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Orange County Bancorp, Inc. Announces Fourth Quarter and Full Year 2018 Earnings

February 15, 2019

MIDDLETOWN, N.Y., Feb. 15, 2019 – Orange County Bancorp, Inc. (the “Company” – OTCQX: OCBI) announced today its unaudited financial results for the fourth quarter and full year ended December 31, 2018.

“We are very pleased with the Bank’s performance in 2018,” said Company President and CEO, Michael Gilfeather. “The results reflect strong operating performance and gains from strategic initiatives we’ve undertaken over the past several years.”

For the full year ended December 31, 2018, the Company earned net income of \$7.55 million or \$1.86 per share compared to net income of \$2.4 million or \$0.60 per share in 2017. Fourth quarter net income of \$2.6 million or \$0.61 per share compares to a net loss of \$1.1 million or (\$0.29) per share for the same quarter in 2017, as reported, and \$1.4MM or (\$0.35) per share net of a one time \$2.5MM tax expense adjustment related to federal tax law changes, which lowered the corporate tax rate to 21% and reduced the value of deferred tax assets. On a quarter-over quarter basis, net income rose \$586,000 or 28.9%, while earnings per share increased \$0.09 or 18.6%. Per share results reflect the issuance of an additional 566,783 shares of stock through a private placement in October.

Book value per share as of 12/31/18 was \$24.22, an increase of \$0.90 per share or 3.9% versus the prior year, while tangible book value per share of \$22.46 increased \$1.23 per share or 5.8% from 12/31/17.

The Company’s Hudson Valley Investment Advisors (HVIA) subsidiary saw revenues increase 4.2% on a year-over-year basis, while net income before taxes rose 11% for the period.

The Company’s 2018 financial performance demonstrates stability and the impact of the first full year of results from previously announced growth initiatives. In addition to earnings growth, 2018 saw the Company cross the \$1 billion mark in total assets on the basis of contributions from all four primary business segments – deposits, loans, trust services and investment management (HVIA).

Throughout the year, the Company took advantage of opportunities to better position the bank for future growth. These included a “2-for-1” stock split, in the form of a stock dividend, and the addition of \$16.4 million in permanent equity capital through the aforementioned private securities offering.

On January 22, 2019, the Company’s stock began trading on the OTCQX® Best Market under the symbol OCBI. The upgrade to the OTCQX exchange is expected to provide shareholders a public market for more efficient trading and greater price transparency. U.S. investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcm Markets.com.

On February 15, 2019 the Company declared a cash dividend for the first quarter of \$0.20 per share of common stock, which is payable on March 15, 2019 to shareholders of record on March 4, 2019.

“These favorable results are attributable to our ongoing investments in people, market expansion, and product development,” said Michael Gilfeather. “We are also optimistic about the future as we execute on a strategic plan that we believe will continue to position the Company as a leading financial institution in the markets we serve.”