

FOR IMMEDIATE RELEASE

Orange County Bancorp, Inc. Announces First Quarter Results

- Total Q1 revenues increased 12.2% year-over-year to \$14.1 million
- Quarterly Net Income declined 16.5% to \$2.4 million from the prior quarter due to a \$665 thousand, or 124%, increase in provisions for loan losses
- Average Loans up 20.5% year-over-year to \$915.1 million
- Average Demand Deposits up 29.9% year-over-year to \$345.1 million
- Total Assets up 19.8% versus same period last year to \$1.36 billion
- Tangible Book Value per Share of \$26.45 up 15.0% from same period last year

MIDDLETOWN, N.Y., APRIL 27, 2020 – 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 net income of \$2.4 million, or \$0.54 per share, for the three months ended March 31, 2020. This compares with net income of \$2.9 million, or \$0.65 per share, for the three months ended December 31, 2019 and \$2.2 million, or \$0.50 per share, for the three months ended March 31, 2019.

“While I am pleased with the Bank’s results for the quarter, the economic hardship and concerns our customers and the community are experiencing as a result of the COVID-19 shutdown dulls any sense of celebration.” said Michael Gilfeather, President and Chief Executive Officer. “In my opinion, the most remarkable thing about the quarter, though strong financially, was the commitment of our team to help clients effectively manage these challenging circumstances.

Our earnings for the first quarter reflected the same momentum with which we ended 2019. Despite increasing loan loss reserves 124%, to \$1.2 million, as a precautionary step due to potential impacts of COVID-19, we earned \$2.4 million for the quarter, maintained strong capital levels, and ended the quarter with increased liquidity. These results reflect the strength of our balance sheet, diversity of earnings, and resilience of our bankers in serving clients despite the challenges of the health crisis. Had we not taken the prudent step of bolstering reserves, despite solid performance of our loan portfolio to date, we would have reported yet another record earnings quarter.

The performance was even more remarkable given our decision to participate in the federal Paycheck Protection Program (PPP), which was established late in the quarter to help small to midsize businesses retain employees during the economic shutdown. The program required us to quickly implement efforts to help small business clients with the loan application process. Though policies, rules and guidance for participation continued to evolve during the process, we were able to approve and fund 270 applications totaling in excess of \$40 million, benefiting clients and their employees. We have continued to work with clients who missed the initial round of funding and have a number of applications in queue for the additional contribution approved by Congress.

We are also working with loan customers adversely affected by the shutdown to defer payments of interest and principal for 90 days to reduce the financial pressure created by this unprecedented crisis. Through April 21st, we have 279 requests for payment deferrals on approximately \$273 million of loans.

As we work through the presence and impacts of COVID-19, the Bank has continued to adapt and provide services in this fast-changing environment. I am extremely proud of how our staff has responded despite the challenges of social distancing, the state/county lockdown, and telecommuting. I am further reassured by the unity and acts of selflessness we witness in our community every day, and confident we will come through this strengthened by the experience. While we had an exceptional first quarter, it is difficult to know if we will be able to maintain this momentum in the event of a prolonged shutdown. But as an essential business in the communities we serve, we remain open and committed to providing superior

service to our clients, safe, flexible work places for our employees, and outstanding results for our shareholders.”

Income Statement Summary

Net interest income for the three months ended March 31, 2020 increased \$1.3 million, or 12.8%, to \$11.4 million, compared with the three months ended March 31, 2019. The increase is primarily due to a \$187.5 million, or 18.0%, increase in average interest earning assets. The growth in earning assets more than offset the 13bp decline in average earning rates, which reflect today’s historically low interest rate environment. The increase in average interest earning assets was driven primarily by a \$155.6 million, or 19.6%, increase in average loans outstanding. Net interest margin of 3.74% for the three months ended March 31, 2020 represents a 21 basis point, or 5.3%, decline versus 3.95% for the same period last year. The average cost of interest-bearing deposits for the three months ended March 31, 2020 was 0.63%, compared to 0.49% for the three months ended March 31, 2019, an increase of 14 basis points, or 28.6%. For the Bank and industry as a whole, 2019 was a period of increasing funding costs consistent with higher market interest rates during the year. The rate picture changed dramatically in late March, 2020, when the Bank began to reduce its deposit costs, as evidenced by a 7bp decline in cost of funds compared to the prior quarter. Because these rate reductions began late in the quarter, their impacts will manifest themselves more in coming quarters. Cost of funds also benefited from continued strong growth in non-interest bearing demand accounts, with a \$79.3 million, or 29.9%, increase to an average of \$345.1 million versus March 31, 2019.

The bank’s provision for loan losses was \$1.2 million for the three months ended March 31, 2020, compared to \$535 thousand the prior quarter, and \$600 thousand for the three months ended March 31, 2019. The increase was taken in response to uncertainty surrounding loan performance due to the COVID-19 related shutdown of various business sectors. Non-accrual loans, as a percent of total loans, was 0.17% as of March 31, 2020, same as the period ended December 31, 2019, and a 0.05% decrease from the period ended March 31, 2019. See the asset quality section below for additional information.

Non-interest income decreased \$15 thousand, to \$2.7 million, for the three months ended March 31, 2020, compared to the three months ended December 31, 2019, and increased \$244 thousand versus the three months ended March 31, 2019. The quarter over quarter decline was due primarily to lower investment management income resulting from lower stock values at quarter end. The year-over-year increase includes \$137 thousand of realized losses on securities sales during the three months ended March 31, 2019.

Non-interest expense increased \$78 thousand, to \$9.9 million, for the three months ended March 31, 2020, compared to the three months ended December 31, 2019, and \$672 thousand compared to the quarter ending March 31, 2019. The year-over-year increase was due primarily to a \$275 thousand increase in salaries and employee benefits resulting from growth-related staffing.

The Company’s effective income tax rate for the three months ended March 31, 2020 was 20.2%. This compares with 20.6% for the three months ended December 31, 2019, and 19.6% for the three months ended March 31, 2019.

Balance Sheet Summary

Total assets increased \$224 million, or 19.8%, to \$1.36 billion at March 31, 2020 from \$1.13 billion at March 31, 2019. This was primarily comprised of increases of: \$161.2 million in loans, \$35.4 million in cash and cash equivalents, and \$22.0 million in investment securities. The year-over-year increase in cash and cash equivalents was primarily due to increases in deposits, while the increase in loans was the result of \$252.0 million of new loan originations and \$33.4 million in purchases, partially offset by \$124.4 million of net amortization and repayments on our existing portfolio. For the quarter ended March 31, 2020, new loan originations totaled \$55.2 million, draws on credit lines totaled \$11.9 million and loan purchases were \$21.2 million, partially offset by net amortization and loan repayments of \$40.5 million.

Total liabilities increased \$208.6 million, to \$1.2 billion, at March 31, 2020 from \$1.0 billion at March 31, 2019. This was due to a \$215.2 million, or 21.6%, increase in total deposits partially offset by a \$10 million reduction in FHLB advances.

The quarter saw continuation of deposit growth from non-interest-bearing commercial demand deposits (“DDA”) and NOW accounts. Growth in these deposits was \$70.4 million, or 25.0%, for the one year period consistent with the Bank’s strategy to grow value added business deposits with the support of advanced cash management services. Commercial deposits were 49.3% of total deposits at March 31, 2020, compared to 46.8% at March 31, 2019. This increase reflects strong response to our company-wide focus on business relationships. Total DDA and NOW balances were 46.6% of total deposits at March 31, 2020.

Total shareholders’ equity increased \$15.2 million, or 13.7%, to \$126.3 million at March 31, 2020, from \$111.1 million at March 31, 2019. This increase was due to a \$7.7 million increase in retained earnings and a \$7.4 million improvement in the market value of securities available for sale.

At March 31, 2020, the Company’s book value per common share and tangible book value per common share were \$28.13 and \$26.45, respectively, compared to \$24.75 and \$23.00, respectively, at March 31, 2019. This represents increases of 13.6% and 15.0%, respectively. At March 31, 2020, the Bank exceeded the “well capitalized” thresholds under applicable regulatory guidelines.

Asset Quality Summary

Non-performing loans increased to \$1.59 million, or 0.17%, of total loans as of March 31, 2020, from \$1.55 million, or 0.17%, of total loans as of December 31, 2019. Non-performing loans decreased \$82 thousand, from \$1.67 million or 0.22% of total loans as of March 31, 2019.

Loans classified as substandard or doubtful increased \$504 thousand, or 3.6%, to \$14.5 million at March 31, 2020 from \$14.0 million at December 31, 2019, and decreased \$351 thousand, or 2.4%, from \$14.9 million at March 31, 2019. Watch rated loans decreased \$1.1 million, or 9.8%, to \$10.1 million at March 31, 2020 from \$11.2 million at December 31, 2019. Delinquencies (inclusive of loans on non-accrual) increased to \$13.4 million, or 1.42%, of total loans at March 31, 2020, from \$8.2 million, or 0.92%, of total loans at December 31, 2019, and increased \$9.8 million from \$3.6 million, or 0.47%, of total loans at March 31, 2019. The increase in delinquencies for the most recent quarter, relative to the quarter ended December 31, 2019, was concentrated in accounts 30-59 days past due, reflecting a small number of lending relationships brought current subsequent to quarter end through scheduled payments (totaling \$5.6 million) or approved short-term deferments of principal and interest payments (totaling \$1.3 million). The Bank is working proactively with customers to manage COVID-19 related forbearance requests, where necessary, with a view toward mitigating increases to reported near-term delinquencies through these efforts.

In response to the observed and anticipated economic impact of COVID-19, management has identified several asset categories and industry classifications deemed to be higher risk, and initiated active steps with customers to evaluate cash flows and, if necessary, provide payment relief from debt service obligations. This relief has been structured as 90-day deferments of principal and interest and effected broadly across the portfolio based on our analysis and direct feedback from customers. The composition of the Bank’s loan portfolio spans commercial real estate loans (“CRE”), commercial and industrial loans (“C&I”), and consumer loans. Concentrations across asset classes and industries with associated deferments processed and in process through April 21, 2020 are as follows:

Summary of Loan Portfolio Segments at 3/31/20 and Deferments to Date

(dollars in thousands)

Industry Classification	March 31, 2020 Balance	% of Total Loans	Deferments as of April 21, 2020		
			Outstanding Balance	Loan Count	Deferred %
Real Estate and Rental Leasing	\$ 466,048	49.6%	\$ 179,440	123	38.5%
Healthcare and Social Assistance	108,650	11.6%	34,928	55	32.1%
Management of Companies/Enterprise	53,553	5.7%	27,102	14	50.6%
Construction	44,126	4.7%	-	-	0.0%
Professional, Scientific, and Technical S	25,408	2.7%	1,812	5	7.1%
Manufacturing	23,778	2.5%	4,007	11	16.9%
Wholesale and Retail Trade	34,306	3.6%	2,561	16	7.5%
Finance and Insurance	16,180	1.7%	1,931	4	11.9%
Administrative and Waste Management	15,615	1.7%	1,885	5	12.1%
Lodging and Food Services	11,619	1.2%	2,590	8	22.3%
Transportation and Warehousing	8,081	0.9%	1,309	3	16.2%
Art, Entertainment, and Recreation	7,152	0.8%	54	1	0.8%
Other Services	125,590	13.4%	15,840	34	12.6%
TOTAL	\$ 940,106	100.0%	\$ 273,459	279	29.1%

Loan Portfolio Category	March 31, 2020 Balance	% of Total Loans	Deferments as of April 21, 2020		
			Outstanding Balance	Loan Count	Deferred %
CRE:					
Multifamily	\$ 141,695	15.1%	\$ 53,352	27	37.7%
Non-owner occupied	228,809	24.3%	109,100	48	47.7%
Owner occupied	138,700	14.8%	48,224	53	34.8%
Construction, development, land	58,550	6.2%	-	-	0.0%
C&I	237,440	25.3%	42,300	129	17.8%
Consumer:					
Non-residential	16,422	1.7%	-	-	0.0%
Residential	118,490	12.6%	20,483	22	17.3%
TOTAL	\$ 940,106	100.0%	\$ 273,459	279	29.1%

Includes all deferment requests completed and in process as of April 21, 2020

At the outset of the pandemic, management identified certain industries, including hospitality, healthcare, and retail, believed to be at high risk and most susceptible to stress from a prolonged economic slowdown. Notwithstanding perceived industry risks, portfolio concentration and exposure across these segments is modest. Notably, Lodging and Food Services, which broadly reflects exposure to hotels, food and beverage, constitutes just \$11.6MM of exposure or 1.2% of our total loan portfolio. Within this segment, payment deferrals have been processed for approximately 22.3% of total exposure.

CRE, representing 60.4% of the total loan portfolio on a collective basis, represents the largest asset class within the portfolio and has experienced the greatest concentration of payment deferments to date. This trend is consistent with management's expectations, although the CRE portfolio continues to demonstrate strong equity values on a loan level basis, the impact on cash flow from business closures would have a meaningful near-term impact on the cash available for debt service of investment properties. Given expectations for continued tenant demand across the Bank's geographic footprint, we expect cash flows to revert to normalized levels over the intermediate term.

At March 31, 2020, the Company's allowance for loan losses was 1.44% of total loans outstanding, an increase from 1.37% at December 31, 2019, and down from 1.47% at March 31, 2019. Uncertainties about the current credit environment prompted an increase in the reserve ratio during the most recent quarter. The Bank has historically maintained a high ratio of loan loss allowances relative to its peers, and will continue to prudently manage reserves through close monitoring of business conditions and high risk industries and thorough analysis of the profitability and cash flow of loan customers.

Trust and Advisory Summary

Our Trust and Asset Management businesses performed well during the quarter, increasing fee related revenue 6.4% compared to the same period last year. These businesses were able to show a 1% increase in fee revenue over the most recent quarter despite a material decline in equity values. Combined, these businesses attracted new assets under management of over \$18 million in the most recent quarter. Close relationships and continuous outreach to our Trust and Asset Management customers provided valued support during this time of uncertainty and the nearly 20% decline in equity prices.

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 \$1.3 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 hvionline.com

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

(dollar amounts in thousands except per share data)

	March 31, 2020	December 31, 2019	March 31, 2019
ASSETS			
Cash and due from banks	\$ 84,347	\$ 25,112	\$ 48,994
Investment securities - available-for-sale	274,896	254,915	252,879
Restricted investment in bank stocks	1,346	1,346	
Loans	938,573	890,704	777,342
Allowance for loan losses	(13,481)	(12,275)	(11,457)
Loans, net	<u>925,092</u>	<u>878,429</u>	<u>765,885</u>
Premises and equipment	14,585	14,599	14,561
Accrued interest receivable	4,641	3,202	4,080
Cash surrender value of bank-owned life insurance	27,983	27,818	27,289
Goodwill	5,359	5,359	5,359
Intangible assets	2,178	2,249	2,463
Other assets	<u>14,815</u>	<u>14,878</u>	<u>9,933</u>
TOTAL ASSETS	<u>\$ 1,355,242</u>	<u>\$ 1,227,907</u>	<u>\$ 1,131,443</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest bearing	\$ 363,214	\$ 335,469	\$ 276,580
Interest bearing	<u>847,406</u>	<u>747,663</u>	<u>718,837</u>
Total deposits	<u>1,210,620</u>	<u>1,083,132</u>	<u>995,417</u>
FHLB advances	-	5,000	10,000
Note payable	3,000	3,000	3,043
Accrued expenses and other liabilities	<u>15,310</u>	<u>15,834</u>	<u>11,868</u>
TOTAL LIABILITIES	<u>1,228,930</u>	<u>1,106,966</u>	<u>1,020,328</u>
STOCKHOLDERS' EQUITY			
Common stock, \$0.50 par value; 15,000,000 shares authorized; issued and outstanding, 4,505,327 shares and 4,490,151 shares ,respectively at March 31, 2020, 4,509,292 shares and 4,480,377 shares ,shares, respectively at Dec 31, 1019			
	2,253	2,255	2,255
Surplus	84,542	84,926	84,701
Undivided profits	40,257	38,730	32,548
Accumulated other comprehensive loss, net of taxes	(263)	(4,044)	(7,705)
Treasury stock, at cost	<u>(477)</u>	<u>(926)</u>	<u>(684)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>126,312</u>	<u>120,941</u>	<u>111,115</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,355,242</u>	<u>\$ 1,227,907</u>	<u>\$ 1,131,443</u>
Book value per share	\$ 28.13	\$ 26.99	\$ 24.75
Tangible book value per share	\$ 26.45	\$ 25.30	\$ 23.00

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

(dollar amounts in thousands except per share data)

	Three Months Ended March 31,		Three Months Ended March 31,	
	2020	2019	\$ Change	% Change
INTEREST INCOME				
Interest and fees on loans	\$ 11,090	\$ 9,404	\$ 1,686	17.9%
Interest on investment securities:				
Taxable	1,335	1,264	71	5.6%
Tax exempt	126	231	(105)	(45.5%)
Interest on Federal funds sold and other	180	151	29	19.2%
TOTAL INTEREST INCOME	12,731	11,050	1,681	15.2%
INTEREST EXPENSE				
Interest on savings and NOW accounts	956	489	467	95.5%
Interest on time deposits	281	289	(8)	(2.8%)
Interest on FHLB advances	10	78	(68)	(87.2%)
Interest on note payable	42	46	(4)	(8.7%)
TOTAL INTEREST EXPENSE	1,289	902	387	42.9%
NET INTEREST INCOME	11,442	10,148	1,294	12.8%
Provision for loan losses	1,200	600	600	100.0%
NET INTEREST INCOME AFTER PROVISION	10,242	9,548	694	7.3%
OTHER OPERATING INCOME				
Service charges on deposit accounts	208	216	(8)	(3.7%)
Trust income	1,038	834	204	24.5%
Investment advisory income	1,042	1,122	(80)	(7.1%)
Investment securities gains	-	(137)	137	0.0%
Earnings on bank-owned life insurance	165	160	5	3.1%
Other	230	244	(14)	(5.7%)
TOTAL OTHER OPERATING INCOME	2,683	2,439	244	10.0%
OTHER OPERATING EXPENSES				
Salaries	3,880	3,533	347	9.8%
Employee benefits	1,610	1,682	(72)	(4.3%)
Occupancy expense	938	910	28	3.1%
Professional fees	584	600	(16)	(2.7%)
Directors' fees and expenses	293	256	37	14.5%
Computer software expense	794	683	111	16.3%
FDIC assessment	168	107	61	57.0%
Advertising expenses	314	322	(8)	(2.5%)
Advisor expenses related to trust income	297	211	86	40.8%
Telephone expenses	128	113	15	13.3%
Intangible amortization	71	71	-	0.0%
Other	813	730	83	11.4%
TOTAL OTHER OPERATING EXPENSES	9,890	9,218	672	7.3%
Income before income taxes	3,035	2,769	266	9.6%
Provision for income taxes	613	543	70	12.9%
NET INCOME	\$ 2,422	\$ 2,226	\$ 196	8.8%
Earnings per share	\$ 0.54	\$ 0.50	\$ 0.04	8.8%
Cash dividends declared per share	\$ 0.20	\$ 0.20	\$ -	
Weighted average shares outstanding	4,486,351	4,485,779	573	

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

	Three Months Ended March, 31					
	2020			2019		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 915,124	\$ 11,089	4.87%	\$ 759,512	\$ 9,404	5.02%
Investment securities	257,964	1,462	2.28%	258,711	1,495	2.34%
Other interest-earning assets	58,187	180	1.24%	25,616	151	2.39%
Total interest earning assets	<u>1,231,275</u>	<u>12,731</u>	4.16%	<u>1,043,839</u>	<u>11,050</u>	4.29%
Non-interest earning assets	76,445			64,175		
Total assets	<u>\$ 1,307,720</u>			<u>\$ 1,108,014</u>		
Liabilities and equity:						
NOW accounts	\$ 201,566	\$ 104	0.21%	\$ 181,694	\$ 43	0.10%
Savings and money market accounts	527,978	852	0.65%	421,158	447	0.43%
Time deposits	87,996	281	1.28%	97,053	289	1.21%
Total interest-bearing deposits	<u>817,540</u>	<u>1,237</u>	0.61%	<u>699,905</u>	<u>778</u>	0.45%
FHLB Advances and other borrowings	5,326	52	3.92%	19,527	99	2.06%
Total interest bearing liabilities	<u>822,866</u>	<u>1,289</u>	0.63%	<u>719,432</u>	<u>877</u>	0.49%
Non-interest bearing deposits	345,146			265,795		
Other non-interest bearing liabilities	16,872			13,710		
Total liabilities	<u>1,184,884</u>			<u>998,937</u>		
Total shareholders' equity	<u>122,836</u>			<u>109,077</u>		
Total liabilities and shareholders' equity	<u>\$ 1,307,720</u>			<u>\$ 1,108,014</u>		
Net interest income		<u>\$ 11,442</u>			<u>\$ 10,173</u>	
Interest rate spread ¹			3.53%			3.80%
Net interest margin ²			3.74%			3.95%
Average interest earning assets to interest-bearing liabilities	149.6%			145.1%		

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)

	Three Months Ended March 31,			Three Months Ended December 31,		
	2020			2019		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 915,124	\$ 11,089	4.87%	\$ 871,066	\$ 10,860	4.99%
Investment securities	257,964	1,462	2.28%	256,817	1,604	2.50%
Other interest-earning assets	58,187	180	1.24%	53,475	217	1.62%
Total interest earning assets	<u>1,231,275</u>	<u>12,731</u>	4.16%	<u>1,181,358</u>	<u>12,681</u>	4.29%
Non-interest earning assets	76,445			68,515		
Total assets	<u>\$ 1,307,720</u>			<u>\$ 1,249,873</u>		
Liabilities and equity:						
NOW accounts	\$ 201,566	\$ 104	0.21%	\$ 175,014	\$ 95	0.22%
Savings and money market accounts	527,978	852	0.65%	511,880	928	0.73%
Time deposits	87,996	281	1.28%	90,310	302	1.34%
Total interest-bearing deposits	<u>817,540</u>	<u>1,237</u>	0.61%	<u>777,204</u>	<u>1,325</u>	0.68%
FHLB Advances and other borrowings	5,326	52	3.92%	5,669	56	3.92%
Total interest bearing liabilities	<u>822,866</u>	<u>1,289</u>	0.63%	<u>782,873</u>	<u>1,381</u>	0.71%
Non-interest bearing deposits	345,146			333,107		
Other non-interest bearing liabilities	16,872			14,434		
Total liabilities	<u>1,184,884</u>			<u>1,130,414</u>		
Total shareholders' equity	<u>122,836</u>			<u>119,459</u>		
Total liabilities and shareholders' equity	<u>\$ 1,307,720</u>			<u>\$ 1,249,873</u>		
Net interest income		<u>\$ 11,442</u>			<u>\$ 11,301</u>	
Interest rate spread ¹			3.53%			3.59%
Net interest margin ²			3.74%			3.83%
Average interest earning assets to interest-bearing liabilities	149.6%			150.9%		

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				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Performance Ratios ¹					
Return on average assets	0.74%	0.98%	1.03%	0.98%	0.81%
Return on average equity	7.93%	10.17%	10.67%	10.06%	8.28%
Interest rate spread	3.53%	3.60%	3.76%	3.71%	3.81%
Net interest margin	3.74%	3.83%	3.98%	3.91%	3.97%
Efficiency Ratio	70.02%	70.09%	67.29%	68.68%	71.54%
Noninterest income to average assets	0.83%	0.86%	0.90%	0.81%	0.80%
Noninterest expense to average assets	3.04%	3.14%	3.14%	3.11%	3.25%
Average interest-earning assets to average interest-bearing liabilities	149.63%	150.63%	147.32%	142.87%	142.89%
Average equity to average assets	9.39%	9.56%	9.63%	9.72%	9.84%
Dividend payout ratio	36.99%	30.97%	28.36%	31.87%	40.31%
As of the Quarter Ended					
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Loans to Deposits	77.53%	82.23%	78.61%	76.80%	78.09%
Noninterest bearing deposits to total deposits	30.00%	30.97%	30.12%	28.58%	27.79%
Share Data:					
Shares outstanding	4,490,151	4,480,368	4,467,747	4,481,122	4,490,047
Book value per common share	\$ 28.13	\$ 26.99	\$ 26.52	\$ 25.85	\$ 24.75
Tangible book value per common share ²	\$ 26.45	\$ 25.30	\$ 24.80	\$ 24.12	\$ 23.00
Capital Ratios ³					
Tier 1 capital (to adjusted total assets)	9.13%	9.39%	8.95%	9.23%	9.41%
Common equity Tier 1 capital (to risk weighted assets)	12.29%	12.52%	12.16%	12.54%	13.01%
Tier 1 capital (to risk-weighted assets)	12.29%	12.52%	12.16%	12.54%	13.01%
Total capital (to risk-weighted assets)	13.53%	13.77%	13.41%	13.80%	14.27%

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				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Condensed Balance Sheets					
Cash and Cash Equivalents	\$ 84,347	\$ 25,112	\$ 65,667	\$ 80,884	\$ 48,994
Total Investment Securities	276,242	256,261	258,970	252,843	252,879
Loans, net	925,092	878,429	855,899	811,892	765,885
Other Assets	69,561	68,105	63,801	63,513	63,684
Total Assets	<u>\$ 1,355,242</u>	<u>\$ 1,227,907</u>	<u>\$ 1,244,337</u>	<u>\$ 1,209,132</u>	<u>\$ 1,131,443</u>
Total Deposits	\$ 1,210,620	\$ 1,083,132	\$ 1,104,578	\$ 1,072,514	\$ 995,417
FHLB Advances & note payable	3,000	8,000	8,013	8,028	13,043
Other Liabilities	15,310	15,834	13,250	12,772	11,868
Total Liabilities	1,228,930	1,106,966	1,125,841	1,093,315	1,020,328
Total Shareholder Equity	126,312	120,941	118,496	115,818	111,115
Total Liabilities and Shareholders Equity	<u>\$ 1,355,242</u>	<u>\$ 1,227,907</u>	<u>\$ 1,244,337</u>	<u>\$ 1,209,132</u>	<u>\$ 1,131,443</u>
Three Months Ended					
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Condensed Income Statements					
Interest Income	\$ 12,731	\$ 12,682	\$ 12,788	\$ 11,775	\$ 11,050
Interest Expense	1,289	1,381	1,353	1,205	902
Net Interest Income	11,442	11,301	11,435	10,569	10,149
Provision for Loan Loss	1,200	535	640	420	600
Noninterest Income	2,683	2,698	2,746	2,549	2,439
Noninterest Expense	9,890	9,812	9,570	9,167	9,218
Income before income tax expense	3,035	3,652	3,971	3,531	2,770
Income Tax Expense	613	753	810	719	543
Net income	<u>\$ 2,422</u>	<u>\$ 2,899</u>	<u>\$ 3,161</u>	<u>\$ 2,812</u>	<u>\$ 2,227</u>
Earnings per Share	\$ 0.54	\$ 0.65	\$ 0.71	\$ 0.63	\$ 0.50

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

<u>LOANS</u>	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Commercial:					
Commercial & industrial	\$ 240,155	\$ 222,229	\$ 220,157	\$ 212,866	\$ 190,323
CRE* owner occupied	143,063	133,355	121,707	123,708	123,446
CRE non-owner occupied	280,595	256,639	251,765	220,681	207,234
CRE multifamily	136,862	144,328	143,308	144,387	140,510
CRE construction	53,396	55,808	56,939	46,726	38,100
Total commercial	<u>854,071</u>	<u>812,359</u>	<u>793,875</u>	<u>748,368</u>	<u>699,614</u>
Consumer:					
Residential real estate	50,923	52,478	49,519	48,340	45,982
Home equity loans and lines	13,574	11,668	11,840	12,432	10,939
Residential construction	5,217	13,937	13,276	14,960	16,344
Other	16,873	2,436	1,846	1,586	2,006
Total consumer	<u>86,587</u>	<u>80,519</u>	<u>76,480</u>	<u>77,319</u>	<u>75,271</u>
TOTAL LOANS	940,658	892,878	870,355	825,687	774,885
Deferrals and in-process	(2,085)	(2,174)	(2,042)	(1,947)	2,457
Allowance for loan losses	(13,481)	(12,275)	(12,345)	(11,847)	(11,457)
Loans, net	<u>\$ 925,092</u>	<u>\$ 878,429</u>	<u>\$ 855,968</u>	<u>\$ 811,892</u>	<u>\$ 765,885</u>

* CRE = Commercial Real Estate loans

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

DEPOSIT TREND

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Demand Deposits	\$ 363,214	\$ 335,469	\$ 332,681	\$ 306,471	\$ 276,580
NOW	200,930	166,907	183,883	186,938	188,112
Money market accounts	433,081	369,507	365,501	356,072	312,885
Savings	124,085	122,592	132,110	129,852	122,119
Time	89,310	88,657	90,403	93,181	95,721
Total deposits	<u>\$ 1,210,620</u>	<u>\$ 1,083,132</u>	<u>\$ 1,104,578</u>	<u>\$ 1,072,514</u>	<u>\$ 995,417</u>

DEPOSIT COMPOSITION and GROWTH ANALYSIS

	March 31, 2020	% of Total Deposits	March 31, 2019	% of Total Deposits	<u>Growth</u>	
					\$	%
Demand Deposits	\$ 363,214	30.0%	\$ 276,580	27.8%	\$ 86,634	31.3%
NOW	200,930	16.6%	188,112	18.9%	12,818	6.8%
Money market accounts	433,081	35.8%	312,885	31.4%	120,196	38.4%
Savings	124,085	10.2%	122,119	12.3%	1,966	1.6%
Time	89,310	7.4%	95,721	9.6%	(6,411)	(6.7%)
Total deposits	<u>\$ 1,210,620</u>	<u>100.0%</u>	<u>\$ 995,417</u>	<u>100.0%</u>	<u>\$ 215,203</u>	<u>21.6%</u>
Commercial	\$ 596,437	49.3%	\$ 466,038	46.8%	\$ 130,399	28.0%
Consumer	396,611	32.8%	338,394	34.0%	58,217	17.2%
Municipal	217,572	18.0%	190,985	19.2%	26,587	13.9%
Total Deposits	<u>\$ 1,210,620</u>	<u>100.0%</u>	<u>\$ 995,417</u>	<u>100.0%</u>	<u>\$ 215,203</u>	<u>21.6%</u>

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

(dollar amounts in thousands)

ASSET QUALITY	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Non-performing loans:					
Commercial & industrial	\$ 495	\$ 502	\$ 603	\$ 72	\$ 159
Commercial real estate	959	959	1,348	1,419	1,419
Consumer--residential real estate	86	88	91	94	95
Consumer--home equity loans and lines	51	-	-	47	-
TOTAL NON-PERFORMING LOANS ("NPLs")	\$ 1,591	\$ 1,549	\$ 2,042	\$ 1,631	\$ 1,673
Delinquencies:					
30-59 days past due*	\$ 10,038	\$ 5,674	\$ 1,050	\$ 423	\$ 1,898
60-89 days past due	60	360	352	85	47
90+ days past due	1,766	683	576	185	125
On non-accrual	1,505	1,461	1,951	1,537	1,578
TOTAL PAST DUE LOANS	\$ 13,369	\$ 8,178	\$ 3,929	\$ 2,230	\$ 3,646
Troubled debt restructurings:					
On non-accrual (included in total NPLs above)	\$ 959	\$ 959	\$ 1,348	\$ 1,419	\$ 1,458
On accrual	10,842	11,436	11,713	12,698	12,802
TOTAL TROUBLED DEBT RESTRUCTURINGS	\$ 11,801	\$ 12,395	\$ 13,061	\$ 14,117	\$ 14,260
ALLOWANCE FOR LOAN LOSSES	\$ 13,481	\$ 12,275	\$ 12,345	\$ 11,847	\$ 11,457
Allowance for loan losses as a % of total loans	1.44%	1.31%	1.42%	1.43%	1.48%
Allowance for loan losses as a % of total NPLs	847.33%	792.45%	604.55%	726.54%	684.87%
Allowance for loan losses as a % of delinquent loans	100.84%	150.10%	314.20%	531.28%	314.19%
NPLs as a % of total loans	0.17%	0.17%	0.28%	0.20%	0.22%
Net charge-offs (recoveries)	\$ (6)	\$ 583	\$ 142	\$ 29	\$ (193)
Net charge-offs (recoveries) to average outstanding loans during the period ¹	0.00%	0.06%	0.02%	0.00%	-0.03%

* See body of release for comments on recent increase in 30+ day delinquencies.