



FOR IMMEDIATE RELEASE

Orange County Bancorp, Inc. Announces Record Second Quarter Results

- Net Income increased 27% over previous quarter to \$2.80 mil
- Average Loans up 24.8% year over year to \$798.1 mil
- Average Demand Deposits up 24.7% year over year to \$277.5 mil
- Total Assets grew 15.3% versus the same period last year to \$1.21 bil
- Tangible Book Value Per Share of \$24.12 up 17% from the same period last year

MIDDLETOWN, N.Y., JULY 25, 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 \$2.8 million, or \$0.63 per share, for the three months ended June 30, 2019, compared to \$2.2 million, or \$0.50 per share, for the three months ended March 31, 2019 and \$1.5 million, or \$0.39 per share, for the same period the prior year.

Net income for the three months ended June 30, 2019 reflects nonrecurring items including a charge related to securities sales and reserve recovery on unfunded loan commitments with a net impact of \$109,000 or \$0.02 per share.

“I am extremely pleased with the record results Orange County Bancorp has achieved for the second quarter”, said Michael Gilfeather, President and Chief Executive Officer. “These earnings are not the result of any single factor, but rather represent contributions from all segments of the organization across our business lines and geographic footprint. Loans and deposits, the bank’s core operations, continue to show significant, but measured growth, without pursuing higher risk loans or higher cost deposits. Our ongoing investments into Rockland and Westchester counties continue to significantly contribute to our profitable growth, and we are pleased to report the exploration of new markets for expansion will remain a key initiative within the Company’s strategy. Our Trust and Asset Management businesses also performed well, leading to a meaningful increase in fee and non-interest related income. And our newest initiative, Private Banking, continues to grow, helping both clients and the Company better leverage the capabilities of our organization.

These results reflect the impact of the strategic plan we put in place several years ago, but would not have been possible had we not identified and built upon Orange’s core competencies. None of those is more important than knowing our clients and delivering the highest quality solutions and services. I thank our clients for their trust, our employees for their hard work, and our shareholders for their continued patience and support.”

Income Statement Summary

Net interest income for the three months ended June 30, 2019 increased \$1.9 million, or 21.7%, to \$10.6 million, compared with the same period in 2018. The increase is primarily the result of a \$128.2 million, or 13.4%, increase in average interest earning assets, and 27 basis point increase in net interest margin. The increase in average interest earning assets is, in turn, due primarily to a \$158.6 million, or 24.8%, increase in average loans. Net interest margin of 3.91% for the period represents a 27 basis point, or 7.4%, increase versus 3.64% for the same period last year. Continued robust asset growth and a higher yielding asset mix more than offset an increase in funding costs due to higher short-term interest rates. The cost of interest-bearing deposits for the three months ended June 30, 2019 was 0.64%, compared to 0.37% for the three months ended June 30, 2018, an increase of 27 basis points, or 73%. The Company

continued to see strong growth in non-interest bearing deposit accounts, with an increase of \$55 million, or 24.7%, to \$277.5 million in average Demand Deposit Accounts (DDA) versus the year ago quarter.

The bank's provision for loan losses was \$420 thousand for the three months ended June 30, 2019, compared to \$600 thousand the prior quarter, and \$745 thousand for the same period in 2018. Loans classified as substandard or doubtful decreased \$234 thousand, or 1.6%, to \$14.6 million as of June 30, 2019, from \$14.9 million at the end of Q1, and \$1.3 million, or 7.7%, from \$15.9 million the same period last year. Non-accrual loans, as a percent of total loans, was 0.20% as of June 30, 2019, a slight decrease from the prior quarter, but down significantly from 0.32% the same quarter last year.

Non-interest income increased \$114 thousand, to \$2.3 million, for the three months ended June 30, 2019 versus the prior quarter, and \$51 thousand on a year-over-year basis. These increases are primarily due to an increase in investment advisory fees from the Company's HVIA subsidiary, as well as an increase in trust income. These increases were partially offset by realized losses on securities sales during the three months ended June 30, 2019 and March 31, 2019. The Company recorded no such losses in the same quarter last year.

Non-interest expense fell \$47 thousand to \$9.0 million for the three months ended June 30, 2019 versus the prior quarter, and rose \$612 thousand compared to the same period in 2018. The year-over-year increase was due primarily to a \$599 thousand increase in salaries and employee benefits resulting from additional staffing and anticipated cost increases. Non-interest expense for the three months ended June 30, 2019 was also favorably impacted by a \$200 thousand reserve recovery on unfunded commitments mentioned above.

The Company's effective income tax rate for the three months ended June 30, 2019 was 20.4%. This compares with 19.6% for the three months ended March 31, 2019, and 18.1% for the three months ended June 30, 2018.

Balance Sheet Summary

Total balance sheet assets increased \$161 million, or 15.3%, to \$1.21 billion at June 30, 2019, from \$1.05 billion at June 30, 2018. This was primarily due to increases of \$167.5 million in loans and \$30.0 million in cash and cash equivalents, partially offset by a \$36.3 million decrease in the value of investment securities. The increase in cash and cash equivalents is primarily due to increases in deposits, while the \$167.5 million increase in loans was the result of \$241.1 million of new loan originations and purchases, partially offset by \$73.6 million of net amortization and repayments on the remaining portfolio. Net loan purchases during the same period totaled \$34.4 million.

Total liabilities increased \$134.2 million to \$1.09 billion during the quarter, from \$959 million at June 30, 2018. This was primarily due to a \$143.7 million increase in total deposits partially offset by a \$10 million reduction in FHLB advances.

Total shareholders' equity increased \$26.9 million, or 30.3%, to \$115.8 million at June 30, 2019 from \$88.9 million at June 30, 2018. This increase is primarily due to net proceeds from a \$16.1 million private securities offering completed October 31, 2018, with the remainder from a \$6.4 million increase in retained earnings and \$4.5 million improvement in the market value of securities available for sale.

At June 30, 2019, the Company's book value per share and tangible book value per share were \$25.85 and \$24.12, respectively, compared to \$22.67 and \$20.62, respectively, at June 30, 2018. This represents increases of 14% and 17%, respectively. At June 30, 2019, the Bank also exceeded the "well capitalized" thresholds under applicable regulatory guidelines.

Asset Quality Summary

The Company's non-performing loans decreased modestly to \$1.63 million or 0.20% of total loans as of June 30, 2019, from \$1.67 million or 0.22% of total loans as of March 31, 2019. Given the growth in the loan portfolio during the quarter, the relative decline in non-performing loans was more meaningful on a year-over-year basis, declining from \$2.1 million or 0.32% of total loans as of June 30, 2018.

Loans classified as substandard or doubtful decreased \$234 thousand, or 1.6%, to \$14.6 million at June 30, 2019, from \$14.9 million at March 31, 2019, and decreased \$1.2 million, or 7.7%, from \$15.9 million at June 30, 2018. Watch rated loans declined \$5.8 million, or 55.0%, to \$4.7 million at June 30, 2019 from \$10.5 million at June 30, 2018. The decline in watch rated loans was primarily attributable to risk rating upgrades of borrowers demonstrating improved operating trends and credit metrics, and to a lesser extent, refinance activity of loans in this rating category. Delinquencies continued to improve, declining to \$2.2 million or 0.27% of total loans at June 30, 2019, from \$3.6 million or 0.47% of total loans at March 31, 2019, and \$4.6 million or 0.70% of total loans at June 30, 2018.

At June 30, 2019, the Company's allowance for loan losses was 1.43% of total loans outstanding, a decrease from 1.48% at March 31, 2018. Notwithstanding net loan growth during the quarter, the continued improvement in historical loss rate assumptions and the underlying 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 and has grown through conservative banking practices, innovation and commitment to its community and business cliental 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.

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

(dollar amounts in thousands except per share data)

	<u>June 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>	<u>June 30,</u> <u>2018</u>
ASSETS			
Cash and due from banks	\$ 80,884	\$ 18,374	\$ 50,877
Investment securities - available-for-sale	252,843	258,058	289,219
Loans	823,740	737,076	656,227
Allowance for loan losses	<u>(11,847)</u>	<u>(10,663)</u>	<u>(9,582)</u>
Loans, net	811,892	726,413	646,646
Premises and equipment	14,583	13,934	14,049
Other real estate owned	-	-	51
Accrued interest receivable	4,116	3,008	2,732
Cash surrender value of bank-owned life insurance	27,468	27,128	26,779
Goodwill	5,359	5,359	5,359
Intangible assets	2,392	2,535	2,678
Other assets	<u>9,594</u>	<u>10,064</u>	<u>9,536</u>
TOTAL ASSETS	<u>\$ 1,209,132</u>	<u>\$ 1,064,873</u>	<u>\$ 1,047,925</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest bearing	\$ 306,471	\$ 240,432	\$ 241,587
Interest bearing	<u>766,043</u>	<u>664,576</u>	<u>687,220</u>
Total deposits	1,072,514	905,008	928,806
FHLB advances	5,000	35,500	15,000
Note payable	3,028	3,057	3,085
Accrued expenses and other liabilities	<u>12,772</u>	<u>12,768</u>	<u>12,154</u>
TOTAL LIABILITIES	<u>1,093,315</u>	<u>956,333</u>	<u>959,045</u>
STOCKHOLDERS' EQUITY			
Common stock, \$0.50 par value; 15,000,000 shares authorized; 4,533,304 and 4,533,304 issued; 4,481,122 and 4,501,125 outstanding June 30, 2019 and December 31, 2018, respectively			
	2,255	2,266	1,973
Surplus	84,779	85,496	69,260
Undivided profits	34,464	30,956	28,005
Accumulated other comprehensive loss, net of taxes	(4,768)	(8,986)	(9,307)
Treasury stock, at cost	<u>(912)</u>	<u>(1,192)</u>	<u>(1,051)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>115,818</u>	<u>108,540</u>	<u>88,880</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,209,132</u>	<u>\$ 1,064,873</u>	<u>\$ 1,047,925</u>
Book value per share	\$ 25.85	\$ 24.11	\$ 22.67
Tangible book value per share	\$ 24.12	\$ 22.36	\$ 20.62

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

(dollar amounts in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
INTEREST INCOME				
Interest and fees on loans	\$ 10,032	\$ 7,629	\$ 19,436	\$ 14,507
Interest on investment securities:				
Taxable	1,386	1,194	2,650	2,553
Tax exempt	153	401	385	811
Interest on Federal funds sold and other	203	112	354	293
TOTAL INTEREST INCOME	11,775	9,336	22,825	18,164
INTEREST EXPENSE				
Interest on savings and NOW accounts	801	341	1,291	638
Interest on time deposits	321	198	610	374
Interest on FHLB advances	37	67	115	134
Interest on note payable	46	46	91	93
TOTAL INTEREST EXPENSE	1,205	653	2,107	1,238
NET INTEREST INCOME	10,569	8,682	20,718	16,926
Provision for loan losses	420	745	1,020	1,285
NET INTEREST INCOME AFTER PROVISION	10,149	7,937	19,698	15,641
OTHER OPERATING INCOME				
Service charges on deposit accounts	226	239	441	479
Trust income	854	756	1,687	1,552
Investment advisory income	1,134	1,081	2,256	2,159
Investment securities gains	(82)	-	(219)	-
Earnings on bank-owned life insurance	180	178	340	341
Gain on the sale of other real estate owned	-	-	-	-
Other	31	38	65	52
TOTAL OTHER OPERATING INCOME	2,342	2,292	4,571	4,583
OTHER OPERATING EXPENSES				
Salaries	3,470	3,165	7,003	6,253
Employee benefits	1,666	1,371	3,348	2,834
Occupancy expense	864	822	1,775	1,673
Professional fees	703	827	1,303	1,559
Directors' fees and expenses	285	243	541	485
Computer software expense	714	687	1,397	1,381
FDIC assessment	138	116	245	227
Advertising expenses	319	303	641	573
Advisor expenses related to trust income	207	192	418	381
Telephone expenses	112	114	224	242
Intangible amortization	71	71	143	143
Other	411	437	928	802
TOTAL OTHER OPERATING EXPENSES	8,960	8,348	17,967	16,554
Income before income taxes	3,532	1,881	6,301	3,670
Provision for income taxes	719	341	1,263	761
NET INCOME	\$ 2,812	\$ 1,540	\$ 5,038	\$ 2,910
Earnings per share	\$ 0.63	\$ 0.39	\$ 1.12	\$ 0.74
Cash dividends declared per share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.40
Weighted average shares outstanding	4,485,584	3,920,034	4,484,853	3,918,971

Orange County Bancorp, Inc. and Subsidiaries
Net Interest Margin Analysis (unaudited)

(dollar amounts in thousands)

	Three Months Ended June 30,					
	2019			2018		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 798,098	\$ 10,032	5.04%	\$ 639,478	\$ 7,629	4.78%
Investment securities	248,511	1,540	2.48%	290,136	1,595	2.20%
Other interest-earning assets	38,917	203	2.09%	27,671	112	1.63%
Total interest earning assets	<u>1,085,526</u>	<u>11,775</u>	4.35%	<u>957,285</u>	<u>9,336</u>	3.91%
Non-interest earning assets	<u>68,090</u>			<u>68,287</u>		
Total assets	<u>\$ 1,153,616</u>			<u>\$ 1,025,572</u>		
Liabilities and equity:						
NOW accounts	\$ 182,465	\$ 46	0.10%	\$ 151,903	\$ 35	0.09%
Savings and money market accounts	463,023	755	0.65%	422,936	306	0.29%
Time deposits	<u>92,997</u>	<u>321</u>	1.39%	<u>104,242</u>	<u>198</u>	0.76%
Total interest-bearing deposits	738,484	1,123	0.61%	679,082	540	0.32%
FHLB Advances and other borrowings	<u>13,109</u>	<u>82</u>	2.52%	<u>23,033</u>	<u>114</u>	1.98%
Total interest bearing liabilities	751,593	<u>1,205</u>	0.64%	702,115	<u>653</u>	0.37%
Non-interest bearing deposits	277,475			222,488		
Other non-interest bearing liabilities	<u>12,472</u>			<u>12,136</u>		
Total liabilities	1,041,540			936,739		
Total shareholders' equity	<u>112,076</u>			<u>88,835</u>		
Total liabilities and shareholders' equity	<u>\$ 1,153,616</u>			<u>\$ 1,025,574</u>		
Net interest income		<u>\$ 10,569</u>			<u>\$ 8,682</u>	
Interest rate spread ¹			3.71%			3.54%
Net interest margin ²			3.91%			3.64%
Average interest earning assets to interest-bearing liabilities	144.4%			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)

	Six Months Ended June 30,					
	2019			2018		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets:						
Loans Receivable	\$ 778,912	\$ 19,436	5.03%	\$ 614,912	\$ 14,507	4.76%
Investment securities	251,180	3,035	2.44%	293,582	3,364	2.31%
Other interest-earning assets	<u>32,303</u>	<u>354</u>	<u>2.21%</u>	<u>37,609</u>	<u>293</u>	<u>1.57%</u>
Total interest earning assets	1,062,395	<u>22,825</u>	4.33%	946,103	<u>18,164</u>	3.87%
Non-interest earning assets	<u>68,546</u>			<u>68,199</u>		
Total assets	<u>\$ 1,130,941</u>			<u>\$ 1,014,302</u>		
Liabilities and equity:						
NOW accounts	\$ 182,081	\$ 89	0.10%	\$ 152,468	\$ 69	0.09%
Savings and money market accounts	442,206	1,202	0.55%	420,528	569	0.27%
Time deposits	<u>95,014</u>	<u>610</u>	<u>1.29%</u>	<u>105,071</u>	<u>374</u>	<u>0.72%</u>
Total interest-bearing deposits	719,301	1,901	0.53%	678,066	1,012	0.30%
FHLB Advances and other borrowings	<u>16,300</u>	<u>206</u>	<u>2.55%</u>	<u>23,069</u>	<u>227</u>	<u>1.98%</u>
Total interest bearing liabilities	735,601	<u>2,107</u>	0.58%	701,135	<u>1,238</u>	0.36%
Non-interest bearing deposits	271,667			210,705		
Other non-interest bearing liabilities	<u>13,088</u>			<u>12,663</u>		
Total liabilities	1,020,357			924,504		
Total shareholders' equity	<u>110,585</u>			<u>89,800</u>		
Total liabilities and shareholders' equity	<u>\$ 1,130,942</u>			<u>\$ 1,014,303</u>		
Net interest income		<u>\$ 20,718</u>			<u>\$ 16,926</u>	
Interest rate spread ¹			3.75%			3.52%
Net interest margin ²			3.93%			3.61%
Average interest earning assets to interest-bearing liabilities	144.4%			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.
Condensed Financial Information (unaudited)

(Dollar Amounts in thousands except per share data)

<i>Condensed Balance Sheets</i>	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Cash and Cash Equivalents	\$ 80,884	\$ 48,994	\$ 18,374	\$ 48,980	\$ 50,877
Total Investment Securities	252,843	252,879	258,058	284,277	289,219
Loans, net	811,892	765,885	726,413	673,898	646,646
Other Assets	63,513	63,684	62,028	62,728	61,183
Total Assets	\$ 1,209,132	\$ 1,131,443	\$ 1,064,873	\$ 1,069,883	\$ 1,047,925
Total Deposits	\$ 1,072,514	\$ 995,417	\$ 905,008	\$ 949,777	\$ 928,806
FHLB Advances & note payable	8,028	13,043	38,557	18,071	18,085
Other Liabilities	12,772	11,868	12,768	13,269	12,154
Total Liabilities	1,093,315	1,020,328	956,333	981,117	959,045
Total Shareholder Equity	115,818	111,115	108,540	88,766	88,880
Total Liabilities and Shareholders Equity	\$ 1,209,132	\$ 1,131,443	\$ 1,064,873	\$ 1,069,883	\$ 1,047,925

<i>Condensed Income Statements</i>	Quarter Ended				Six Months Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2018
Interest Income	\$ 11,775	\$ 11,050	\$ 10,708	\$ 9,827	\$ 9,336	\$ 22,825
Interest Expense	1,205	902	818	731	653	2,107
Net Interest Income	10,569	10,149	9,890	9,097	8,682	20,718
Provision for Loan Loss	420	600	640	540	745	1,020
Noninterest Income	2,342	2,228	2,224	2,369	2,292	4,571
Noninterest Expense	8,960	9,007	8,455	8,435	8,348	17,967
Income before income tax expense	3,532	2,770	3,019	2,491	1,881	6,301
Income Tax Expense	719	543	404	463	341	1,263
Net income	\$ 2,812	\$ 2,226	\$ 2,614	\$ 2,028	\$ 1,540	\$ 5,038

Earnings per Share	0.63	0.50	0.60	0.52	0.39	1.12	0.74
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Orange County Bancorp, Inc.
Selected Financial Data (unaudited)

(Dollar Amounts in thousands except per share data)

	For the Quarter Ended					Six Months Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
Performance Ratios ¹							
Return on average assets	0.98%	0.81%	0.98%	0.76%	0.60%	0.90%	0.58%
Return on average equity	10.06%	8.28%	10.31%	9.03%	6.95%	9.19%	6.53%
Interest rate spread	3.71%	3.81%	3.83%	3.54%	3.57%	3.76%	3.55%
Net interest margin	3.91%	3.97%	3.97%	3.66%	3.67%	3.94%	3.64%
Efficiency Ratio	68.68%	71.54%	69.23%	72.92%	75.16%	70.09%	76.01%
Noninterest income to average assets	0.81%	0.80%	0.84%	0.89%	0.89%	0.81%	0.90%
Noninterest expense to average assets	3.11%	3.25%	3.19%	3.18%	3.26%	3.18%	3.26%
Average interest-earning assets to average interest-bearing liabilities	142.87%	142.89%	140.40%	138.38%	135.02%	142.88%	133.66%
Average equity to average assets	9.72%	9.84%	9.50%	8.41%	8.66%	9.78%	8.85%
Dividend payout ratio	31.87%	40.31%	34.46%	38.87%	51.18%	35.60%	54.11%
As of the Quarter Ended							
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018		
Loans to Deposits	76.80%	78.09%	81.44%	72.02%	70.65%		
Share Data:							
Shares outstanding	4,481,122	4,490,047	4,481,726	3,921,243	3,920,384		
Book value per common share	\$ 25.85	\$ 24.75	\$ 24.22	\$ 22.64	\$ 22.67		
Tangible book value per common share ²	\$ 24.12	\$ 23.00	\$ 22.46	\$ 20.61	\$ 20.62		
Capital Ratios ³							
Tier 1 capital (to adjusted total assets)	9.23%	9.41%	9.67%	8.77%	8.95%		
Common equity Teir 1 capital (to risk weighted assets)	12.54%	13.01%	13.67%	12.93%	13.38%		
Tier 1 capital (to risk-weighted assets)	12.54%	13.01%	13.67%	12.93%	13.38%		
Total capital (to risk-weighted assets)	13.80%	14.27%	14.93%	14.19%	14.63%		

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 Bank ratios.

Orange County Bancorp, Inc.
Loan and Deposit Portfolios (unaudited)
(dollar amounts in thousands)

<u>LOANS</u>	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Commercial:					
Commercial & industrial	\$ 212,866	\$ 190,323	\$ 179,533	\$ 171,240	\$ 166,241
CRE* owner occupied	123,708	123,446	122,592	116,504	105,637
CRE non-owner occupied	220,681	207,234	193,529	174,428	171,497
CRE multifamily	144,387	140,510	142,160	127,974	124,180
CRE construction	46,726	38,100	28,946	23,571	19,322
Total commercial	<u>748,368</u>	<u>699,614</u>	<u>666,760</u>	<u>613,717</u>	<u>586,877</u>
Consumer:					
Residential real estate	48,340	45,982	47,064	46,700	46,550
Home equity loans and lines	12,432	10,939	10,728	10,528	9,715
Residential construction	14,960	16,344	12,381	9,818	9,784
Other	1,586	2,006	2,040	776	1,364
Total consumer	<u>77,319</u>	<u>75,271</u>	<u>72,212</u>	<u>67,821</u>	<u>67,412</u>
TOTAL LOANS	<u>825,687</u>	<u>774,885</u>	<u>738,972</u>	<u>681,538</u>	<u>654,290</u>
Deferrals and in-process	1,947	(2,457)	1,897	(2,482)	(1,938)
Allowance for loan losses	(11,847)	(11,457)	(10,663)	(10,122)	(9,582)
Loans, net	<u>\$ 811,892</u>	<u>\$ 765,885</u>	<u>\$ 726,412</u>	<u>\$ 673,898</u>	<u>\$ 646,646</u>
<u>DEPOSITS</u>	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Demand Deposits	\$ 306,471	\$ 276,580	\$ 240,432	\$ 247,270	\$ 241,587
Money market accounts	356,072	312,885	294,497	328,630	319,514
Now	186,938	188,112	159,465	166,180	160,389
Savings	129,852	122,119	111,936	108,567	105,252
Time	93,181	95,721	98,678	99,130	102,064
Total deposits	<u>\$ 1,072,514</u>	<u>\$ 995,417</u>	<u>\$ 905,008</u>	<u>\$ 949,777</u>	<u>\$ 928,806</u>

* CRE = Commercial Real Estate loans

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

(dollar amounts in thousands)

ASSET QUALITY	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Non-performing loans:					
Commercial & industrial	\$ 72	\$ 159	\$ 104	\$ 104	\$ 106
Commercial real estate	1,419	1,419	1,419	1,751	1,703
Construction--commercial	-	-	-	-	-
Construction--residential	-	-	-	-	-
Consumer--residential real estate	94	95	204	274	175
Consumer--home equity loans and lines	47	-	98	122	122
Consumer--other	-	-	-	-	1
TOTAL NON-PERFORMING LOANS ("NPLs")	<u>\$ 1,631</u>	<u>\$ 1,673</u>	<u>\$ 1,825</u>	<u>\$ 2,251</u>	<u>\$ 2,106</u>
Delinquencies:					
30-59 days past due	\$ 423	\$ 1,898	\$ 4,144	\$ 1,292	\$ 2,025
60-89 days past due	85	47	681	523	98
90+ days past due	185	125	104	42	346
On non-accrual	1,537	1,578	1,727	2,150	2,106
TOTAL PAST DUE LOANS	<u>\$ 2,230</u>	<u>\$ 3,646</u>	<u>\$ 6,656</u>	<u>\$ 4,007</u>	<u>\$ 4,575</u>
Troubled debt restructurings:					
On non-accrual (included in total NPLs above)	\$ 1,419	\$ 1,458	\$ 1,458	\$ 1,458	\$ 1,743
On accrual	12,698	12,802	12,879	12,597	12,935
TOTAL TROUBLED DEBT RESTRUCTURINGS	<u>\$ 14,117</u>	<u>\$ 14,260</u>	<u>\$ 14,337</u>	<u>\$ 14,055</u>	<u>\$ 14,678</u>
ALLOWANCE FOR LOAN LOSSES	<u>\$ 11,847</u>	<u>\$ 11,457</u>	<u>\$ 10,663</u>	<u>\$ 10,122</u>	<u>\$ 9,582</u>
Allowance for loan losses as a % of total loans	1.43%	1.48%	1.44%	1.49%	1.46%
Allowance for loan losses as a % of total NPLs	726.54%	684.87%	584.34%	449.67%	455.07%
Allowance for loan losses as a % of delinquent loans	531.28%	314.19%	160.20%	252.61%	209.43%
NPLs as a % of total loans	0.20%	0.22%	0.25%	0.33%	0.32%
Net charge-offs (recoveries)	\$ 29	\$ (193)	\$ 99	\$ (1)	\$ 194
Net charge-offs (recoveries) to average outstanding loans during the period ¹	0.00%	-0.03%	0.01%	0.00%	0.02%

¹ Performance ratios are annualized