tangible book value per share from \$20.38 at the end of September 2018, to \$24.80 at end of September 2019, a 21.8% increase. Results like these don’t happen without the trust of our clients, the hard work and dedication of our employees, and ongoing support from our shareholders. Thank you on behalf of myself and the Board.”

Income Statement Summary

Net interest income for the three months ended September 30, 2019 increased \$2.3 million, or 25.7%, to \$11.4 million, compared with the three months ended September 30, 2018. The increase is primarily the result of a \$193.5 million, or 18.9%, increase in average interest earning assets, resulting in an 18 basis

point increase in net interest margin. The increase in average interest earning assets is due primarily to a \$202.5 million, or 31.7%, increase in average loans outstanding. Net interest margin of 3.98% for the three months ended September 30, 2019 represents an 18 basis point, or 4.7%, increase versus 3.80% for the same period last year. The cost of interest-bearing deposits for the three months ended September 30, 2019 was 0.67%, compared to 0.37% for the three months ended September 30, 2018, an increase of 30 basis points, or 79.7%. The Company continued to see strong growth in non-interest bearing demand accounts, with an increase of \$85.4 million, or 38.5%, to \$308.2 million in average non-interest bearing demand accounts when compared to September 30, 2018.

The bank's provision for loan losses was \$640 thousand for the three months ended September 30, 2019, compared to \$420 thousand the prior quarter, and \$540 thousand for the three months ended September 30, 2018. Non-accrual loans, as a percent of total loans, was 0.28% as of September 30, 2019, an increase of 0.08% from the period ended June 30, 2019, and a decrease of 0.05% for the period ended September 30, 2018. Loans classified as substandard or doubtful decreased \$327 thousand, or 2.2%, to \$14.3 million as of September 30, 2019, from \$14.6 million for the period ended June 30, 2019, and \$1.5 million, or 9.7%, from \$15.8 million for the period ended September 30, 2018.

Non-interest income increased \$404 thousand, to \$2.7 million, for the three months ended September 30, 2019 compared to the three months ended June 30, 2019, and \$177 thousand compared to the three months ended September 30, 2018. These increases are primarily due to an increase in trust income and realized losses on securities sales during the three months ended June 30, 2019. The Company recorded no such losses in the three month periods ended September 30, 2019, and September 30, 2018.

Non-interest expense increased \$610 thousand to \$9.6 million for the three months ended September 30, 2019 compared to the three months ended June 30, 2019, and \$935 thousand compared to the three months ended September 30, 2018. The year-over-year increase was due primarily to a \$714 thousand increase in salaries and employee benefits resulting from growth-related staffing. Non-interest expense for the three months ended September 30, 2019 was favorably impacted by the issuance of insurance credits by the Federal Deposit Insurance Corporation ("FDIC") to small institutions resulting in zero FDIC insurance expense in the three months ended September 30, 2019.

The Company's effective income tax rate for the three months ended September 30, 2019 was 20.4%. This compares with 20.4% for the three months ended June 30, 2019, and 18.6% for the three months ended September 30, 2018. The Company's effective income tax rate for the nine months ended September 30, 2019 was 20.2%. This compares with 19.9% for the nine months ended September 30, 2018.

Balance Sheet Summary

Total balance sheet assets increased \$174 million, or 16.3%, to \$1.24 billion at September 30, 2019, from \$1.07 billion at September 30, 2018. This was primarily due to increases of \$182.0 million in net loans and \$50.0 million in cash and cash equivalents, partially offset by a \$25.3 million decrease in investment securities. The increase in cash and cash equivalents is primarily due to increases in deposits, while the \$182.0 million increase in loans was the result of \$308.9 million of new loan originations and purchases, partially offset by \$152.1 million of net amortization and repayments on our existing portfolio. Net loan purchases during the same period totaled \$25.2 million. For the quarter ended September 30, 2019, new loan originations totaled \$87.6 million, loan purchases were \$1.3 million and net amortization and repayments totaled \$44.4 million.

Total liabilities increased \$144.7 million to \$1.13 billion during the three months ended September 30, 2019, from \$1.1 billion at June 30, 2019. This was primarily due to a \$154.6 million increase in total deposits partially offset by a \$10 million reduction in FHLB advances.

Total deposits at September 30, 2019 were \$1.1 billion, an increase of \$154.8 million, or 16.3%, from the period ended September 30, 2018 and an increase of \$199.6 million, or 22.1%, from the period ended December 31, 2018. Municipal deposits represented 19.7% of total deposits at September 30, 2019 compared to 17.2% at December 31, 2018 and 20.6% at September 30, 2018.

Total shareholders' equity increased \$29.8 million, or 33.6%, to \$118.5 million at September 30, 2019, from \$88.8 million at September 30, 2018. This increase is due to net proceeds from a \$16.1 million private securities offering completed October 31, 2018, a \$7.5 million increase in retained earnings and a \$6.4 million improvement in the market value of securities available for sale.

At September 30, 2019, the Company's book value per common share and tangible book value per common share were \$26.52 and \$24.80, respectively, compared to \$22.38 and \$20.38, respectively, at September 30, 2018. This represents increases of 18.6% and 21.8%, respectively. At September 30, 2019, the Bank exceeded the "well capitalized" thresholds under applicable regulatory guidelines.

Asset Quality Summary

Non-performing loans increased to \$2.04 million or 0.28% of total loans as of September 30, 2019, from \$1.63 million or 0.20% of total loans as of June 30, 2019. Non-performing loans decreased \$325 thousand, from \$2.3 million or 0.33% of total loans as of September 30, 2018.

Loans classified as substandard or doubtful decreased \$327 thousand, or 2.2%, to \$14.3 million at September 30, 2019, from \$14.6 million at June 30, 2019, and decreased \$1.5 million, or 9.7%, from \$15.9 million at September 30, 2018. Watch rated loans increased \$5.2 million, or 109%, to \$9.9 million at September 30, 2019 from \$4.7 million at June 30, 2019. Delinquencies increased to \$3.9 million or 0.45% of total loans at September 30, 2019, from \$2.2 million or 0.27% of total loans at June 30, 2019, and declined \$78 thousand from \$4.0 million or 0.59% of total loans at September 30, 2018.

At September 30, 2019, the Company's allowance for loan losses was 1.42% of total loans outstanding, a decrease from 1.43% at June 30, 2019 and from 1.49% at September 30, 2018. Notwithstanding net loan growth during the quarter, continued improvement in historical loss rate assumptions and performance of the loan portfolio contributed to the reduction in this allowance ratio.

About Orange County Bancorp, Inc.

Orange County Bancorp, Inc. is the parent company of Orange Bank & Trust Company and Hudson Valley Investment Advisors, Inc. Orange Bank & Trust Company is an independent bank that began with the vision of 14 founders over 125 years ago. It has grown through conservative banking practices, ongoing innovation and an unwavering commitment to its community and business clientele to more than \$1 billion in Total Assets. In recent years, Orange Bank & Trust Company has added branches in Rockland and Westchester Counties. Hudson Valley Investment Advisors, Inc. is a Registered Investment Advisor in Goshen, NY. It was founded in 1996 and was acquired by the Company in 2012. For more information, visit orangebanktrust.com or hviaonline.com

For further information:

Robert L. Peacock
EVP Chief Financial Officer
rpeacock@orangebanktrust.com
Phone: (845) 341-5005

Orange County Bancorp, Inc.
Consolidated Statements of Condition (unaudited)

(dollar amounts in thousands except per share data)

	September 30,	December 31,	September 30,
	2019	2018	2018
ASSETS			
Cash and due from banks	\$ 65,667	\$ 18,374	\$ 16,081
Investment securities - available-for-sale	258,970	258,058	284,277
Loans	868,244	737,076	684,020
Allowance for loan losses	(12,345)	(10,663)	(10,122)
Loans, net	855,899	726,413	673,898
Premises and equipment	14,503	13,934	13,900
Accrued interest receivable	4,327	3,008	3,886
Cash surrender value of bank-owned life insurance	27,644	27,128	26,954
Goodwill	5,359	5,359	5,359
Intangible assets	2,321	2,535	2,582
Other assets	9,647	10,064	42,946
TOTAL ASSETS	\$ 1,244,337	\$ 1,064,873	\$ 1,069,883
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest bearing	\$ 332,681	\$ 240,432	\$ 247,270
Interest bearing	771,897	664,576	702,507
Total deposits	1,104,578	905,008	949,777
FHLB advances	5,000	35,500	15,000
Note payable	3,013	3,057	3,071
Accrued expenses and other liabilities	13,250	12,768	13,269
TOTAL LIABILITIES	1,125,841	956,333	981,117
STOCKHOLDERS' EQUITY			
Common stock, \$0.50 par value; 15,000,000 shares authorized; issued and outstanding, 4,509,292 shares and 4,467,747 shares ,respectively at Sept. 30, 2019, 4,513,905 shares and 4,481,726 shares, respectively at Dec 31, 1018 and 3,921,243 and 3,966,521 shares, respectively at Sept. 30,2018	2,255	2,266	1,973
Surplus	84,849	85,496	69,307
Undivided profits	36,728	30,956	29,246
Accumulated other comprehensive loss, net of taxes	(4,390)	(8,986)	(10,743)
Treasury stock, at cost	(946)	(1,192)	(1,017)
TOTAL STOCKHOLDERS' EQUITY	118,496	108,540	88,766
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,244,337	\$ 1,064,873	\$ 1,069,883
Book value per share	\$ 26.52	\$ 24.11	\$ 22.38
Tangible book value per share	\$ 24.80	\$ 22.36	\$ 20.38

Orange County Bancorp, Inc.
Consolidated Statements of Income (unaudited)

(dollar amounts in thousands except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
INTEREST INCOME				
Interest and fees on loans	\$ 10,680	\$ 8,135	\$ 30,116	\$ 22,643
Interest on investment securities:				
Taxable	1,695	1,212	4,345	3,766
Tax exempt	131	305	516	1,115
Interest on Federal funds sold and other	282	175	636	468
TOTAL INTEREST INCOME	12,788	9,827	35,613	27,992
INTEREST EXPENSE				
Interest on savings and NOW accounts	978	406	2,267	1,044
Interest on time deposits	309	224	919	598
Interest on FHLB advances	21	54	136	188
Interest on note payable	45	46	137	139
TOTAL INTEREST EXPENSE	1,353	730	3,459	1,969
NET INTEREST INCOME	11,435	9,097	32,154	26,023
Provision for loan losses	640	540	1,660	1,825
NET INTEREST INCOME AFTER PROVISION	10,795	8,557	30,494	24,198
OTHER OPERATING INCOME				
Service charges on deposit accounts	253	234	695	714
Trust income	949	807	2,636	2,359
Investment advisory income	1,125	1,123	3,381	3,282
Investment securities gains	-	-	(219)	-
Earnings on bank-owned life insurance	176	176	516	516
Other	243	229	725	662
TOTAL OTHER OPERATING INCOME	2,746	2,569	7,734	7,533
OTHER OPERATING EXPENSES				
Salaries	3,658	3,288	10,661	9,542
Employee benefits	1,816	1,472	5,164	4,305
Occupancy expense	879	831	2,653	2,504
Professional fees	672	627	1,976	2,187
Directors' fees and expenses	282	248	822	733
Computer software expense	821	704	2,218	2,085
FDIC assessment	-	154	245	380
Advertising expenses	324	304	825	678
Advisor expenses related to trust income	213	200	631	581
Telephone expenses	115	115	339	357
Intangible amortization	71	71	214	214
Other	719	621	2,208	2,004
TOTAL OTHER OPERATING EXPENSES	9,570	8,635	27,956	25,570
Income before income taxes	3,971	2,491	10,272	6,161
Provision for income taxes	810	463	2,073	1,223
NET INCOME	\$ 3,161	\$ 2,028	\$ 8,199	\$ 4,938
Earnings per share	\$ 0.71	\$ 0.51	\$ 1.84	\$ 1.39
Cash dividends declared per share	\$ 0.20	\$ 0.20	\$ 0.60	\$ 0.60
Weighted average shares outstanding	4,481,772	3,940,913	4,467,747	3,545,080

Orange County Bancorp, Inc. and Subsidiaries
Net Interest Margin Analysis (unaudited)
(dollar amounts in thousands)

	Three Months Ended September 30,					
	2019			2018		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 841,944	\$ 10,680	5.07%	\$ 639,478	\$ 8,135	5.09%
Investment securities	262,659	1,826	2.78%	290,136	1,517	2.09%
Other interest-earning assets	44,352	282	2.54%	27,671	175	2.53%
Total interest earning assets	1,148,955	12,788	4.45%	957,285	9,827	4.11%
Non-interest earning assets	70,111			68,287		
Total assets	<u>\$ 1,219,066</u>			<u>\$ 1,025,572</u>		
Liabilities and equity:						
NOW accounts	\$ 186,627	\$ 117	0.25%	\$ 151,903	\$ 37	0.10%
Savings and money market accounts	494,038	861	0.70%	422,936	369	0.35%
Time deposits	91,241	309	1.35%	104,242	224	0.86%
Total interest-bearing deposits	771,906	1,287	0.67%	679,082	630	0.37%
FHLB Advances and other borrowings	8,021	66	3.29%	23,033	100	1.74%
Total interest bearing liabilities	779,927	1,353	0.69%	702,115	730	0.42%
Non-interest bearing deposits	308,192			222,488		
Other non-interest bearing liabilities	13,530			12,136		
Total liabilities	1,101,649			936,739		
Total shareholders' equity	117,417			88,835		
Total liabilities and shareholders' equity	<u>\$ 1,219,066</u>			<u>\$ 1,025,574</u>		
Net interest income		\$ 11,435			\$ 9,097	
Interest rate spread ¹			3.76%			3.69%
Net interest margin ²			3.98%			3.80%
Average interest earning assets to interest-bearing liabilities	147.3%			136.3%		

Notes:

¹ The Interest rate spread is the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities

² Net interest margin is the annualized net interest income divided by average interest-earning assets.

Orange County Bancorp, Inc. and Subsidiaries
Net Interest Margin Analysis (unaudited)
(dollar amounts in thousands)

	Nine Months Ended September 30,					
	2019			2018		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 800,153	\$ 30,116	5.02%	\$ 634,398	\$ 22,643	4.76%
Investment securities	257,669	4,861	2.52%	295,946	4,881	2.20%
Other interest-earning assets	36,364	636	2.33%	35,943	468	1.74%
Total interest earning assets	1,094,186	35,613	4.34%	946,103	27,992	3.94%
Non-interest earning assets	66,453			68,199		
Total assets	<u>\$ 1,160,639</u>			<u>\$ 1,014,302</u>		
Liabilities and equity:						
NOW accounts	\$ 183,613	\$ 205	0.15%	\$ 152,468	\$ 105	0.09%
Savings and money market accounts	459,673	2,062	0.60%	420,528	939	0.30%
Time deposits	93,743	919	1.31%	105,071	598	0.76%
Total interest-bearing deposits	737,029	3,186	0.58%	678,066	1,642	0.32%
FHLB Advances and other borrowings	13,510	273	2.69%	23,069	327	1.89%
Total interest bearing liabilities	750,539	3,459	0.61%	701,135	1,969	0.37%
Non-interest bearing deposits	283,976			210,705		
Other non-interest bearing liabilities	13,237			12,663		
Total liabilities	1,047,752			924,504		
Total shareholders' equity	112,887			89,800		
Total liabilities and shareholders' equity	<u>\$ 1,160,639</u>			<u>\$ 1,014,303</u>		
Net interest income		\$ 32,154			\$ 26,023	
Interest rate spread ¹			3.73%			3.57%
Net interest margin ²			3.92%			3.67%
Average interest earning assets to interest-bearing liabilities	145.8%			134.9%		

Notes:

¹ The Interest rate spread is the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities

² Net interest margin is the annualized net interest income divided by average interest-earning assets.

Orange County Bancorp, Inc.
Selected Financial Data (unaudited)

(Dollar Amounts in thousands except per share data)

	For the Quarter Ended					Nine Months Ended	
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Performance Ratios ¹							
Return on average assets	1.03%	0.98%	0.81%	0.98%	0.76%	0.94%	0.65%
Return on average equity	10.67%	10.06%	8.28%	10.31%	9.03%	9.68%	7.33%
Interest rate spread	3.76%	3.71%	3.81%	3.83%	3.54%	3.73%	3.57%
Net interest margin	3.98%	3.91%	3.97%	3.97%	3.66%	3.92%	3.67%
Efficiency Ratio	67.29%	68.68%	71.54%	69.23%	72.92%	70.08%	76.20%
Noninterest income to average assets	0.90%	0.81%	0.80%	0.84%	0.89%	3.06%	3.32%
Noninterest expense to average assets	3.14%	3.11%	3.25%	3.19%	3.18%	3.06%	3.32%
Average interest-earning assets to average interest-bearing liabilities	147.32%	142.87%	142.89%	140.40%	138.38%	145.79%	134.94%
Average equity to average assets	9.63%	9.72%	9.84%	9.50%	8.41%	9.73%	8.85%
Dividend payout ratio	28.36%	31.87%	40.31%	34.46%	38.87%	32.69%	43.08%
As of the Quarter Ended							
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018		
Loans to Deposits	78.61%	76.80%	78.09%	81.44%	72.02%		
Noninterest bearing deposits to total deposits	30.12%	28.58%	27.79%	26.57%	26.03%		
Share Data:							
Shares outstanding	4,467,747	4,481,122	4,490,047	4,481,726	3,921,243		
Book value per common share	\$ 26.52	\$ 25.85	\$ 24.75	\$ 24.22	\$ 22.64		
Tangible book value per common share ²	\$ 24.80	\$ 24.12	\$ 23.00	\$ 22.46	\$ 20.61		
Capital Ratios ³							
Tier 1 capital (to adjusted total assets)	8.95%	9.23%	9.41%	9.67%	8.77%		
Common equity Tier 1 capital (to risk weighted assets)	12.16%	12.54%	13.01%	13.67%	12.93%		
Tier 1 capital (to risk-weighted assets)	12.16%	12.54%	13.01%	13.67%	12.93%		
Total capital (to risk-weighted assets)	13.41%	13.80%	14.27%	14.93%	14.19%		

Notes:

¹ Performance ratios are annualized.

² Tangible book value per share is a non-GAAP measure and equals total shareholders' equity, less goodwill and other intangible assets, divided by shares outstanding.

³ Represents Orange County Bank & Trust ratios

Orange County Bancorp, Inc.
Condensed Financial Information (unaudited)

(Dollar Amounts in thousands except per share data)

	As of						
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018		
Condensed Balance Sheets							
Cash and Cash Equivalents	\$ 65,667	\$ 80,884	\$ 48,994	\$ 18,374	\$ 16,081		
Total Investment Securities	258,970	252,843	252,879	258,058	284,277		
Loans, net	855,899	811,892	765,885	726,413	673,898		
Other Assets	63,801	63,513	63,684	62,028	95,627		
Total Assets	<u>\$ 1,244,337</u>	<u>\$ 1,209,132</u>	<u>\$ 1,131,443</u>	<u>\$ 1,064,873</u>	<u>\$ 1,069,883</u>		
Total Deposits	\$ 1,104,578	\$ 1,072,514	\$ 995,417	\$ 905,008	\$ 949,777		
FHLB Advances & note payable	8,013	8,028	13,043	38,557	18,071		
Other Liabilities	13,250	12,772	11,868	12,768	13,269		
Total Liabilities	1,125,841	1,093,315	1,020,328	956,333	981,117		
Total Shareholder Equity	118,496	115,818	111,115	108,540	88,766		
Total Liabilities and Shareholders Equity	<u>\$ 1,244,337</u>	<u>\$ 1,209,132</u>	<u>\$ 1,131,443</u>	<u>\$ 1,064,873</u>	<u>\$ 1,069,883</u>		
Three Months Ended							
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Condensed Income Statements							
Interest Income	\$ 12,788	\$ 11,775	\$ 11,050	\$ 10,708	\$ 9,827	\$ 35,613	\$ 27,992
Interest Expense	1,353	1,205	902	818	730	3,459	1,969
Net Interest Income	11,435	10,569	10,149	9,890	9,097	32,154	26,023
Provision for Loan Loss	640	420	600	640	540	1,660	1,825
Noninterest Income	2,746	2,342	2,228	2,224	2,569	7,734	7,533
Noninterest Expense	9,570	8,960	9,007	8,455	8,635	27,955	25,570
Income before income tax	3,971	3,532	2,770	3,019	2,491	10,273	6,161
Income Tax Expense	810	719	543	404	463	2,073	1,223
Net income	<u>\$ 3,161</u>	<u>\$ 2,812</u>	<u>\$ 2,227</u>	<u>\$ 2,614</u>	<u>\$ 2,028</u>	<u>\$ 8,200</u>	<u>\$ 4,938</u>
Earnings per Share	\$ 0.71	\$ 0.63	\$ 0.50	\$ 0.60	\$ 0.51	\$ 1.84	\$ 1.39

Orange County Bancorp, Inc.
Loan Portfolio (unaudited)
(dollar amounts in thousands)

<u>LOANS</u>	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Commercial:					
Commercial & industrial	\$ 220,157	\$ 212,866	\$ 190,323	\$ 179,533	\$ 171,240
CRE* owner occupied	121,707	123,708	123,446	122,592	116,504
CRE non-owner occupied	251,765	220,681	207,234	193,529	174,428
CRE multifamily	143,308	144,387	140,510	142,160	127,974
CRE construction	56,939	46,726	38,100	28,946	23,571
Total commercial	<u>793,875</u>	<u>748,368</u>	<u>699,614</u>	<u>666,760</u>	<u>613,717</u>
Consumer:					
Residential real estate	49,519	48,340	45,982	47,064	46,700
Home equity loans and lines	11,840	12,432	10,939	10,728	10,528
Residential construction	13,276	14,960	16,344	12,381	9,818
Other	1,846	1,586	2,006	2,040	776
Total consumer	<u>76,480</u>	<u>77,319</u>	<u>75,271</u>	<u>72,212</u>	<u>67,821</u>
TOTAL LOANS	870,355	825,687	774,885	738,972	681,538
Deferrals and in-process	(2,042)	(1,947)	2,457	(1,896)	2,482
Allowance for loan losses	(12,345)	(11,847)	(11,457)	(10,663)	(10,122)
Loans, net	<u>\$ 855,968</u>	<u>\$ 811,892</u>	<u>\$ 765,885</u>	<u>\$ 726,412</u>	<u>\$ 673,898</u>

* CRE = Commercial Real Estate loans

Orange County Bancorp, Inc.
Deposit Portfolio (unaudited)
(dollar amounts in thousands)

DEPOSIT TREND

	Sept 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Demand Deposits	\$ 332,681	\$ 306,471	\$ 276,580	\$ 240,432	\$ 247,270
NOW	183,883	186,938	188,112	159,465	166,180
Money market accounts	365,501	356,072	312,885	294,497	328,630
Savings	132,110	129,852	122,119	111,936	108,567
Time	90,403	93,181	95,721	98,678	99,130
Total deposits	<u>\$ 1,104,578</u>	<u>\$ 1,072,514</u>	<u>\$ 995,417</u>	<u>\$ 905,008</u>	<u>\$ 949,777</u>

DEPOSIT ONE YEAR GROWTH ANALYSIS

	September 30, 2019	% of Total Deposits	September 30, 2018	% of Total Deposits	Growth	
					\$	%
Demand Deposits	\$ 332,681	30.1%	\$ 247,270	26.0%	\$ 85,410	34.5%
NOW	183,883	16.6%	166,179	17.5%	17,703	10.7%
Money market accounts	365,501	33.1%	328,630	34.6%	36,871	11.2%
Savings	132,110	12.0%	108,567	11.4%	23,544	21.7%
Time	90,403	8.2%	99,130	10.4%	(8,727)	(8.8%)
Total deposits	<u>\$ 1,104,578</u>	100.0%	<u>\$ 949,777</u>	100.0%	<u>\$ 154,801</u>	16.3%
Commercial	\$ 516,794	46.8%	\$ 423,401	44.6%	\$ 93,393	22.1%
Consumer	369,756	33.5%	330,930	34.8%	38,826	11.7%
Municipal	218,027	19.7%	195,446	20.6%	22,582	11.6%
Total Deposits	<u>\$ 1,104,578</u>	100.0%	<u>\$ 949,777</u>	100.0%	<u>\$ 154,801</u>	16.3%

Orange County Bancorp, Inc.
Asset Quality Trends (unaudited)

(dollar amounts in thousands)

ASSET QUALITY	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Non-performing loans:					
Commercial & industrial	\$ 603	\$ 72	\$ 159	\$ 104	\$ 104
Commercial real estate	1,348	1,419	1,419	1,419	1,751
Consumer--residential real estate	91	94	95	204	274
Consumer--home equity loans and lines	-	47	-	98	122
TOTAL NON-PERFORMING LOANS ("NPLs")	<u>\$ 2,042</u>	<u>\$ 1,631</u>	<u>\$ 1,673</u>	<u>\$ 1,825</u>	<u>\$ 2,251</u>
Delinquencies:					
30-59 days past due	\$ 1,050	\$ 423	\$ 1,898	\$ 4,144	\$ 1,292
60-89 days past due	352	85	47	681	523
90+ days past due	576	185	125	104	42
On non-accrual	1,951	1,537	1,578	1,727	2,150
TOTAL PAST DUE LOANS	<u>\$ 3,929</u>	<u>\$ 2,230</u>	<u>\$ 3,646</u>	<u>\$ 6,656</u>	<u>\$ 4,007</u>
Troubled debt restructurings:					
On non-accrual (included in total NPLs above)	\$ 1,348	\$ 1,419	\$ 1,458	\$ 1,458	\$ 1,458
On accrual	11,713	12,698	12,802	12,879	12,597
TOTAL TROUBLED DEBT RESTRUCTURINGS	<u>\$ 13,061</u>	<u>\$ 14,117</u>	<u>\$ 14,260</u>	<u>\$ 14,337</u>	<u>\$ 14,055</u>
ALLOWANCE FOR LOAN LOSSES	<u>\$ 12,345</u>	<u>\$ 11,847</u>	<u>\$ 11,457</u>	<u>\$ 10,663</u>	<u>\$ 10,122</u>
Allowance for loan losses as a % of total loans	1.42%	1.43%	1.48%	1.44%	1.49%
Allowance for loan losses as a % of total NPLs	604.55%	726.54%	684.87%	584.34%	449.67%
Allowance for loan losses as a % of delinquent loans	314.20%	531.28%	314.19%	160.20%	252.61%
NPLs as a % of total loans	0.28%	0.20%	0.22%	0.25%	0.33%
Net charge-offs (recoveries)	\$ 142	\$ 29	\$ (193)	\$ 99	\$ (1)
Net charge-offs (recoveries) to average outstanding loans during the period ¹	0.02%	0.00%	-0.03%	0.01%	0.00%
¹ Performance ratios are annualized					