

ORANGE COUNTY BANCORP, INC.
2023 ANNUAL REPORT



Guiding Your Business. Growing Your Wealth.



orange county
BANCORP,
inc.

MEMBER

Federal Reserve System
Federal Home Loan Bank
Federal Deposit Insurance Corporation

SUBSIDIARIES

Orange Bank and Trust Company ("Bank")
Hudson Valley Investment Advisors, Inc ("HVIA")

**SHARES OF ORANGE COUNTY
BANCORP, INC. STOCK TRADES
ON THE NASDAQ STOCK MARKET
UNDER THE STOCK SYMBOL OBT**

For information regarding stock transfers
and other transactions, contact
our Transfer Agent:

COMPUTERSHARE, INC.

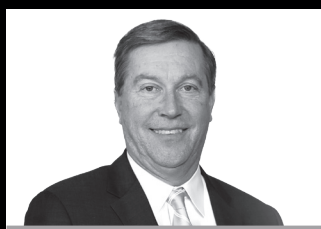
250 Royall Street, Canton, MA 02021
1.800.368.5948
web.queries@computershare.com

ORANGE
Bank & Trust
COMPANY 

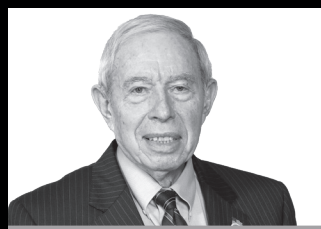
Board of Directors



Jonathan F. Rouis
Chairman
CPA—Partner at RBT CPAs



Michael J. Gilfeather
President & CEO



Louis Heimbach
Chairman Emeritus and
Former Chairman, President &
CEO—Sterling Forest, LLC



Greg F. Holcombe
President & CEO—Holcombe
Development Companies



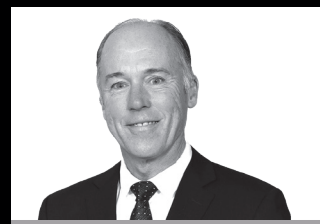
Kevin J. Keane
Managing Partner
—PKF O'Connor Davies



Marianna Kennedy
Partner
—Drake Loeb PLLC



William D. Morrison
Principal—Morrison Insurance
Former Account Executive—
Marshall & Sterling



Richard B. Rowley
President & CEO—Rowley
Companies



Terry R. Saturno
Former President & CEO—
Orange Bank & Trust Company



Gus J. Scacco
Chief Investment Officer & CEO—
Hudson Valley Investment
Advisors, Inc.



Olga Luz Tirado
President — O Communications
& Solutions, Inc.

HVIA Board of Directors



Michael J. Gilfeather



Denis Fatovic



Louis Heimbach



William D. Morrison



Richard B. Rowley



Gus J. Scacco



Frank J. Skuthan



Elizabeth Stradar

Senior Leadership Team



MICHAEL J. GILFEATHER
President
Chief Executive Officer



MICHAEL COULTER
Executive Vice President
Chief Lending Officer



MICHAEL LESLER
Executive Vice President
Chief Financial Officer



JOSEPH A. RUHL
Executive Vice President
Regional President – Westchester



GREG SOUSA
Executive Vice President
Deputy Chief Lending Officer



REDWAN AHMED
Senior Vice President
Chief Information Officer



DAVID P. DINEEN
Senior Vice President
Director of Wealth Services



ELIZABETH JONES
Senior Vice President
Chief Operating Officer



MIKE LISTNER
Senior Vice President
Chief Risk Officer



ANTHONY PILI
Senior Vice President
Chief Innovation Officer



JACOB RAHIMAN
Senior Vice President
Chief Human Resources Officer



STEVEN ROONEY
Senior Vice President
Chief Credit Officer

Leadership Officers

PAM JONES
Senior Vice President
Human Resources Director

ANTHONY MORMILE
Senior Vice President
Senior Commercial Loan Officer

JENNIFER STAUB
First Vice President
Director of Compliance/
Corporate Secretary

GLENN WASSERMANN
Senior Vice President
Senior Trust Officer

Hudson Valley Investment Advisors, Inc. Officers

GUS SCACCO
Chief Executive Officer
Chief Investment Officer

MARK LAZARCZYK
Chief Operating Officer
Chief Compliance Officer

MELISSA MINEAU
Vice President
Relationship Manager

MICHAEL RUNDLE
Vice President
Portfolio Manager
Certified Financial Planner

JAMES SERKES
Vice President
Portfolio Manager

RONALD P. MAYFIELD
Vice President
Deputy Chief Investment Officer
Chartered Financial Analyst

KELLY LYNCH-MOLONEY
Vice President
Portfolio Manager
Certified Financial Planner

CURT SCHULTZBERG
Vice President
Strategic Market Manager



Jonathan Rouis, Chairman (left);
Michael J. Gilfeather, President & CEO (right)

Letter from the Chairman and President

Given the undeniably challenging economic environment confronting banks and financial institutions in 2023, we are pleased to report Orange County Bancorp delivered record full year earnings, with net income of \$29.5 million up \$5.1 million, or 21.0%, over 2022's record results. Total loans and deposits also grew during the period, with loans up \$177.6 million, or 11.3%, to \$1.8 billion and deposits increasing \$64.4 million, or 3.3%, to \$2.0 billion, respectively. Our Wealth Management division, which includes trust and investment advisory services, also contributed meaningfully, with earnings of \$10.3 million increasing \$1.0 million, or 11.2%, over the prior year.

Though strong in their own right, these results are particularly impressive against the backdrop of four additional interest rate increases by the Federal

Reserve during the first half of the year as it continued to battle inflation. These moves elevated concerns about the overall health of the financial sector, with a particular focus on regional banks and commercial real estate, leading to several high-profile bank failures. These, in turn, gave rise to heightened regulatory and financial scrutiny, causing competitors to assume a more defensive business posture. While prudence always dictates a measured approach to growth, our business-focused model, deep customer knowledge, and familiarity with the markets we serve enabled us to continue to identify and act on compelling business opportunities, albeit at a more deliberate pace. This led to our record results for the year and enabled us to initiate and expand relationships with some of the region's most established businesses, strengthening our foundation for long-term growth.

As a regional, business-focused bank, it is important for Orange Bank to maintain a physical presence and profile in the communities we serve. As such, previous statements about our expansion into Yonkers, NY were capped off with the opening of a full-service branch office in 2024. This location provides not only a foothold into the state's 3rd largest city, but also continues our footprint into the Bronx, which is experiencing transformative investment, growth, and gentrification and may provide compelling future expansion opportunities.

At Orange Bank, we recognize that the value of our institution for our clients is measured by the breadth and quality of our services. Accordingly, we endeavored several years ago to consolidate our Private Banking, Trust and Estate Planning as well as our Investment Management, serviced by our affiliate, HVIA ("Hudson Valley Investment Advisors"), under one umbrella into a single, easily accessible offering called Orange Wealth Management ("OWM" or "Orange Wealth"). We continued the enhancement of our OWM service and its brand throughout the year, working closely with

HVIA to create a strong, clear and cobranded message of its products and services. As mentioned earlier, revenues from this initiative continue to be encouraging and have grown 11.2% this year to \$10.3 million.

In addition to expanding our reputation as Hudson Valley's "go-to" business and wealth management provider, continued growth of our Company was also rewarded by the investment community in 2023. Just two years following our IPO, we met the criteria for and were formally added to the Russell 2000 small capitalization stock index. This recognition represents a significant milestone in the Company's 132-year history, reflecting both our contribution to and longstanding support of growth in the Hudson Valley's businesses and economy.

We understand growth is important, but only if managed responsibly. As such, we have always maintained risk metrics in excess of regulatory guidelines and demonstrated that strong growth and conservative balance sheet management are compatible and create strength given proper risk management and experienced personnel. Always looking to upgrade and improve risk oversight, early in 2023 we promoted Michael Listner to the role of Chief Risk Officer. Prior to this, Michael served as Co-Chief Credit Officer, where he gained direct insight into our loan portfolio and key bank customers. Michael was also involved in reviewing and managing our underwriting standards, ensuring they are responsive to ever evolving economic and business risks.

During the year we also hired Jacob Rahiman as Chief Human Resources Officer, as well as three new senior officers for our growing trust division. We also announced the appointment of Redwan Ahmed

as Chief Information Officer, this newly created position reflects our commitment to maintaining strong cybersecurity frameworks and building upon our data management. Finally, to ensure strong corporate governance, as well as provide additional regional insight into Yonkers and the Bronx, we invited, longtime Bronx resident and business professional, Olga Luz Tirado to join our Board of Directors. We welcome these folks to their new roles and believe future growth prospects for the Bank are enhanced by their presence. We are fortunate to have such a deep and talented team.

Last year was one of the most challenging for the banking industry in recent memory. We reacted to it as we always have; with a dogged commitment to our clients, knowledge of the markets we serve, focus on execution, and proactive assessment and management of risk. This approach enabled us to respond to shifting market dynamics, maintain margins and credit quality, and increase profitability. Many business models perform well in good times, but the true test comes when they are challenged. We are pleased to report our company performed admirably in 2023, a fact that must be attributed to the knowledge, dedication, and professionalism of our employees. We take this opportunity to thank our employees for their outstanding efforts, our shareholders for their ongoing support, and our clients for their unwavering trust. All of which truly made 2023 a year for the record books.



Jonathan Rouis,
Chairman



Michael J. Gilfeather,
President & CEO

Net Income

↑ 21%

Wealth Management

↑ 11.2%

Loans

↑ 11.3%

Deposits

↑ 3.3%

Orange County Bancorp, Inc.

Summary Financial Data

Balance Sheet Highlights

(IN THOUSANDS)

	December 31, 2023	December 31, 2022
Total Assets	\$2,485,468	\$2,287,334
Total Loans	\$1,747,062	\$1,569,430
Allowance for Credit Losses	\$25,182	\$21,832
Total Deposits	\$2,038,749	\$1,974,387
Total Stockholders' Equity	\$165,376	\$138,138

Income Statement Highlights for Year Ended

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	December 31, 2023	December 31, 2022
Total Interest Income	\$117,770	\$84,223
Net Interest Income	\$88,391	\$78,088
Provision for Credit Losses	\$7,868	\$9,517
Total Non-Interest Income	\$13,419	\$11,996
Total Non-Interest Expense	\$56,793	\$50,290
Net Income	\$29,478	\$24,363
Basic & Diluted Earnings per Share	\$5.24	\$4.33

Selected Ratios and Other Data

TWELVE MONTHS ENDED DECEMBER 31

PERFORMANCE RATIOS	2023	2022
Return on Average Assets	1.21%	1.05%
Return On Average Equity	20.00%	15.62%
Interest Rate Spread	3.13%	3.35%
Net Interest Margin	3.78%	3.52%
Dividend Payout Ratio	17.57%	19.15%
Non-Interest Income to Average Total Assets	0.55%	0.52%
Non-Interest Expenses to Average Total Assets	2.33%	2.18%
Average Interest-Earning Assets to Average-Bearing Liabilities	151.14%	161.62%

Orange Bank & Trust excels at the things I need to make my business successful.

— Janine Gelter
Founder/President, Gelter, Gomes
& Sutton PC



After leaving a New York firm in 2009, Janine started in a tiny room with one paralegal. Soon, former clients flocked to her, and she was working with ten high-rises. She says that real estate services can be all about banking all the time. She chose Orange Bank & Trust as her solid banking partner because “They will be there, will pick up the phone, and I can talk to a human being!” It means the world to her that someone is there looking out for her and her clients. At the local Rockland branch where Janine does her banking, they caught fraudulent activity in an account, called to let her know, and immediately secured it. She says she doesn’t know what might have happened with another bank.



Scan to see the
full interview.

Orange Bank & Trust is helping us with a loan for new air packs to protect our firefighters and the community.

— James McCann
Treasurer, Salisbury Mills Volunteer
Fire Department

As a forty-year veteran of volunteer fire-fighting, James knows that equipment and vehicles have gotten more expensive. He must deal with bonds and borrowing things, which are just more complicated. When the fire department's bank was taken over, they tried it for a couple of years, then wanted a local bank that makes life easier. They chose Orange Bank & Trust for its friendliness and electronic transfers. Since 1924, the Salisbury Mills Volunteer Fire Department has been serving the community. Since 1892, Orange Bank & Trust has been doing the same.



Scan to see the
full interview.



I like to think of us as a strong community partner, so it was a natural progression for us to bank with Orange Bank & Trust because they share the same mission.

— Sandi Cassese
President and CEO, Hospice
of Orange and Sullivan Counties



In 35 years, Hospice of Orange and Sullivan Counties has grown exponentially and currently has 170 patients a day. Sandi says that hospice care is a basic human right and that when she took her position, she knew that the banking responsibilities she was charged with could be daunting. So, she picked up the phone and called her bankers at Orange Bank & Trust. They appeared in her office five minutes later. She says that while she does most of her banking online, the best part of Orange Bank & Trust is the people. They are proactive, and when she goes into the Bank, they make her feel like the only person in the room.



Scan to see the
full interview.

Orange Bank & Trust meets all my needs and then some, with a personal touch.

—Peter Murray
CEO, Dolphin Property Services, LLC



With decades of experience in the affordable housing industry and as a lawyer, Peter decided to manage the assets he had built. With his daughter, who had recently graduated from college, they started in his basement with around 700 apartments in the suburbs. Now, Dolphin has 5,000 residential and over 100 commercial spaces throughout the region. He says that banking is important because of the large amounts handled on a daily basis. He started with a larger bank, which he says had “the usual big bank bureaucracy” and wasn’t user-friendly. It prompted him to move his banking to Orange Bank & Trust. Peter likes that his personal banker is available anytime, even if they are not in the office.



Scan to see the
full interview.

I wanted to refinance a large building. A friend suggested I talk with an Orange Bank & Trust representative. That conversation changed my view of banking.

—Nelson Fernandez
President and CEO,
Condal Distributors, Inc.



In 1968, Nelson's father started Condal Distributors to serve the Hispanic community with the best possible food products. He says they have superior products because of their generational knowledge of the best sources. And he likes that the Bank cares as much about their customers as he does about his. Nelson really likes remote deposit because it frees up time that is better spent on other things. In dealing with wire transfers at other banks, Nelson says the experience was always, "We'll call you later. Maybe by tomorrow." With Orange Bank & Trust, transfers are approved within 15 minutes. "I wonder did transfers really take that long, or is it that Orange Bank & Trust is so much better and that they really care? I think it is the latter."



Scan to see the
full interview.



DAVID DINEEN
Senior Vice President
Director of Wealth Services

Service charges, as well as loan, credit card, and other fees, are among the handful of ways we earn non-interest income at the Bank level. Annually, the Orange Wealth Management Division has provided an additional stream of income ancillary to our core lending business, which ultimately benefits our shareholders.

Orange Wealth Management (OWM) helps clients reinvent their relationship with their wealth. It offers a comprehensive suite of services— Private Banking, Trust Services, and Investment Management— each of which is delivered through our fully owned subsidiaries, Orange Bank & Trust Company (The Bank) and Hudson Valley Investment Advisors, Inc. (HVIA).

Using a holistic approach, Bank and HVIA professionals advise and help clients develop a plan to build wealth for an enjoyable retirement, protect their assets and their families, and leave a legacy. OWM has become an essential part of our service offering, providing businesses and high net-worth individuals expertise that strengthens their relationship with the Bank.

The Value Proposition

Trusted advisors are at the core of OWM's Value Proposition. Each advisor understands the critical importance of their client's financial lifecycle. Having meaningful conversations about banking, trust services, and investment needs helps create relationships with their clients to optimize the OWM referral model.





HUDSON VALLEY INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

On So Many Levels... A Good Year

Hudson Valley Investment Advisors, Inc. (HVIA), a subsidiary of Orange County Bancorp, has provided investment stewardship for clients since 1995. Almost 30 years later, the timing was right for HVIA to re-affirm its commitment to “**Deliberate Investing. Intentional Value.**” The markets have historically and consistently rewarded taking a simple, yet robust approach to security selection.



“There’s a reason for everything we do, and those reasons are based on time-tested investing principles, centered around a **deliberate** process. Our principles don’t waiver from year to year, and they create value for our clients in very **intentional** ways.”

—Gus Scacco, Chief Investment Officer and CEO

Assets

↑ **25%**

Accounts

↑ **80%**

HVIA continued, quite successfully, to expand upon its relationship with Orange Bank & Trust and played a key role in providing clients with a full suite of Trusted Advisor capabilities and solutions.

HVIA’s new account growth in 2023 represented an approximate **80% growth over the previous 3-year average**. Additionally, assets under management expanded from \$1.167 billion to \$1.452 billion, an increase of roughly 25%. Simply put, existing clientele and new relationships looked to our expertise for investment solutions. And HVIA delivered.



Engaged, Supportive, and Invested in Our Communities

Orange & Rockland Counties

Food Bank of the Hudson Valley works diligently each day to alleviate hunger, prevent food waste, and nourish our communities. This year, our Orange Bank & Trust Bankers volunteered at the Food Bank as they assisted with organizing and packing food to be distributed throughout the community. While the Food Bank typically fills seven pallets in one day, our team managed to fill four pallets in just two hours.



Community Foundation of Orange & Sullivan is a non-profit organization that currently manages hundreds of separate component funds and has distributed millions of dollars in charitable grants and educational scholarships. At Orange Bank & Trust we consistently support the Community Foundation's mission to enhance the quality of life in the local area. We were a proud sponsor of the CFOS 2023 Annual Reception and had the opportunity to celebrate their important work of connecting people who care with causes that matter.



Hospice of Orange & Sullivan provides care and support to patients and their families when a life-limiting illness no longer responds to cure-oriented treatments. At Orange Bank & Trust, we continuously partner with Hospice to assist in their goal of improving a patient's life by offering comfort and dignity. In 2023, we sponsored the Annual Golf Classic, where all proceeds helped to cover expenses for those who could not otherwise afford the services that Hospice offers.



Bronx County

R.A.I.N, Inc. is an organization dedicated to enhancing the well-being and quality of life for those in need of help. They provide full-service neighborhood senior centers, home-delivered meals, transportation services, assistance with benefits & entitlements, and so much more. Orange Bank & Trust President & CEO Michael Gilfeather was honored at the 2023 R.A.I.N. Golf Outing for his outstanding dedication to being a leader and inspiring others.



The **Bronx Chamber of Commerce** focuses on community and economic development with the goal of advancing economic opportunity and growth, innovation, and comprehensive business planning for the Bronx. Orange Bank & Trust had the honor of presenting a scholarship to a Bronx High School student at the 2023 Women of Distinction Luncheon.



Westchester County

Orange Bank & Trust had the pleasure and honor of sponsoring the **Hillside Food Outreach** lighting of the Mario M. Cuomo Bridge in orange to raise awareness for hunger relief. Hillside Food Outreach's work ensures our most vulnerable neighbors have access to healthy, nutritious foods, which is essential to the overall well-being of the community.



Orange Bank & Trust proudly supports **Feeding Westchester's** mission of nourishing our communities. In 2023, our Bankers assisted with packing bags of fresh produce for the Senior Grocery program. As a team, they packaged a total of 585 bags that were distributed to community partners, helping to offset hunger throughout Westchester.





Locations

Bronx

1978 Williamsbridge Rd
Bronx, NY 10461
T.718-775-3324

Chester

91 Brookside Ave
Chester, NY 10918
T.845-469-6282

Cortlandt Manor

2141 Crompond Rd
Cortlandt Manor, NY 10567
T.914-930-6279

Goshen

54 West Main St
Goshen, NY 10924
T.845-294-9700

Trust Services

117 Grand Street
Goshen, NY 10924

Goshen - HVIA

**Hudson Valley Investment
Advisors, Inc.**
117 Grand St
Goshen, NY 10924
T.845-294-6127

Middletown

212 Dolson Ave
Middletown, NY 10940
T.845-341-5000

33 Trust Way

Middletown, NY 10940
T.845-341-5074

75 North Street

Middletown, NY 10940
T.845-341-5013

Montgomery

2093 State Rte 208
Montgomery, NY 12549
T.845-457-9146

Mamaroneck

1214 East Boston Post Rd
Mamaroneck, NY 10543
T.914-341-7130

Mt. Vernon

510 S. Columbus Ave
Mount Vernon, NY 10550
T.914-465-3061

Nanuet

374 S. Middletown Rd
Nanuet, NY 10954
T.845-367-7653

New City

254 S. Main St, Suite 110
New City, NY 10956
T.845-639-1000

Newburgh

78 North Plank Rd
Newburgh, NY 12550
T.845-561-5004

Thornwood

859 Franklin Ave
Thornwood, NY 10594
T.914-984-2780

White Plains

42 Waller Ave
White Plains, NY 10601
T.914-422-3100

White Plains - HVIA

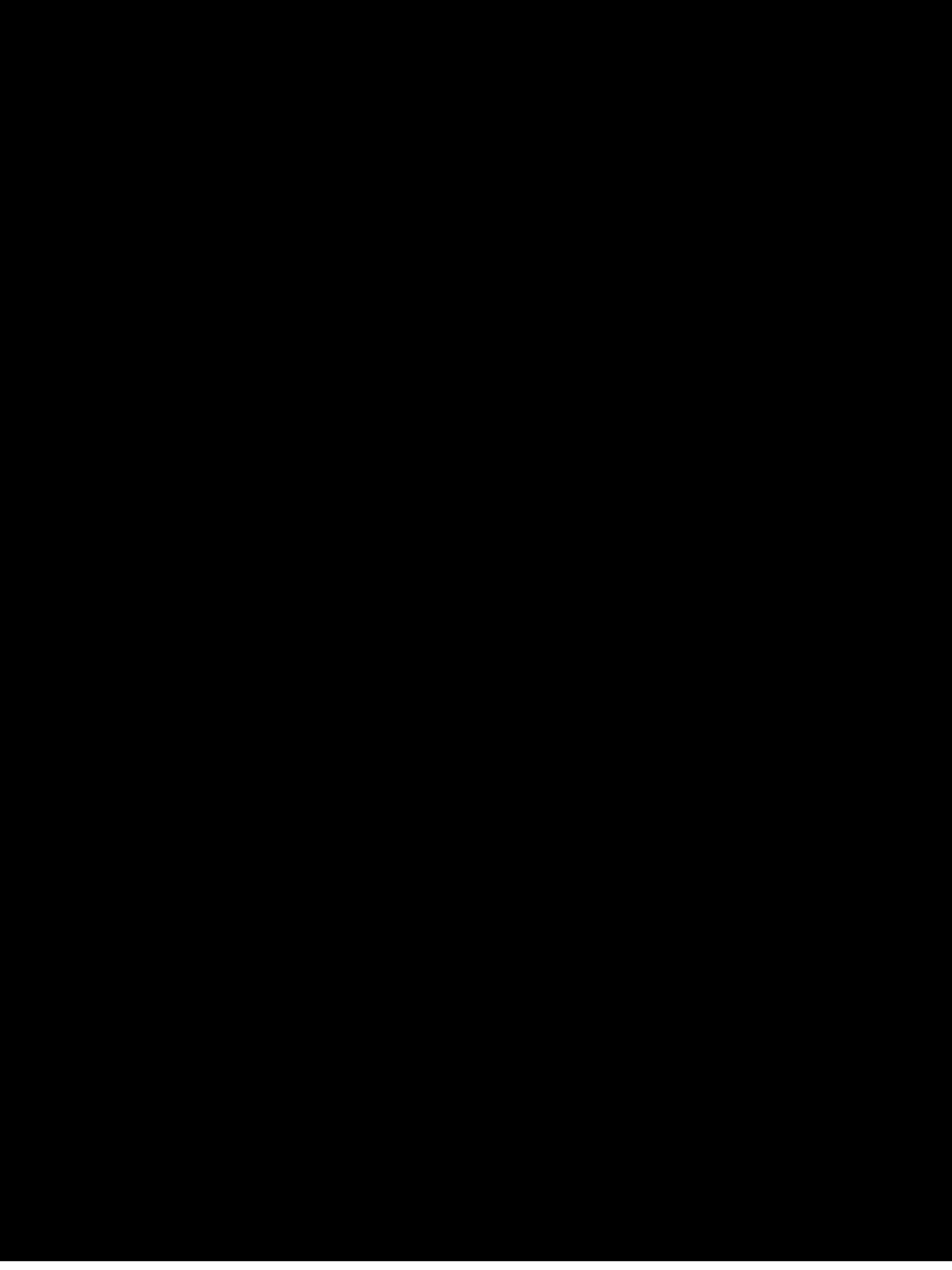
**Hudson Valley Investment
Advisors, Inc.**
4 West Red Oak Lane
White Plains, NY 10601
T.914-290-5978

White Plains -Lending office

4 West Red Oak Lane
White Plains, NY 10601
T.914-368-6273

Yonkers

1969 Central Park Avenue
Yonkers, NY 10710
T.914-505-9020





orange county
BANCORP,
inc.

OrangeBankTrust.com