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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2025**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **001-40711**

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**Orange County Bancorp, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-1135778**  
(I.R.S. Employer  
Identification Number)

**212 Dolson Avenue**  
**Middletown, New York 10940**  
(Address of Principal Executive Offices)

**(845) 341-5000**  
(Registrant's telephone number)

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Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol	Name of Exchange on which registered
Common Stock, par value \$0.25 per share	OBT	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 6, 2025, there were 13,362,912 shares of the registrant's common stock outstanding.

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**ORANGE COUNTY BANCORP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CONDITION**  
**(UNAUDITED)**  
**(Dollar amounts in thousands except per share data)**

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 175,606	\$ 150,334
Investment securities – available-for-sale (amortized cost \$478,824, net of allowance for credit losses of \$0 at June 30, 2025 and \$519,567, net of allowance for credit losses of \$0 at December 31, 2024)	410,814	443,775
Restricted investment in bank stocks	5,618	9,716
Loans	1,917,802	1,815,751
Allowance for credit losses	<u>(28,408)</u>	<u>(26,077)</u>
Loans, net	1,889,394	1,789,674
Premises and equipment, net	14,949	15,808
Accrued interest receivable	10,465	6,680
Bank owned life insurance	35,398	42,257
Goodwill	5,359	5,359
Intangible assets	678	821
Other assets	57,982	45,503
<b>TOTAL ASSETS</b>	<u>\$ 2,606,263</u>	<u>\$ 2,509,927</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits:		
Noninterest bearing	\$ 687,120	\$ 651,135
Interest bearing	<u>1,589,603</u>	<u>1,502,224</u>
Total deposits	2,276,723	2,153,359
FHLB advances, short term	21,000	113,500
FHLB advances, long term	10,000	10,000
Subordinated notes, net of issuance costs	19,626	19,591
Accrued expenses and other liabilities	<u>26,325</u>	<u>27,946</u>
<b>TOTAL LIABILITIES</b>	<u>2,353,674</u>	<u>2,324,396</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$0.25 par value; 30,000,000 shares authorized; 13,370,929 and 11,366,608 issued; 13,362,912 and 11,350,158 outstanding, at June 30, 2025 and December 31, 2024, respectively	3,343	2,842
Surplus	164,752	120,896
Retained Earnings	146,129	129,919
Accumulated other comprehensive income (loss), net of taxes	<u>(61,436)</u>	<u>(67,751)</u>
Treasury stock, at cost; 8,017 and 16,450 shares at June 30, 2025 and December 31, 2024, respectively	(199)	(375)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>252,589</u>	<u>185,531</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 2,606,263</u>	<u>\$ 2,509,927</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**ORANGE COUNTY BANCORP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

(Dollar amounts in thousands except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<b>INTEREST INCOME</b>				
Interest and fees on loans	\$ 28,103	\$ 26,778	\$ 55,417	\$ 52,392
Interest on investment securities:				
Taxable	2,731	3,105	5,395	6,331
Tax exempt	561	581	1,137	1,149
Interest on Federal funds sold and other	1,829	2,048	3,182	3,713
<b>TOTAL INTEREST INCOME</b>	<b>33,224</b>	<b>32,512</b>	<b>65,131</b>	<b>63,585</b>
<b>INTEREST EXPENSE</b>				
Savings and NOW accounts	5,256	5,158	10,150	9,735
Time deposits	2,222	2,114	4,446	4,528
FHLB advances	375	890	1,306	3,141
Subordinated notes	231	231	461	461
<b>TOTAL INTEREST EXPENSE</b>	<b>8,084</b>	<b>8,393</b>	<b>16,363</b>	<b>17,865</b>
<b>NET INTEREST INCOME</b>	<b>25,140</b>	<b>24,119</b>	<b>48,768</b>	<b>45,720</b>
Provision (recovery) for credit losses - investments	—	—	—	(1,900)
Provision for credit losses - loans	2,113	2,210	2,315	2,470
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>23,027</b>	<b>21,909</b>	<b>46,453</b>	<b>45,150</b>
<b>NONINTEREST INCOME</b>				
Service charges on deposit accounts	334	232	624	467
Trust income	1,573	1,309	3,247	2,621
Investment advisory income	1,823	1,650	3,589	3,225
Investment securities gains(losses), net	(727)	—	(727)	—
Earnings on bank owned life insurance	234	270	493	512
Proceeds from bank owned life insurance benefit	2,399	—	2,399	—
Gain on sale of assets	1,236	—	1,236	—
Other	444	346	811	668
<b>TOTAL NONINTEREST INCOME</b>	<b>7,316</b>	<b>3,807</b>	<b>11,672</b>	<b>7,493</b>
<b>NONINTEREST EXPENSE</b>				
Salaries	6,813	6,873	13,718	13,611
Employee benefits	2,338	2,304	4,788	4,426
Occupancy expense	1,299	1,164	2,576	2,325
Professional fees	1,666	1,337	3,013	2,773
Directors' fees and expenses	319	(125)	625	197
Computer software expense	2,117	1,430	4,099	2,665
FDIC assessment	330	350	660	768
Advertising expenses	481	438	870	802
Advisor expenses related to trust income	22	32	44	65
Telephone expenses	203	188	410	375
Intangible amortization	72	71	143	143
Other	1,094	1,425	2,302	2,647
<b>TOTAL NONINTEREST EXPENSE</b>	<b>16,754</b>	<b>15,487</b>	<b>33,248</b>	<b>30,797</b>
Income before income taxes	13,589	10,229	24,877	21,846
Provision for income taxes	3,128	2,016	5,712	4,343
<b>NET INCOME</b>	<b>\$ 10,461</b>	<b>\$ 8,213</b>	<b>\$ 19,165</b>	<b>\$ 17,503</b>
Basic and diluted earnings per share	\$ 0.87	\$ 0.73	\$ 1.64	\$ 1.55
Weighted average shares outstanding	11,994,815	11,282,868	11,665,181	11,276,370

See accompanying notes to unaudited condensed consolidated financial statements.

**ORANGE COUNTY BANCORP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

(Dollar amounts in thousands except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<b>Net Income</b>	\$ 10,461	\$ 8,213	\$ 19,165	\$ 17,503
<b>Other comprehensive income/(loss):</b>				
Unrealized gains/(losses) on securities:				
Unrealized holding gains/(losses) arising during the period	(2,627)	1,804	7,055	(4,801)
Reclassification adjustment for losses included in net income	727	—	727	—
Tax effect	(399)	379	1,635	(1,008)
Net of tax	(1,501)	1,425	6,147	(3,793)
Defined benefit pension plans:				
Net gain/(loss) arising during the period	110	300	220	600
Tax effect	23	63	46	126
Net of tax	87	237	174	474
Deferred compensation liability:				
Unrealized loss	(4)	(4)	(8)	(8)
Tax effect	(1)	(1)	(2)	(2)
Net of tax	(3)	(3)	(6)	(6)
Total other comprehensive income/(loss)	(1,417)	1,659	6,315	(3,325)
<b>Total comprehensive income</b>	<u>\$ 9,044</u>	<u>\$ 9,872</u>	<u>\$ 25,480</u>	<u>\$ 14,178</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**ORANGE COUNTY BANCORP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

(Dollar amounts in thousands except per share data)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
<b>Balance, April 1, 2025</b>	\$ 2,848	\$ 121,546	\$ 137,148	\$ (60,019)	\$ (199)	\$ 201,324
Net income	—	—	10,461	—	—	10,461
Other comprehensive income, net of taxes	—	—	—	(1,417)	—	(1,417)
Cash dividends declared (\$0.13 per share)	—	—	(1,480)	—	—	(1,480)
Stock-based compensation (680 shares)	—	16	—	—	—	16
Issuance of common shares for June 2025 capital raise (1,978,494 shares)	495	43,190	—	—	—	43,685
<b>Balance, June 30, 2025</b>	<u>\$ 3,343</u>	<u>\$ 164,752</u>	<u>\$ 146,129</u>	<u>\$ (61,436)</u>	<u>\$ (199)</u>	<u>\$ 252,589</u>
<b>Balance, January 1, 2025</b>	\$ 2,842	\$ 120,896	\$ 129,919	\$ (67,751)	\$ (375)	\$ 185,531
Net income	—	—	19,165	—	—	19,165
Other comprehensive income, net of taxes	—	—	—	6,315	—	6,315
Cash dividends declared (\$0.26 per share)	—	—	(2,955)	—	—	(2,955)
Treasury stock purchased (5,925 shares)	—	—	—	—	(158)	(158)
Stock-based compensation (40,185 shares)	6	666	—	—	334	1,006
Issuance of common shares for June 2025 capital raise (1,978,494 shares)	495	43,190	—	—	—	43,685
<b>Balance, June 30, 2025</b>	<u>\$ 3,343</u>	<u>\$ 164,752</u>	<u>\$ 146,129</u>	<u>\$ (61,436)</u>	<u>\$ (199)</u>	<u>\$ 252,589</u>
	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
<b>Balance, April 1, 2024</b>	2,842	120,525	115,351	(69,092)	(958)	168,668
Net income	—	—	8,213	—	—	8,213
Other comprehensive loss, net of taxes	—	—	—	1,659	—	1,659
Cash dividends declared (\$0.12 per share)	—	—	(1,302)	—	—	(1,302)
Treasury stock purchased (240 shares)	—	—	—	—	(6)	(6)
Stock-based compensation (12,666 shares)	—	77	—	—	235	312
<b>Balance, June 30, 2024</b>	<u>\$ 2,842</u>	<u>\$ 120,602</u>	<u>\$ 122,262</u>	<u>\$ (67,433)</u>	<u>\$ (729)</u>	<u>\$ 177,544</u>
<b>Balance, January 1, 2024</b>	\$ 2,842	\$ 120,392	\$ 107,361	\$ (64,108)	\$ (1,111)	\$ 165,376
Net income	—	—	17,503	—	—	17,503
Other comprehensive loss, net of taxes	—	—	—	(3,325)	—	(3,325)
Cash dividends declared (\$0.23 per share)	—	—	(2,602)	—	—	(2,602)
Treasury stock purchased (12,700 shares)	—	—	—	—	(293)	(293)
Restricted stock expense	—	5	—	—	—	5
Stock-based compensation (37,420 shares)	—	205	—	—	675	880
<b>Balance, June 30, 2024</b>	<u>\$ 2,842</u>	<u>\$ 120,602</u>	<u>\$ 122,262</u>	<u>\$ (67,433)</u>	<u>\$ (729)</u>	<u>\$ 177,544</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**ORANGE COUNTY BANCORP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(Dollar amounts in thousands except per share data)

	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income	\$ 19,165	\$ 17,503
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	2,315	570
Depreciation	787	787
Accretion on loans	(1,258)	(1,214)
Amortization of intangibles	143	143
Amortization of subordinated notes issuance costs	35	35
Investment securities losses	727	—
Restricted stock expense	—	5
Stock-based compensation	1,006	880
Net amortization of investment premiums	446	537
Earnings on bank owned life insurance	(493)	(512)
Gain on bank owned life insurance proceeds	(2,399)	—
Gain on sale of asset	(1,236)	—
Net change in:		
Accrued interest receivable	(3,785)	(3,682)
Other assets	(13,940)	(977)
Other liabilities	(1,627)	(2,549)
Net cash from operating activities	(114)	11,526
<b>Cash flows from/(used) investing activities</b>		
Purchases of investment securities available-for-sale	(2,812)	(3,715)
Proceeds from sale of investment securities available-for-sale	13,688	—
Proceeds from paydowns of investment securities available-for-sale	19,580	17,019
Proceeds from maturities and calls of investment securities available-for-sale	9,115	8,254
Purchase of restricted investment in bank stocks	(24,216)	(18,307)
Proceeds from redemptions of restricted investment in bank stocks	28,314	28,237
Net decrease (increase) in loans	(100,777)	16,506
Purchases of premises and equipment	(1,227)	(360)
Proceeds from sale of premises and equipment	2,535	—
Proceeds from bank owned life insurance	9,750	—
Net cash from/(used) by investing activities	(46,050)	47,634
<b>Cash flows from/(used) financing activities</b>		
Net increase in deposits	123,364	160,532
Net change in FHLB advances, short term	(92,500)	(224,500)
Net change in FRB Borrowings	—	50,000
Capital raise, net of issuance costs	43,685	—
Cash dividends paid	(2,955)	(2,602)
Purchases of treasury stock	(158)	(293)
Net cash from/(used) financing activities	71,436	(16,863)
Net change in cash and cash equivalents	25,272	42,297
Beginning cash and cash equivalents	150,334	147,383
<b>Ending cash and cash equivalents</b>	<b>\$ 175,606</b>	<b>\$ 189,680</b>
Supplemental cash flow information:		
Interest paid	16,097	18,199
Income taxes paid	4,390	5,709
Supplemental noncash disclosures:		
Lease liabilities arising from obtaining right-of-use assets	—	513

See accompanying notes to unaudited condensed consolidated financial statements.

**ORANGE COUNTY BANCORP, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollar amounts in thousands except per share data)**

**Note 1 — Nature of Operations and Summary of Significant Accounting Policies**

*Nature of Operations and Principles of Consolidation:* The unaudited consolidated financial statements include Orange County Bancorp, Inc., a Delaware bank holding company (“Orange County Bancorp”) and its wholly owned subsidiaries: Orange Bank & Trust Company, a New York trust company (the “Bank”) and Hudson Valley Investment Advisors (“HVIA”), a Registered Investment Advisor, together referred to as the “Company.” Intercompany transactions and balances are eliminated in consolidation.

The Company provides commercial and consumer banking services to individuals, small businesses and local municipal governments as well as trust and investment services through the Bank and HVIA. The Company is headquartered in Middletown, New York, with seven locations in Orange County, New York, seven in Westchester County, New York, two in Rockland County, New York, and one in Bronx County, New York. Its primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are commercial real estate, commercial and residential mortgage loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets, and commercial and residential real estate. Commercial loans are expected to be repaid from cash flow from operations of businesses. There are no significant concentrations of loans to any one industry or customer. However, the customers’ ability to repay their loans is dependent on the real estate and general economic conditions in the areas in which they operate.

Assets held by the Company in an agency or fiduciary capacity for its customers are excluded from the consolidated financial statements since they do not constitute assets of the Company. Assets held by the Company in an agency or fiduciary capacity for its customers amounted to \$1.8 billion at June 30, 2025 and December 31, 2024.

Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2024 for Orange County Bancorp contained in the Company’s Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 17, 2025. In the opinion of the management of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal and recurring accruals) necessary to present fairly the financial position as of June 30, 2025, the results of operations, comprehensive income, and changes in stockholders’ equity for the three and six months ended June 30, 2025 and 2024 and cash flow statements for the six months ended June 30, 2025 and 2024. The results of operations for any interim period are not necessarily indicative of the results that may be expected for the full year or for any future period. Certain reclassifications have been made to the financial statements to conform with prior period presentations.

*Use of Estimates:* To prepare financial statements in conformity with U.S. generally accepted accounting principles, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

*Recent Accounting Pronouncements:* In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, enhancing disclosure requirements for reportable segments, focusing on significant segment expenses, the identification of a segment’s chief decision making officer, and the metrics used by the chief decision making officer in evaluating segment-level operating performance. The ASU is effective for fiscal years beginning after December 15, 2023. The Company began providing enhanced segment reporting disclosures in accordance with ASU 2023-07 for the fiscal year ending December 31, 2024, and for interim periods thereafter.

In December 2023, the FASB issued ASU No. 2023-09—Income Taxes (Topic 740)—Improvements to Income Tax Disclosures, intended to enhance the transparency of income tax disclosures, primarily related to the rate reconciliation and income taxes paid information.

**ORANGE COUNTY BANCORP, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollar amounts in thousands except per share data)**

Specifically, the amendments in this ASU require disclosure of: (i) a tabular reconciliation, using both percentages and reporting currency amounts, with prescribed categories that are required to be disclosed, and the separate disclosure and disaggregation of prescribed reconciling items with an effect equal to 5% or more of the amount determined by multiplying pretax income from continuing operations by the applicable statutory rate; (ii) a qualitative description of the states and local jurisdictions that make up the majority (greater than 50%) of the effect of the state and local income taxes; and (iii) amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign taxes and by individual jurisdictions that comprise 5% or more of total income taxes paid, net of refunds received. The ASU also includes other amendments to improve the effectiveness of income tax disclosures.

ASU 2023-09 became effective for the Company on January 1, 2025 for annual reporting periods, on a prospective basis and is not anticipated to have a material effect on the Company's consolidated financial statements.

*Allowance for Credit Losses on Loans Receivable*

The allowance for credit losses on loans is deducted from the amortized cost basis of the loan to present the net amount expected to be collected. Expected losses are evaluated and calculated on a collective, or pooled, basis for those loans which share similar risk characteristics. If the loan does not share risk characteristics with other loans, the Company will evaluate the loan on an individual basis. Individually evaluated loans are primarily non-accrual and collateral dependent loans. Periodically, certain substandard loans may be downgraded according to policy guidelines but will exhibit characteristics which do not require individual evaluation. The related allowance for those loans would be based on the pooling methodology in determining the appropriate reserve. Furthermore, the Company evaluates the pooling methodology at least annually to ensure that loans with similar risk characteristics are pooled appropriately. Loans are charged off against the allowance for credit losses when the Company believes the balances to be uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged off or expected to be charged off. The Company does not estimate expected losses on accrued interest receivable on loans, as accrued interest receivable is reversed or written off when the full collection of the accrued interest receivable related to a loan becomes doubtful.

The Company has chosen to segment its portfolio consistent with the manner in which it manages credit risk. The Company calculates estimated credit losses for these loan segments using quantitative models and qualitative factors. Further information on loan segmentation and the credit loss estimation is included in Note 3 – Loans and Allowance for Credit Losses.

During the quarter ended March 31, 2025, the Company updated and enhanced its Allowance for Credit Losses (“ACL”) estimation methodology related to the observed loss histories across its peer group and the evaluation of qualitative factors under the CECL framework. Specifically, the Company expanded its comparative peer group and the associated loss history for these institutions to include observations through December 31, 2024 and separately, adopted a scorecard-based approach to assess qualitative adjustments applied to the modeled credit loss estimates.

These updates were made to enhance forecasting accuracy based on current economic data and to improve consistency, transparency, and documentation in the evaluation of qualitative factors across the Company's loan portfolios. The scorecard incorporates a structured assessment of various internal and external indicators, including changes in credit underwriting standards, economic and business conditions, probability of loss estimates, and portfolio composition among other criteria. These indicators are based on predefined criteria, with the results used to determine directional adjustments to the modeled loss rates.

Neither the model calibration employed to update loss drivers, nor the adoption of the scorecard represented a change in accounting principle; but rather a refinement in estimation technique within the existing CECL framework. The net impact of this methodological revision was not material to the Company's consolidated financial statements for the six month period ended June 30, 2025.

The Company believes this enhancement better aligns the quantitative and qualitative framework with regulatory expectations and internal risk management practices, and supports more consistent application over time.

**ORANGE COUNTY BANCORP, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollar amounts in thousands except per share data)**

*Individually Evaluated Loans*

On a case-by-case basis, the Company may conclude that a loan should be evaluated on an individual basis based on its disparate risk characteristics. When the Company determines that a loan no longer shares similar risk characteristics with other loans in the portfolio, the allowance will be determined on an individual basis using the present value of expected cash flows or, for collateral-dependent loans, the fair value of the collateral as of the reporting date, less estimated selling costs, as applicable. If the fair value of the collateral is less than the amortized cost basis of the loan, the Company will charge off the difference between the fair value of the collateral, less costs to sell at the reporting date and the amortized cost basis of the loan.

*Allowance for Credit Losses on Off-Balance Sheet Commitments*

The Company is required to include unfunded commitments that are expected to be funded in the future within the allowance calculation, other than those that are unconditionally cancelable. To arrive at that reserve, the reserve percentage for each applicable segment is applied to the unused portion of the expected commitment balance and is multiplied by the expected funding rate. As noted above, the allowance for credit losses on unfunded loan commitments is included in other liabilities on the consolidated statement of financial condition and the related credit expense is recorded as provisions for credit losses in the consolidated statements of income.

*Allowance for Credit Losses on Available for Sale Securities*

For available for sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more than likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For securities available for sale that do not meet the above criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of tax.

Changes in the allowance for credit losses are recorded as provision for, or reversal of, credit loss expense. Losses are charged against the allowance when management believes the uncollectibility of an available for sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met. The Company does not estimate expected losses on accrued interest receivable on investments, as accrued interest receivable is reversed or written off when the full collection of the accrued interest receivable related to an investment becomes doubtful.

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**Note 2 — Investment Securities**

The amortized cost and fair value of investment securities at June 30, 2025 and December 31, 2024:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	ACL Adjustment	Fair Value
<u>Available-for-sale June 30, 2025</u>					
U.S. government agencies and treasuries	\$ 72,844	\$ 47	\$ (7,543)	\$ —	\$ 65,348
Mortgage-backed securities - residential	213,420	5	(27,755)	—	185,670
Mortgage-backed securities - commercial	74,549	3	(16,080)	—	58,472
Corporate Securities	25,501	—	(2,955)	—	22,546
Obligations of states and political subdivisions	92,510	34	(13,766)	—	78,778
Total debt securities	<u>\$ 478,824</u>	<u>\$ 89</u>	<u>\$ (68,099)</u>	<u>\$ —</u>	<u>\$ 410,814</u>

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	ACL Adjustment	Fair Value
<u>Available-for-sale December 31, 2024</u>					
U.S. government agencies and treasuries	\$ 85,464	\$ 35	\$ (9,345)	\$ —	\$ 76,154
Mortgage-backed securities - residential	229,938	10	(33,248)	—	196,700
Mortgage-backed securities - commercial	77,525	—	(16,886)	—	60,639
Corporate Securities	23,508	—	(3,474)	—	20,034
Obligations of states and political subdivisions	103,132	76	(12,960)	—	90,248
Total debt securities	<u>\$ 519,567</u>	<u>\$ 121</u>	<u>\$ (75,913)</u>	<u>\$ —</u>	<u>\$ 443,775</u>

Proceeds from sales of securities and associated gains and losses for the three and six months ended June 30, 2025 and 2024.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Proceeds	\$ 13,688	\$ —	\$ 13,688	\$ —
Gross realized gains	\$ 5	\$ —	\$ 5	\$ —
Gross realized losses	(732)	—	(732)	—
Net loss on sales of securities	(727)	—	(727)	—
Tax provision on realized net gains and loss	(153)	—	(153)	—
Net loss on sales of securities, after tax	<u>\$ (574)</u>	<u>\$ —</u>	<u>\$ (574)</u>	<u>\$ —</u>

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The amortized cost and fair value of debt securities as of June 30, 2025 are shown below by contractual maturity. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-sale	
	Amortized Cost	Fair Value
Due in one year or less	\$ 5,520	\$ 5,540
Due after one through five years	17,590	16,579
Due after five through ten years	62,175	54,524
Due after ten years	105,570	90,029
	<u>190,855</u>	<u>166,672</u>
Mortgage-backed securities	287,969	244,142
Total debt securities	<u>\$ 478,824</u>	<u>\$ 410,814</u>

Securities pledged at June 30, 2025 and December 31, 2024 had a carrying amount of \$320,754 and \$299,507 and were pledged to secure public deposits.

At June 30, 2025 and December 31, 2024, there were no holdings of securities of any one issuer, other than the US Government and its agencies, in an amount greater than 10% of stockholders' equity.

The following tables summarize those securities with unrealized losses for which an allowance for credit losses has not been recorded at June 30, 2025 and December 31, 2024, aggregated by major security types and length of time in a continuous unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<u>Available-for-sale June 30, 2025</u>						
U.S. government agencies and treasuries	\$ 362	\$ (1)	\$ 60,302	\$ (7,542)	\$ 60,664	\$ (7,543)
Mortgage-backed securities - residential	8,817	(121)	175,460	(27,634)	184,277	(27,755)
Mortgage-backed securities - commercial	—	—	57,248	(16,080)	57,248	(16,080)
Corporate Securities	1,495	(5)	19,051	(2,950)	20,546	(2,955)
Obligations of states and political subdivisions	3,113	(140)	70,098	(13,626)	73,211	(13,766)
Total debt securities	<u>\$ 13,787</u>	<u>\$ (267)</u>	<u>\$ 382,159</u>	<u>\$ (67,832)</u>	<u>\$ 395,946</u>	<u>\$ (68,099)</u>

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<u>Available-for-sale December 31, 2024</u>						
U.S. government agencies	\$ 1,099	\$ (5)	\$ 70,767	\$ (9,340)	\$ 71,866	\$ (9,345)
Mortgage-backed securities - residential	7,427	(198)	185,647	(33,050)	193,074	(33,248)
Mortgage-backed securities - commercial	1,207	(18)	59,432	(16,868)	60,639	(16,886)
Corporate Securities	—	—	20,034	(3,474)	20,034	(3,474)
Obligations of states and political subdivisions	7,728	(89)	76,608	(12,871)	84,336	(12,960)
Total debt securities	<u>\$ 17,461</u>	<u>\$ (310)</u>	<u>\$ 412,488</u>	<u>\$ (75,603)</u>	<u>\$ 429,949</u>	<u>\$ (75,913)</u>

As of June 30, 2025, the Company's securities portfolio consisted of 245 securities, 220 of which were in an unrealized loss position. As of December 31, 2024, the Company's securities portfolio consisted of 270 securities, 244 of which were in an unrealized

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loss position. Unrealized losses are primarily related to the Company's mortgage backed securities, U.S. government agency securities, and investments in obligations of states and political subdivisions as discussed below.

Available for sale securities are evaluated to determine if a decline in fair value below the amortized cost basis has resulted from a credit loss or other factors. An impairment related to credit factors would be recorded through an allowance for credit losses. The allowance is limited to the amount by which the security's amortized cost basis exceeds the fair value. An impairment that has not been recorded through an allowance for credit losses shall be recorded through other comprehensive income, net of applicable taxes. Investment securities will be written down to fair value through the Consolidated Statements of Income when management intends to sell, or may be required to sell, the securities before they recover in value. Primarily all of the investment securities are backed by loans guaranteed by either U.S. government agencies or U.S government-sponsored entities, and management believes that default is highly unlikely given the lack of historical credit losses and governmental backing. Management believes that the unrealized losses on these securities are a function of changes in market interest rates and credit spreads, not changes in credit quality.

The Company's available for sale debt securities portfolio includes U.S. government agencies and treasuries, mortgage-backed securities, corporate bonds, and obligations of states and political subdivisions, as well as other securities. These types of securities may include a risk of future impairment charges as a result of the changes in market interest rates, unpredictable nature of the U.S. economy and their potential negative effect on the future performance of the security issuers. Available for sale debt securities in unrealized loss positions are evaluated for impairment related to credit losses on a quarterly basis. Management reviewed the collectability of these securities, taking into consideration such factors as financial condition of the issuers, credit ratings when available, reported capital ratios of the issuers, among other pertinent factors. Management also evaluated the credit quality, the ability and intent to hold these securities to maturity, and the impact of interest rates on the respective fair values of the securities. Based on that review and evaluation, it was determined that any change in fair value was temporary and did not result in impairment. Accordingly, no impairment was recognized during the three and six months ended June 30, 2025. Accrued interest on investments, which is excluded from the amortized cost of available for sale debt securities, totaled \$2.1 million and \$2.2 million at June 30, 2025 and December 31, 2024, respectively, and is presented within total accrued interest receivable on the consolidated statements of financial condition.

The Company does not intend to sell any of its available for sale debt securities in an unrealized loss position prior to recovery of their amortized cost basis, and it is more likely than not that the Company will not be required to sell any of its securities prior to recovery of their amortized cost basis.

The following table presents the activity in the allowance for credit losses associated with investment securities for the six months ended June 30, 2025 and June 30, 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Allowance for credit losses -investments:		
Beginning balance	\$ —	\$ —
Provision for credit losses	—	(1,900)
Charge-offs	—	—
Recoveries	—	1,900
Ending balance	<u>\$ —</u>	<u>\$ —</u>

The recovery reflected in the table above represents the sale of the Signature Bank subordinated debt during the six months ended June 30, 2024. At June 30, 2025 management evaluated the requirement for an allowance for credit losses associated with the corporate securities portfolio. It was determined that ACL-investments was not required.

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**Note 3 — Loans**

Loans at June 30, 2025 and December 31, 2024 were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Commercial and industrial	\$ 248,838	\$ 242,390
Commercial real estate	1,434,414	1,362,054
Commercial real estate construction	111,483	80,993
Residential real estate	71,169	74,973
Home equity	19,142	17,365
Consumer	32,756	37,976
Total Loans	<u>\$ 1,917,802</u>	<u>\$ 1,815,751</u>
Allowance for credit losses	(28,408)	(26,077)
Net Loans	<u>\$ 1,889,394</u>	<u>\$ 1,789,674</u>

Included in commercial and industrial loans as of June 30, 2025 and December 31, 2024 were loans issued under the SBA's Paycheck Protection Program ("PPP") of \$147 and \$170, respectively.

**Allowance for Credit Losses**

The Company engaged a third-party vendor to assist in the CECL calculation and internal governance framework to oversee the quarterly estimation process for the allowance for credit losses ("ACL"). The ACL calculation methodology relies on regression-based discounted cash flow ("DCF") models that correlate relationships between certain financial metrics and external market and macroeconomic variables. The Company uses Probability of Default ("PD") and Loss Given Default ("LGD") with quantitative factors and qualitative considerations in the calculation of the allowance for credit losses for collectively evaluated loans. The Company uses a reasonable and supportable period of one year, at which point loss assumptions revert back to historical loss information by means of a one-year reversion period. Following are some of the key factors and assumptions that are used in the Company's CECL calculations:

- methods based on probability of default and loss given default which are modeled based on macroeconomic scenarios;
- a reasonable and supportable forecast period determined based on management's current review of macroeconomic environment;
- a reversion period after the reasonable and supportable forecast period;
- estimated prepayment rates based on the Company's historical experience and future macroeconomic environment;
- estimated credit utilization rates based on the Company's historical experience and future macroeconomic environment; and
- incorporation of qualitative factors not captured within the modeled results. The qualitative factors include but are not limited to changes in lending policies, business conditions, changes in the nature and size of the portfolio, portfolio concentrations, and external factors such as competition.

Allowance for Credit Losses are aggregated for the major loan segments, with similar risk characteristics, summarized below. However, for the purposes of calculating the reserves, these segments may be further broken down into loan classes by risk characteristics that include but are not limited to regulatory call codes, industry type, geographic location, and collateral type.

Residential real estate loans involve certain risks such as interest rate risk and risk of non-repayment. Adjustable-rate residential real estate loans decrease the interest rate risk to the Bank that is associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrower rises to the extent permitted by the terms of the loan, thereby increasing the potential for default. At the same time, the marketability of the underlying properties may be adversely affected by

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higher interest rates. Repayment risk may be affected by a number of factors including, but not necessarily limited to, job loss, divorce, illness and personal bankruptcy of the borrower.

Commercial and multi-family real estate lending entails additional risks as compared with residential family property lending. Such loans typically involve large loan balances to single borrowers or groups of related borrowers. The payment experience on such loans is typically dependent on the successful operation of the real estate project. The success of such projects is sensitive to changes in supply and demand conditions in the market for commercial real estate as well as general economic conditions.

Construction lending is generally considered to involve a high risk due to the concentration of principal in a limited number of loans and borrowers and the effects of the general economic conditions on developers and builders. Moreover, a construction loan can involve additional risks because of the inherent difficulty in estimating both a property's value at completion of the project and the estimated cost (including interest) of the project. The nature of these loans is such that they are generally difficult to evaluate and monitor. In addition, speculative construction loans to a builder are not necessarily pre-sold and thus pose a greater potential risk to the Bank than construction loans to individuals on their personal residence.

Commercial and industrial lending, including lines of credit, is generally considered higher risk due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on the business. Commercial business loans are primarily secured by inventories and other business assets. In many cases, any repossessed collateral for a defaulted commercial business loans will not provide an adequate source of repayment of the outstanding loan balance.

Home equity lending entails certain risks such as interest rate risk and risk of non-repayment. The marketability of the underlying property may be adversely affected by higher interest rates, decreasing the collateral value securing the loan. Repayment risk can be affected by job loss, divorce, illness and personal bankruptcy of the borrower. Home equity line of credit lending entails securing an equity interest in the borrower's home. In many cases, the Bank's position in these loans is as a junior lien holder to another institution's superior lien. This type of lending is often priced on an adjustable rate basis with the rate set at or above a predefined index. Adjustable-rate loans decrease the interest rate risk to the Bank that is associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrower rises to the extent permitted by the terms of the loan, thereby increasing the potential for default.

Consumer loans generally have more credit risk because of the type and nature of the collateral and, in certain cases, the absence of collateral. Consumer loans generally have shorter terms and higher interest rates than other lending. In addition, consumer lending collections are dependent on the borrower's continuing financial stability, and thus are more likely to be adversely affected by job loss, divorce, illness and personal bankruptcy. In many cases, any repossessed collateral for a defaulted consumer loan will not provide an adequate source of repayment of the outstanding loan.

The following tables present the activity in the allowance by portfolio segment for each of the three and six months ended June 30, 2025 and 2024: (Note: The activity presented does not include provisions recorded to support the reserve associated with off balance sheet commitments.)

	<b>Three Months Ended June 30, 2025</b>						
	<b>Commercial And Industrial</b>	<b>Commercial Real Estate</b>	<b>Commercial Real Estate Construction</b>	<b>Residential Real Estate</b>	<b>Home Equity</b>	<b>Consumer</b>	<b>Total</b>
Allowance for credit losses:							
Beginning balance	\$ 3,809	\$ 19,295	\$ 992	\$ 1,642	\$ 182	\$ 453	\$ 26,373
Provision for credit losses*	1,400	858	25	(27)	—	(41)	2,215
Charge-offs	(190)	—	—	—	—	(3)	(193)
Recoveries	6	—	—	—	—	7	13
Ending balance	<u>\$ 5,025</u>	<u>\$ 20,153</u>	<u>\$ 1,017</u>	<u>\$ 1,615</u>	<u>\$ 182</u>	<u>\$ 416</u>	<u>\$ 28,408</u>

\* The provision for credit losses on the income statement also includes approximately (\$102) associated with off balance sheet ACL.

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	Six Months Ended June 30, 2025						
	Commercial and Industrial	Commercial Real Estate	Commercial Real Estate Construction	Residential Real Estate	Home Equity	Consumer	Total
Allowance for loan losses:							
Beginning balance	\$ 4,501	\$ 19,227	\$ 755	\$ 962	\$ 56	\$ 576	\$ 26,077
Provision for credit losses*	700	926	262	653	126	(188)	2,479
Charge-offs	(197)	—	—	—	—	(3)	(200)
Recoveries	21	—	—	—	—	31	52
Ending balance	<u>\$ 5,025</u>	<u>\$ 20,153</u>	<u>\$ 1,017</u>	<u>\$ 1,615</u>	<u>\$ 182</u>	<u>\$ 416</u>	<u>\$ 28,408</u>

\* The provision for credit losses on the income statement also includes approximately (\$164) associated with off balance sheet ACL.

	Three Months Ended June 30, 2024						
	Commercial and Industrial	Commercial Real Estate	Commercial Real Estate Construction	Residential Real Estate	Home Equity	Consumer	Total
Allowance for credit losses:							
Beginning balance	\$ 5,693	\$ 17,493	\$ 722	\$ 977	\$ 51	\$ 537	\$ 25,473
Provision for credit losses*	(1,158)	3,469	(70)	111	—	(43)	2,309
Charge-offs	(4)	—	—	—	—	—	(4)
Recoveries	17	—	—	—	—	20	37
Ending balance	<u>\$ 4,548</u>	<u>\$ 20,962</u>	<u>\$ 652</u>	<u>\$ 1,088</u>	<u>\$ 51</u>	<u>\$ 514</u>	<u>\$ 27,815</u>

\* The provision for credit losses on the income statement also includes approximately (\$99) associated with off balance sheet ACL.

	Six Months Ended June 30, 2024						
	Commercial and Industrial	Commercial Real Estate	Commercial Real Estate Construction	Residential Real Estate	Home Equity	Consumer	Total
Allowance for credit losses:							
Beginning balance	\$ 4,819	\$ 17,873	\$ 772	\$ 1,081	\$ 51	\$ 586	\$ 25,182
Provision for credit losses*	(288)	3,089	(120)	101	—	(111)	2,671
Charge-offs	(7)	—	—	(94)	—	—	(101)
Recoveries	24	—	—	—	—	39	63
Ending balance	<u>\$ 4,548</u>	<u>\$ 20,962</u>	<u>\$ 652</u>	<u>\$ 1,088</u>	<u>\$ 51</u>	<u>\$ 514</u>	<u>\$ 27,815</u>

\* The provision for credit losses on the income statement also includes approximately (\$201) associated with off balance sheet ACL.

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The following tables present the balance in the allowance for credit losses and the amortized cost in loans by portfolio segment and based on impairment method as of June 30, 2025 and December 31, 2024:

	Commercial and Industrial	Commercial Real Estate	Commercial Real Estate Construction	Residential Real Estate	Home Equity	Consumer	Total
<b>June 30, 2025</b>							
Allowance for credit losses:							
Ending balance:							
individually evaluated for impairment	\$ 1,861	\$ 902	\$ —	\$ —	\$ —	\$ —	\$ 2,763
collectively evaluated for impairment	3,164	19,251	1,017	1,615	182	416	25,645
Total ending allowance balance	<u>\$ 5,025</u>	<u>\$ 20,153</u>	<u>\$ 1,017</u>	<u>\$ 1,615</u>	<u>\$ 182</u>	<u>\$ 416</u>	<u>\$ 28,408</u>
Loans:							
Ending balance:							
individually evaluated for impairment	\$ 9,590	\$ 47,688	\$ —	\$ 100	\$ 828	\$ —	\$ 58,206
collectively evaluated for impairment	239,248	1,386,726	111,483	71,069	18,314	32,756	1,859,596
Total ending loans balance	<u>\$ 248,838</u>	<u>\$ 1,434,414</u>	<u>\$ 111,483</u>	<u>\$ 71,169</u>	<u>\$ 19,142</u>	<u>\$ 32,756</u>	<u>\$ 1,917,802</u>
<b>December 31, 2024</b>							
Allowance for credit losses:							
Ending balance:							
individually evaluated for impairment	\$ 388	\$ 749	\$ —	\$ —	\$ —	\$ —	\$ 1,137
collectively evaluated for impairment	4,113	18,478	755	962	56	576	24,940
Total ending allowance balance	<u>\$ 4,501</u>	<u>\$ 19,227</u>	<u>\$ 755</u>	<u>\$ 962</u>	<u>\$ 56</u>	<u>\$ 576</u>	<u>\$ 26,077</u>
Loans:							
Ending balance:							
individually evaluated for impairment	\$ 2,405	\$ 35,050	\$ —	\$ 60	\$ —	\$ 83	\$ 37,598
collectively evaluated for impairment	239,985	1,327,004	80,993	74,913	17,365	37,893	1,778,153
Total ending loans balance	<u>\$ 242,390</u>	<u>\$ 1,362,054</u>	<u>\$ 80,993</u>	<u>\$ 74,973</u>	<u>\$ 17,365</u>	<u>\$ 37,976</u>	<u>\$ 1,815,751</u>

Included in the commercial and industrial loans collectively evaluated for impairment are PPP loans of \$147 and \$170 as of June 30, 2025 and December 31, 2024, respectively. PPP loans receivable are guaranteed by the SBA and have no allocation in the allowance.

***Individually Analyzed Loans***

Effective January 1, 2023, the Company began analyzing loans on an individual basis when management determined that the loan no longer exhibited risk characteristics consistent with the risk characteristics existing in its designated pool of loans, under the Company's CECL methodology. Loans individually analyzed include certain nonaccrual commercial, as well as certain accruing loans previously identified under prior troubled debt restructuring (TDR) guidance.

As of June 30, 2025, the amortized cost basis of individually analyzed loans was \$58.2 million, of which \$45.5 million were considered collateral dependent. As of December 31, 2024, the amortized cost basis of individually analyzed loans was \$37.6 million, of which \$29.8 million were considered collateral dependent. For collateral dependent loans where the borrower is experiencing financial difficulty and repayment is likely to be substantially provided through the sale or operation of the collateral, the ACL is

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measured based on the difference between the fair value of the collateral and the amortized cost basis of the loan, at measurement date. Certain assets held as collateral may be exposed to future deterioration in fair value, particularly due to changes in real estate markets or usage.

The following table presents the amortized cost basis and related allowance for credit loss of individually analyzed loans considered to be collateral dependent as of June 30, 2025 and December 31, 2024:

	At June 30, 2025		At December 31, 2024	
	Principal Balance	Related Allowance	Principal Balance	Related Allowance
Commercial and industrial	\$ —	\$ —	\$ —	\$ —
Commercial real estate <sup>(1)</sup>	44,537	794	29,714	563
Commercial real estate construction	—	—	—	—
Residential real estate <sup>(2)</sup>	100	—	60	—
Home equity <sup>(2)</sup>	828	—	—	—
Consumer	—	—	—	—
<b>Total</b>	<b>\$ 45,465</b>	<b>\$ 794</b>	<b>\$ 29,774</b>	<b>\$ 563</b>

<sup>(1)</sup> Commercial real estate – secured by various types of commercial real estate.

<sup>(2)</sup> Residential real estate – secured by residential real estate.

The following table presents the amortized cost in non-accrual and loans past due over 90 days still on accrual by class of loans as of June 30, 2025 and December 31, 2024.

	Non-Accrual with No Allowance for Credit Loss		Non-accrual		Loans Past Due Over 90 Days Still Accruing	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Commercial and industrial	\$ —	\$ —	\$ 2,372	\$ 293	\$ —	\$ —
Commercial real estate	7,424	6,000	8,414	6,000	—	—
Commercial real estate construction	—	—	—	—	—	—
Residential real estate	100	6	100	6	—	—
Home equity	828	—	828	—	—	—
Consumer	—	—	—	—	—	—
<b>Total</b>	<b>\$ 8,352</b>	<b>\$ 6,006</b>	<b>\$ 11,714</b>	<b>\$ 6,299</b>	<b>\$ —</b>	<b>\$ —</b>

As of June 30, 2025, the Company held \$11.7 million in non-accrual balances and a related ACL of approximately \$1.3 million. Within the non-accrual balances, \$8.4 million of these loans had no ACL associated to them. As of December 31, 2024, the Company had \$6.3 million in non-accrual loans and related ACL of approximately \$186 thousand. Within the non-accrual balances, \$6.0 million of these loans had no ACL associated related to them.

The Company adopted ASU 2022-02, Financial Instruments – Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures (“ASU 2022-02”) effective January 1, 2023. The amendments in ASU 2022-02 eliminated the recognition and measurement of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty. The Company did not have any loans that were both experiencing financial difficulties and modified during the three and six months ended June 30, 2025 and 2024.

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In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed within the scope of the Company's internal underwriting policy.

The following table presents the aging of the amortized cost in past-due loans as of June 30, 2025 and December 31, 2024 by class of loans:

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>
<u>June 30, 2025</u>					
Commercial and industrial	\$ —	\$ 1,500	\$ 762	\$ 2,262	\$ 246,576
Commercial real estate	510	405	8,414	9,329	1,425,085
Commercial real estate construction	—	—	—	—	111,483
Residential real estate	—	—	97	97	71,072
Home equity	—	—	591	591	18,551
Consumer	—	—	—	—	32,756
<b>Total</b>	<u>\$ 510</u>	<u>\$ 1,905</u>	<u>\$ 9,864</u>	<u>\$ 12,279</u>	<u>\$ 1,905,523</u>

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>
<u>December 31, 2024</u>					
Commercial and industrial	\$ —	\$ 128	\$ 150	\$ 278	\$ 242,112
Commercial real estate	141	398	6,000	6,539	1,355,515
Commercial real estate construction	—	—	—	—	80,993
Residential real estate	294	—	—	294	74,679
Home equity	—	—	—	—	17,365
Consumer	—	—	—	—	37,976
<b>Total</b>	<u>\$ 435</u>	<u>\$ 526</u>	<u>\$ 6,150</u>	<u>\$ 7,111</u>	<u>\$ 1,808,640</u>

As of June 30, 2025 and December 31, 2024, loans in the process of foreclosure were \$8,375 and \$6,533 respectively, of which there were no loans secured by residential real estate.

**Credit Quality Indicators:** The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes loans with an outstanding balance greater than \$350 thousand and non-homogeneous loans, such as commercial and commercial real estate loans. This analysis is performed on an annual basis. The Company uses the following definitions for risk ratings:

**Special Mention.** Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or the institution's credit position at some future date.

**Substandard.** Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

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*Doubtful.* Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass-rated loans.

The following tables summarize the Company's loans by year of origination and internally assigned credit risk at June 30, 2025 and December 31, 2024 and gross charge-offs for the six months ended June 30, 2025 and the year ended December 31, 2024:

	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
<b>Commercial and industrial</b>									
Pass	\$ 17,993	29,491	40,128	33,286	31,720	62,774	—	—	\$ 215,392
Special Mention	413	—	4,076	—	3,544	28	—	—	8,061
Substandard	1,091	10,378	2,151	11,281	259	225	—	—	25,385
Total Commercial and industrial	\$ 19,497	39,869	46,355	44,567	35,523	63,027	—	—	\$ 248,838
Current period gross charge-offs	197	—	—	—	—	—	—	—	197
<b>Commercial real estate</b>									
Pass	\$ 94,377	163,001	183,448	316,643	224,424	388,272	909	—	\$ 1,371,074
Special Mention	—	—	5,127	4,784	—	8,059	—	—	17,970
Substandard	—	990	—	8,250	15,500	20,630	—	—	45,370
Total Commercial real estate	\$ 94,377	163,991	188,575	329,677	239,924	416,961	909	—	\$ 1,434,414
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
<b>Commercial real estate construction</b>									
Pass	\$ 31,875	26,879	25,555	16,974	10,200	—	—	—	\$ 111,483
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Commercial real estate construction	\$ 31,875	26,879	25,555	16,974	10,200	—	—	—	\$ 111,483
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
<b>Residential real estate</b>									
Pass	\$ 1,051	9,790	16,413	10,534	8,012	25,269	—	—	\$ 71,069
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	100	—	—	100
Total Residential real estate	\$ 1,051	9,790	16,413	10,534	8,012	25,369	—	—	\$ 71,169
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
<b>Home equity</b>									
Pass	\$ —	384	45	—	—	43	16,659	1,182	\$ 18,313
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	829	—	829
Total Home Equity	\$ —	384	45	—	—	43	17,488	1,182	\$ 19,142
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
<b>Consumer</b>									
Pass	\$ 1,764	7,747	17,451	1	—	966	4,827	—	\$ 32,756
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Consumer	\$ 1,764	7,747	17,451	1	—	966	4,827	—	\$ 32,756
Current period gross charge-offs	—	—	—	—	—	3	—	—	3
<b>Total Loans</b>	<u>\$ 148,564</u>	<u>248,660</u>	<u>294,394</u>	<u>401,753</u>	<u>293,659</u>	<u>506,366</u>	<u>23,224</u>	<u>1,182</u>	<u>\$ 1,917,802</u>
<b>Gross charge-offs</b>	<u>\$ 197</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>\$ 200</u>

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	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
<b>Commercial and industrial</b>									
Pass	\$ 38,388	41,353	35,358	30,767	29,871	43,278	—	—	\$ 219,015
Special Mention	—	4,069	3,333	4,170	—	129	—	—	11,701
Substandard	3,329	395	7,198	143	101	508	—	—	11,674
<b>Total Commercial and industrial</b>	<b>\$ 41,717</b>	<b>45,817</b>	<b>45,889</b>	<b>35,080</b>	<b>29,972</b>	<b>43,915</b>	<b>—</b>	<b>—</b>	<b>\$ 242,390</b>
Current period gross charge-offs	10	—	—	—	—	—	—	—	10
<b>Commercial real estate</b>									
Pass	\$ 157,045	188,536	332,246	227,489	146,041	266,873	2,456	—	\$ 1,320,686
Special Mention	—	784	—	—	—	8,366	—	—	9,150
Substandard	—	—	622	16,192	6,709	8,695	—	—	32,218
<b>Total Commercial real estate</b>	<b>\$ 157,045</b>	<b>189,320</b>	<b>332,868</b>	<b>243,681</b>	<b>152,750</b>	<b>283,934</b>	<b>2,456</b>	<b>—</b>	<b>\$ 1,362,054</b>
Current period gross charge-offs	—	—	—	8,657	—	28	—	—	8,685
<b>Commercial real estate construction</b>									
Pass	\$ 21,710	27,672	21,411	10,200	—	—	—	—	\$ 80,993
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
<b>Total Commercial real estate construction</b>	<b>\$ 21,710</b>	<b>27,672</b>	<b>21,411</b>	<b>10,200</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$ 80,993</b>
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
<b>Residential real estate</b>									
Pass	\$ 7,574	20,682	11,278	8,296	8,572	18,565	—	—	\$ 74,967
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	6	—	—	6
<b>Total Residential real estate</b>	<b>\$ 7,574</b>	<b>20,682</b>	<b>11,278</b>	<b>8,296</b>	<b>8,572</b>	<b>18,571</b>	<b>—</b>	<b>—</b>	<b>\$ 74,973</b>
Current period gross charge-offs	—	—	—	—	—	94	—	—	94
<b>Home equity</b>									
Pass	\$ 408	46	—	—	—	47	15,674	1,190	\$ 17,365
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
<b>Total Home Equity</b>	<b>\$ 408</b>	<b>46</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>47</b>	<b>15,674</b>	<b>1,190</b>	<b>\$ 17,365</b>
Current period gross charge-offs	—	—	—	—	—	—	—	33	33
<b>Consumer</b>									
Pass	\$ 9,097	21,655	2	—	1,265	64	5,810	—	\$ 37,893
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	83	—	—	83
<b>Total Consumer</b>	<b>\$ 9,097</b>	<b>21,655</b>	<b>2</b>	<b>—</b>	<b>1,265</b>	<b>147</b>	<b>5,810</b>	<b>—</b>	<b>\$ 37,976</b>
Current period gross charge-offs	—	—	—	—	—	1	—	—	1
<b>Total Loans</b>	<b>\$ 237,551</b>	<b>305,192</b>	<b>411,448</b>	<b>297,257</b>	<b>192,559</b>	<b>346,614</b>	<b>23,940</b>	<b>1,190</b>	<b>\$ 1,815,751</b>
<b>Gross charge-offs</b>	<b>\$ 10</b>	<b>—</b>	<b>—</b>	<b>8,657</b>	<b>—</b>	<b>123</b>	<b>—</b>	<b>33</b>	<b>\$ 8,823</b>

Loans to certain directors and principal officers of the Company, including their immediate families and companies in which they are affiliated, amounted to \$13,502 at June 30, 2025 and December 31, 2024.

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**Note 4 — Fair Value**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

*Investment Securities:* The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

*Individually Evaluated, or Collateral Dependent Loans and Other Real Estate Owned:* The fair value of collateral dependent loans that are individually evaluated for impairment is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach and resulted in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Collateral dependent loans are evaluated on a quarterly basis for additional impairment and adjusted in accordance with the allowance policy.

Appraisals are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by a third-party appraisal management company that the Company has engaged in accordance with internal vendor management policies and approval of the Company's Board of Directors. Once received, the appraisal review function is conducted by the appraisal management company and consists of a review of the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. Through this review, the appraisal management company evaluates the validity of the appraised value and the strength of the conclusions; which are subsequently confirmed by a member of the Credit Department. Discounts to the appraised value are then applied to recognize the carrying costs incurred until disposition, realtor fees, deterioration in the quality of the asset, and the age of the appraisal. The net effect of these adjustments were included in the charge-off to the allowance upon acquisition of the foreclosed property and/or upon partial charge-off of the collateral dependent loan. The most recent analysis of property appraisals including the appropriate discount rates are incorporated into the allowance methodology for the respective loan portfolio segments.

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Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Total at June 30, 2025	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. government agencies and treasuries	\$ 65,348	\$ —	\$ 65,348	\$ —
Mortgage-backed securities	244,142	—	244,142	—
Corporate securities	22,546	—	19,601	2,945
Obligations of states and political subdivisions	78,778	—	78,778	—
<b>Total securities available-for-sale</b>	<b>\$ 410,814</b>	<b>\$ —</b>	<b>\$ 407,869</b>	<b>\$ 2,945</b>

There were no transfers between Level 1 and Level 2 during the three and six months ended June 30, 2025. The Level 3 amount reflects the fair value of certain subordinated notes with limited availability of market pricing and determined based on discounted cash flows and other market value indicators.

	Total at December 31, 2024	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. government agencies and treasuries	\$ 76,154	\$ —	\$ 76,154	\$ —
Mortgage-backed securities	257,339	—	257,339	—
Corporate securities	20,034	—	17,299	2,735
Obligations of states and political subdivisions	90,248	—	90,248	—
<b>Total securities available-for-sale</b>	<b>\$ 443,775</b>	<b>\$ —</b>	<b>\$ 441,040</b>	<b>\$ 2,735</b>

There were no transfers between Level 1 and Level 2 during 2024. The Level 3 amount reflects the fair value of certain subordinated notes with limited availability of market pricing and determined based on discounted cash flows and other market value indicators.

Assets measured at fair value on a non-recurring basis as of June 30, 2025 and December 31, 2024 are summarized below:

	Total at June 30, 2025	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral dependent loans - Commercial Real Estate	\$ 5,112	\$ —	\$ —	\$ 5,112

	Total at December 31, 2024	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral dependent loans- Commercial real estate	\$ 2,800	\$ —	\$ —	\$ 2,800

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The fair value amounts shown in the above table are individually evaluated loans net of reserves allocated to said loans. The total reserves allocated to these loans were \$794 thousand and \$563 thousand at June 30, 2025 and December 31, 2024, respectively.

The following table presents additional quantitative information about level 3 fair value measured at fair value on a non-recurring basis at June 30, 2025 and December 31, 2024:

<u>June 30, 2025</u>	<u>Fair Value</u> <u>Value</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>	<u>Range</u> <u>(Weighted Average)</u>
Collateral dependent loans - Commercial Real Estate	\$ 5,112	Appraisal of collateral (1)	Appraisal and liquidation adjustments (2)	20% (20%)

  

<u>December 31, 2024</u>	<u>Fair Value</u> <u>Value</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>	<u>Range</u> <u>(Weighted Average)</u>
Collateral dependent loans - Commercial real estate	\$ 2,800	Appraisal of collateral (1)	Appraisal and liquidation adjustments (2)	20% (20%)

- (1) Fair value is generally determined through independent appraisals of the underlying collateral that generally include various level 3 inputs which are not identifiable.
- (2) Appraisals may be adjusted downward by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.

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The carrying amounts and estimated fair values of the Company's financial instruments not carried at fair value are as follows at June 30, 2025 and December 31, 2024:

	June 30, 2025				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and due from banks	\$ 175,606	\$ 175,606	\$ 175,606	\$ —	\$ —
Loans, net	1,889,394	1,828,792	—	—	1,828,792
Accrued interest receivable	10,465	10,465	—	2,071	8,394
Restricted investment in bank stocks	5,618	NA	—	—	—
<b>Financial liabilities:</b>					
Deposits	2,276,723	2,276,045	2,132,431	143,614	—
FHLB advances, short term	21,000	20,961	—	20,961	—
FHLB advances, long term	10,000	10,006	—	10,006	—
Subordinated notes, net of issuance costs	19,626	25,092	—	25,092	—
Accrued interest payable	921	921	—	921	—

	December 31, 2024				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and due from banks	\$ 150,334	\$ 150,334	\$ 150,334	\$ —	\$ —
Loans, net	1,789,674	1,707,825	—	—	1,707,825
Accrued interest receivable	6,680	6,680	—	2,201	4,479
Restricted investment in bank stocks	9,716	NA	—	—	—
<b>Financial liabilities:</b>					
Deposits	2,153,359	2,152,731	1,932,345	220,386	—
FHLB advances, short term	113,500	113,286	—	113,286	—
FHLB advances, long term	10,000	9,861	—	9,861	—
Subordinated notes, net of issuance costs	19,591	24,538	—	24,538	—
Accrued interest payable	655	655	—	655	—

**Note 5 — Deposits**

A summarized analysis of the Bank's deposits at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Non-interest bearing demand accounts	\$ 687,120	\$ 651,135
Interest-bearing demand accounts	429,330	331,115
Money market accounts	693,148	679,082
Savings accounts	322,832	271,014
Certificates of Deposit	144,293	221,013
Total deposits	<u>\$ 2,276,723</u>	<u>\$ 2,153,359</u>

Time deposits that meet or exceed the FDIC insurance limit of \$250 thousand at June 30, 2025 and December 31, 2024 were \$10.6 million and \$11.6 million, respectively.

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Scheduled maturities of time deposits for the next five years as of June 30, 2025, are as follows:

2025	\$ 125,630
2026	9,317
2027	2,199
2028	7,147
	<u>\$ 144,293</u>

Deposits of executive officers, directors and principal officers of the Company, including their immediate families and companies in which they are affiliated, amounted to \$10.5 million and \$19.4 million at June 30, 2025 and December 31, 2024, respectively.

**Note 6 — Pension Plan and Stock Compensation**

The Bank has a funded noncontributory defined benefit pension plan that covers substantially all employees meeting certain eligibility requirements. The pension plan was closed to new participants and benefit accruals were frozen as of December 31, 2015. The plan provides defined benefits based on years of service and final average salary.

The components of net periodic benefit cost for the Company’s noncontributory defined benefit pension plan for the three and six months ended June 30, 2025 and 2024 are as follows:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2025	2024	2025	2024
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	273	269	546	538
Expected return on plan assets	(457)	(479)	(915)	(958)
Amortization of transition cost	—	—	—	—
Amortization of net loss	74	74	148	147
Net periodic benefit cost/(income)	<u>\$ (110)</u>	<u>\$ (136)</u>	<u>\$ (221)</u>	<u>\$ (273)</u>

On March 16, 2023, the Board of Directors approved the Orange County Bancorp, Inc. 2023 Equity Incentive Plan (the “2023 Plan”), which provided for the issuance of 500,000 shares of Common Stock, plus the remaining shares under the 2019 plan. The restricted stock units granted, generally, will vest over three years in approximately 33% increments on the first, second and third anniversary of the date of grant.

For the three months ended June 30, 2025 and 2024, the Company’s recognized stock-based compensation costs were \$560 thousand and \$879 thousand, respectively. For the six months ended June 30, 2025 and 2024 the Company’s recognized stock-based compensation costs of \$1.0 million and \$1.3 million, respectively. The Company uses the fair value of the common stock on the date of award to measure compensation cost for restricted stock awards. Compensation cost is recognized over the vesting period of the award using the straight line method. There were no restricted stock awards granted during the three and six months ended June 30, 2025 and the three and six months ended June 30, 2024, respectively. The grants generally vest at the rate of 33% per year with full vesting on the third anniversary date of the grant.

The following table summarizes the activity of RSUs during the six months ended June 30, 2025:

	<u>Restricted Stock</u> <u>Units</u>
Non-vested RSUs at beginning of period	163,798
Granted	89,621
Vested	(59,007)
Forfeited	—
Non-vested RSUs at end of period	<u>194,412</u>

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**Note 7 — Accumulated Other Comprehensive Income**

The following is changes in the accumulated other comprehensive income (loss) by component, net of tax, for the three and six months ended June 30, 2025 and 2024.

	<u>Three Months Ended June 30, 2025</u>			
	<u>Unrealized Gains and Losses on Available-for- Sale Securities</u>	<u>Defined Benefit Pension Items</u>	<u>Deferred Compensation Liability</u>	<u>Total</u>
Beginning balance	\$ (52,228)	\$ (7,887)	\$ 96	\$ (60,019)
Other comprehensive income/(loss) before reclassification, net	(2,075)	87	(3)	(1,991)
Less amounts reclassified from accumulated other comprehensive income	574	—	—	574
Net current period other comprehensive income/(loss)	(1,501)	87	(3)	(1,417)
Ending balance	<u>\$ (53,729)</u>	<u>\$ (7,800)</u>	<u>\$ 93</u>	<u>\$ (61,436)</u>

	<u>Six Months Ended June 30, 2025</u>			
	<u>Unrealized Gains and Losses on Available-for- Sale Securities</u>	<u>Defined Benefit Pension Items</u>	<u>Deferred Compensation Liability</u>	<u>Total</u>
Beginning balance	\$ (59,876)	\$ (7,974)	\$ 99	\$ (67,751)
Other comprehensive income/(loss) before reclassification	5,573	174	(6)	5,741
Less amounts reclassified from accumulated other comprehensive income	574	—	—	574
Net current period other comprehensive income/(loss)	6,147	174	(6)	6,315
Ending balance	<u>\$ (53,729)</u>	<u>\$ (7,800)</u>	<u>\$ 93</u>	<u>\$ (61,436)</u>

	<u>Three Months Ended June 30, 2024</u>			
	<u>Unrealized Gains and Losses on Available-for- Sale Securities</u>	<u>Defined Benefit Pension Items</u>	<u>Deferred Compensation Liability</u>	<u>Total</u>
Beginning balance	\$ (61,345)	\$ (7,855)	\$ 108	\$ (69,092)
Other comprehensive income/(loss) before reclassification	1,425	237	(3)	1,659
Less amounts reclassified from accumulated other comprehensive income	—	—	—	—
Net current period other comprehensive income/(loss)	1,425	237	(3)	1,659
Ending balance	<u>\$ (59,920)</u>	<u>\$ (7,618)</u>	<u>\$ 105</u>	<u>\$ (67,433)</u>

**ORANGE COUNTY BANCORP, INC.**  
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(Dollar amounts in thousands except per share data)

	Six Months Ended June 30, 2024			
	Unrealized Gains and Losses on Available-for- Sale Securities	Defined Benefit Pension Items	Deferred Compensation Liability	Total
Beginning balance	\$ (56,127)	\$ (8,092)	\$ 111	\$ (64,108)
Other comprehensive income/(loss) before reclassification	(3,793)	474	(6)	(3,325)
Net current period other comprehensive income/(loss)	(3,793)	474	(6)	(3,325)
Ending balance	<u>\$ (59,920)</u>	<u>\$ (7,618)</u>	<u>\$ 105</u>	<u>\$ (67,433)</u>

The following reflects significant amounts reclassified out of each component of accumulated other comprehensive income (loss) for the three and six months ended June 30, 2025 and 2024:

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income				Affected Line Item in the Statement where Net Income is Presented
	Three Months Ended June 30,		Six Months Ended June 30,		
	2025	2024	2025	2024	
Unrealized gains and losses on available-for-sale securities					
Credit Loss Expense	\$ —	\$ —	\$ —	\$ —	
Realized loss on securities available-for-sale	(727)	—	(727)	—	Investment security gains (losses)
Total before tax	(727)	—	(727)	—	
Tax effect	(153)	—	(153)	—	Provision for income taxes
Net of tax	<u>\$ (574)</u>	<u>\$ —</u>	<u>\$ (574)</u>	<u>\$ —</u>	
Amortization of defined benefit pension items					
Transition asset	\$ —	\$ —	\$ —	\$ —	Other expense
Actuarial gains (losses)	—	—	—	—	Other expense
Total before tax	—	—	—	—	
Tax effect	—	—	—	—	Provision for income taxes
Net of tax	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
Total reclassifications for the period, net of tax	<u>\$ (574)</u>	<u>\$ —</u>	<u>\$ (574)</u>	<u>\$ —</u>	

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**Note 8 — Revenue from Contracts with Customers**

All of the Company’s revenue from contracts with customers in the scope of ASC 606 is recognized within noninterest income. The following table presents the Company’s gross sources of noninterest income for the three and six months ended June 30, 2025 and 2024.

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Noninterest Income</b>				
Service charges on deposit accounts	\$	\$		
Overdraft fees	186	134	\$ 335	\$ 254
Other	148	98	289	213
Trust income	1,573	1,309	3,247	2,621
Investment advisory income	1,823	1,650	3,589	3,225
Investment securities gains (losses) <sup>(a)</sup>	(727)	—	(727)	—
Earnings on bank owned life insurance <sup>(a)</sup>	234	270	493	512
Proceeds from bank owned life insurance proceeds <sup>(a)</sup>	2,399	—	2,399	—
Gain on sale of assets <sup>(a)</sup>	1,236	—	1,236	—
Other <sup>(b)</sup>	444	346	811	668
<b>Total Noninterest Income</b>	<u>\$ 7,316</u>	<u>\$ 3,807</u>	<u>\$ 11,672</u>	<u>\$ 7,493</u>

(a) Not within the scope of ASC 606.

(b) The Other category includes safe deposit income, checkbook fees, and debit card fee income, totaling \$281 and \$268 for the three months ended June 30, 2025 and 2024, respectively, and \$552 and \$535 for the six months ended June 30, 2025 and 2024 that are within the scope of ASC 606 and loan related fee income and miscellaneous income, totaling \$162 and \$77 for the three months ended June 30, 2025 and 2024, respectively, and \$259 and \$133 for the six months ended June 30, 2025 and 2024 which are outside the scope of ASC 606.

The Company earns wealth management fees, which includes trust income and investment advisory income, from its contracts with trust and brokerage customers to manage assets for investment, and/or to transact on their accounts. These fees are primarily earned over time as the Company provides the contracted services and are generally assessed based on a tiered scale of the market value of the assets under management at month-end or quarter-end.

**Note 9 — Segment Information**

The Company's reportable segments are determined by the Chief Financial Officer, who is the designated Chief Operating Decision Maker (“CODM”), based upon information provided about the Company's products and services offered, primarily distinguished between banking and wealth management services provided by the Bank's wealth management division. They are also distinguished by the level of information provided to the CODM, who uses such information to review performance of various components of the business. Financial performance of the Company's business segments is evaluated by the CODM through evaluation of revenue sources, significant expenses, and budget to actual results in assessing the performance of the Company's segments and in determining the allocation of resources. The CODM reviews revenue sources to evaluate product pricing and significant expense to assess performance of each segment to evaluate compensation of certain employees. Segment pretax profit or loss is used to assess the performance of the banking segment by monitoring the margin between interest revenue and interest expense. Segment pretax profit or loss is used to assess the performance of the Wealth Management Division by monitoring wealth management fee income and AUM. Loans, investments, and deposits primarily provide the revenues in the banking operation and wealth management fee income provide the revenues for the Wealth Management Division. Interest expense, provision for credit losses, salaries and benefits expense, occupancy costs, and technology expense provide the significant expenses in the banking

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segment, while salaries and benefits, occupancy, and technology costs are the significant expenses in the Wealth Management Division. All operations are domestic.

Management uses certain methodologies to allocate income and expense to the business segments. Certain expenses are allocated to segments based on proportionate use of services and related expenses. These include support unit expenses such as technology fees, administrative costs, operational expenses, and other charges associated with support functions. Taxes are allocated to each segment based on the effective rate for the period shown.

**Banking**

The Banking segment includes: commercial real estate, commercial real estate construction, commercial and industrial, multifamily, residential real estate, home equity, and consumer lending activities; cash management services; escrow management; deposit gathering; operation of ATMs; telephone and internet banking services; merchant credit card services and customer support and sales.

**Wealth Management**

The Wealth Management Division, which includes our trust department and HVIA, consists of: investment management services provided for individual and institutional customers; personal trust services, including but not limited to, trustee, administrator, and custodian; as well as other planning and advisory services.

The following tables present the statements of income and total assets for the Company's reportable segments at or for the three and six months ended June 30, 2025 and 2024:

	At or for the three months ended June 30, 2025			At or for the six months ended June 30, 2025		
	Banking	Wealth Management	Total Segments	Banking	Wealth Management	Total Segments
Net interest income	\$ 25,140	\$ —	\$ 25,140	\$ 48,768	\$ —	\$ 48,768
Noninterest income	3,920	3,396	7,316	4,836	6,836	11,672
Provision for credit loss - investments	—	—	—	—	—	—
Provision for credit loss	(2,113)	—	(2,113)	(2,315)	—	(2,315)
Noninterest expenses						
Salaries	(5,508)	(1,305)	(6,813)	(11,217)	(2,501)	(13,718)
Employee benefits	(2,074)	(264)	(2,338)	(4,256)	(532)	(4,788)
Occupancy expense	(1,143)	(156)	(1,299)	(2,257)	(319)	(2,576)
Professional fees	(1,544)	(122)	(1,666)	(2,715)	(298)	(3,013)
Directors' fees and expenses	(303)	(16)	(319)	(604)	(21)	(625)
Computer software expense	(1,944)	(173)	(2,117)	(3,759)	(340)	(4,099)
FDIC assessment	(330)	—	(330)	(660)	—	(660)
Advertising expenses	(456)	(25)	(481)	(829)	(41)	(870)
Advisor expenses related to trust income	—	(22)	(22)	—	(44)	(44)
Telephone expenses	(190)	(13)	(203)	(384)	(26)	(410)
Intangible amortization	(72)	—	(72)	(143)	—	(143)
Other	(850)	(244)	(1,094)	(1,800)	(502)	(2,302)
Total noninterest expenses	(14,414)	(2,340)	(16,754)	(28,624)	(4,624)	(33,248)
Income tax expense	(2,906)	(222)	(3,128)	(5,247)	(465)	(5,712)
Net income	\$ 9,627	\$ 834	\$ 10,461	\$ 17,418	\$ 1,747	\$ 19,165
Total assets	\$ 2,595,763	\$ 10,500	\$ 2,606,263	\$ 2,595,763	\$ 10,500	\$ 2,606,263

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	At or for the three months ended June 30, 2024			At or for the six months ended June 30, 2024		
	Banking	Wealth Management	Total Segments	Banking	Wealth Management	Total Segments
Net interest income	\$ 24,119	\$ —	\$ 24,119	\$ 45,720	\$ —	\$ 45,720
Noninterest income	848	2,959	3,807	1,647	5,846	7,493
Provision for credit loss- investments	—	—	—	1,900	—	1,900
Provision for credit loss	(2,210)	—	(2,210)	(2,470)	—	(2,470)
<b>Noninterest expenses</b>						
Salaries	(5,626)	(1,247)	(6,873)	(11,165)	(2,446)	(13,611)
Employee benefits	(2,058)	(246)	(2,304)	(3,890)	(536)	(4,426)
Occupancy expense	(1,007)	(157)	(1,164)	(2,023)	(302)	(2,325)
Professional fees	(1,186)	(151)	(1,337)	(2,531)	(242)	(2,773)
Directors' fees and expenses	150	(25)	125	(165)	(32)	(197)
Computer software expense	(1,329)	(101)	(1,430)	(2,480)	(185)	(2,665)
FDIC assessment	(350)	—	(350)	(768)	—	(768)
Advertising expenses	(399)	(39)	(438)	(742)	(60)	(802)
Advisor expenses related to trust income	—	(32)	(32)	—	(65)	(65)
Telephone expenses	(176)	(12)	(188)	(349)	(26)	(375)
Intangible amortization	(71)	—	(71)	(143)	—	(143)
Other	(1,167)	(258)	(1,425)	(2,167)	(480)	(2,647)
Total noninterest expenses	(13,219)	(2,268)	(15,487)	(26,423)	(4,374)	(30,797)
Income tax expense	(1,871)	(145)	(2,016)	(4,034)	(309)	(4,343)
Net income	\$ 7,667	\$ 546	\$ 8,213	\$ 16,340	\$ 1,163	\$ 17,503
Total assets	\$ 2,471,961	\$ 9,196	\$ 2,481,157	\$ 2,471,961	\$ 9,196	\$ 2,481,157

**Note 10 — Regulatory Capital Matters**

The Bank is subject to regulatory capital requirements administered by the federal banking agencies. Capital adequacy guidelines and prompt corrective regulations involve quantitative measures of assets, liabilities and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgements by regulators. Failure to meet the minimum capital requirements can initiate regulatory action. The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. banks, (Basel III rules), became effective for the Bank on January 1, 2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. Under the Basel III rules, the Bank must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios. The regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer." The capital conservation buffer is 2.5%. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital.

During June 2025, the Company completed a follow-on common stock offering with gross proceeds of approximately \$46.0 million before discounts and expenses with net proceeds estimated at approximately \$43.0 million. The Company downstreamed \$41 million to the Bank. The offering issued approximately 2.0 million shares of common stock priced at \$23.25.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion and capital restoration plans are required. Capital levels at June 30, 2025 and at December 31, 2024 exceeded the regulatory minimum levels for the Bank to be considered well capitalized under the prompt corrective action regulations.

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Actual and required capital amounts and ratios are presented below at June 30, 2025 and December 31, 2024 for the Bank.

	Actual		For Capital Adequacy Purposes		For Capital Adequacy Purposes with Capital Buffer		To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>June 30, 2025</b>								
Total capital to risk weighted assets	\$ 344,844	17.61 %	\$ 156,675	8.00 %	\$ 193,396	9.875 %	\$ 195,844	10.00 %
Tier 1 (Core) capital to risk weighted assets	320,316	16.36 %	117,506	6.00 %	154,227	7.875 %	156,675	8.00 %
Common Tier 1 (CET1) to risk weighted assets	320,316	16.36 %	88,130	4.50 %	124,850	6.375 %	127,298	6.50 %
Tier 1 (Core) Capital to average assets	320,316	12.40 %	103,303	4.00 %	N/A	N/A	129,129	5.00 %
<b>December 31, 2024</b>								
Total capital to risk weighted assets	\$ 286,595	15.37 %	\$ 149,147	8.00 %	\$ 184,103	9.875 %	\$ 186,434	10.00 %
Tier 1 (Core) capital to risk weighted assets	263,260	14.12 %	111,860	6.00 %	146,816	7.875 %	149,147	8.00 %
Common Tier 1 (CET1) to risk weighted assets	263,260	14.12 %	83,895	4.50 %	118,851	6.375 %	121,182	6.50 %
Tier 1 (Core) Capital to average assets	263,260	10.23 %	102,986	4.00 %	N/A	N/A	128,733	5.00 %

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations at June 30, 2025 and December 31, 2024 and for the three and six months ended June 30, 2025 and 2024 should be read in conjunction with our audited consolidated financial statements and the accompanying notes in our Annual Report on Form 10-K for the year ended December 31, 2024. This discussion and analysis contains forward-looking statements that are subject to certain risks and uncertainties and are based on certain assumptions that we believe are reasonable but may prove to be inaccurate. Certain risks, uncertainties and other factors, including those set forth under "Cautionary Note Regarding Forward-Looking Statements" and elsewhere in this Quarterly Report on Form 10-Q, may cause actual results to differ materially from those projected results discussed in the forward-looking statements appearing in this discussion and analysis. We assume no obligation to update any of these forward-looking statements.

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "attribute," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "goal," "target," "outlook," "aim," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- inflation, tariffs and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments;
- general economic conditions, either nationally or in our market areas, that are worse than expected;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- our ability to access cost-effective funding;
- events involving the failure of financial institutions may adversely affect our business, and the market price of our common stock;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- demand for loans and deposits in our market area;
- risks associated with loan participations;
- our ability to implement and change our business strategies;
- competition among depository and other financial institutions;
- the amounts of non-performing loans and loans that are charged-off;
- adverse changes in the securities markets;
- fluctuations in the stock market may have a significant adverse effect on transaction fees, client activity and client investment portfolio gains and losses related to our trust and wealth management business;

- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to capitalize on strategic opportunities;
- our ability to successfully introduce new products and services;
- our ability to prevent or mitigate fraudulent activity;
- our ability to successfully integrate into our operations any assets, liabilities, customers, systems and management personnel we may acquire and our ability to realize related revenue synergies and cost savings within expected time frames, and any goodwill charges related thereto;
- our ability to retain our existing customers;
- changes in consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- changes in our organization, compensation and benefit plans;
- changes in the quality or composition of our loan or investment portfolios;
- a breach in security of our information systems, including the occurrence of a cyber incident or a deficiency in cyber security;
- political instability or civil unrest;
- acts of war or terrorism;
- competition and innovation with respect to financial products and services by banks, financial institutions and non-traditional providers, including retail businesses and technology companies;
- the failure to attract and retain skilled people;
- any future FDIC insurance premium increases, or special assessment may adversely affect our earnings;
- the fiscal and monetary policies of the federal government and its agencies; and
- other economic, competitive, governmental, regulatory and operational factors affecting our operations, pricing, products and services described elsewhere in this Quarterly Report on Form 10-Q.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in this Quarterly Report on Form 10-Q. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties arise from time to time, and it is not possible for us to predict those events or how they may affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## Overview

We are a bank holding company headquartered in Middletown, New York and registered under the Bank Holding Company Act. Through our wholly owned subsidiaries, Orange Bank & Trust Company and Hudson Valley Investment Advisors, Inc., we offer full-service commercial and consumer banking products and services and trust and wealth management services to small businesses, middle-market enterprises, local municipal governments and affluent individuals in the Lower Hudson Valley region, the New York metropolitan area and nearby markets in Connecticut and New Jersey. By combining the high-touch service and relationship-based focus of a community bank with the extensive suite of financial products and services offered by our larger competitors, we believe we can continue to capitalize on the growth opportunities available in our market areas. We also offer a variety of deposit accounts to businesses and consumers, including checking accounts and a full line of municipal banking accounts through our business banking platform. These activities, together with our 15 offices and one loan production office, continue to produce a stable source of low-cost core deposits and a diverse loan portfolio with attractive risk-adjusted yields. We also offer private banking services through Orange Bank & Trust Private Banking, a division of Orange Bank & Trust Company, and provide trust and wealth management services through Orange Bank & Trust Company's trust services department and HVIA, which combined had \$1.8 billion in assets under management at June 30, 2025. As of June 30, 2025, our assets, loans, deposits and stockholders' equity totaled \$2.6 billion, \$1.9 billion, \$2.3 billion and \$252.6 million, respectively.

At June 30, 2025, we operate from our main office and 14 branch offices. We own our main office in Middletown, New York, and three branch offices which are located in Chester, Newburgh and in Montgomery, New York. We lease eleven branch offices located in Middletown, Goshen, Cortlandt Manor, White Plains, Mamaroneck, New City, Mt. Pleasant, Mount Vernon, Bronx, Nanuet, and Yonkers, New York. The branches are leased under agreements that may be renewed for various periods. In addition, HVIA operates from leased offices located in Goshen, New York. At June 30, 2025 and December 31, 2024, the total net book value of our leasehold improvements, furniture, fixtures and equipment was approximately \$14.9 million and \$15.8 million, respectively.

### **Key Factors Affecting Our Business**

**Net Interest Income.** Net interest income is the most significant contributor to our net income and is the difference between the interest and fees earned on interest-earning assets and the interest expense incurred in connection with interest-bearing liabilities. Net interest income is primarily a function of the average balances and yields/rates of these interest-earning assets and interest-bearing liabilities. These factors are influenced by internal considerations such as product mix and risk appetite as well as external influences such as economic conditions, competition for loans and deposits and market interest rates.

The cost of our deposits and short-term borrowings is primarily based on short-term interest rates, which are largely driven by the Board of Governors of the Federal Reserve System's (the "FRB") actions and market competition. The yields generated by our loans and securities are typically affected by short-term and long-term interest rates, which are driven by market competition and market rates often impacted by the FRB's actions. The level of net interest income is influenced by movements in such interest rates and the pace at which such movements occur.

Considering the impact of the FRB's rate reduction during the second half of 2024 and 2025 economic conditions, it is possible that interest rates may be reduced during 2025. Although our asset sensitivity is relatively neutral, this movement could have a beneficial impact on our net interest income.

**Noninterest Income.** Noninterest income is also a contributor to our net income. Noninterest income consists primarily of our investment advisory income, trust income generated by HVIA and our trust department, as well as income generated by our BOLI investment earnings. In addition, noninterest income is also impacted by net gains (losses) on the sale of investment securities, service charges on deposit accounts, and other fee income consisting primarily of debit card fee income, checkbook fees and rebates and safe deposit box rental income.

**Noninterest Expense.** Noninterest expense includes salaries, employee benefits, occupancy, professional fees, directors' fees and expenses, computer software expense, federal deposit insurance assessment, advertising expenses, advisor expenses related to trust income and other expenses. In evaluating our level of noninterest expense, we closely monitor our efficiency ratio. The efficiency ratio is calculated by dividing noninterest expense to net interest income plus noninterest income. We continue to seek to identify ways to streamline our business and operate more efficiently.

**Credit Quality.** We have well established loan policies and underwriting practices that have resulted in relatively low levels of loan charge-offs and nonperforming assets in recent periods. We strive to originate quality loans that will maintain the credit quality of our loan portfolio. However, credit trends in the markets in which we operate are largely impacted by economic conditions beyond our control and can adversely impact our financial condition.

**Competition.** The industry and businesses in which we operate are highly competitive. We may see increased competition in different areas including interest rates, underwriting standards and product offerings and structure. While we seek to maintain an appropriate return on our investments, we anticipate that we will experience continued pressure on our net interest margins as we operate in this competitive environment.

**Economic Conditions.** Our business and financial performance are affected by economic conditions generally in the United States and more directly in the market of the Lower Hudson Valley region, the New York metropolitan area and nearby markets in Connecticut and New Jersey where we primarily operate. The significant economic factors that are most relevant to our business and our financial performance include, but are not limited to, real estate values, interest rates and unemployment rates.

**Regulatory Trends.** We operate in a highly regulated environment and nearly all of our operations are subject to extensive regulation and supervision. Bank or securities regulators, Congress, the State of New York, the FRB and the New York State

Department of Financial Services (the “NYSDFS”) may revise the laws and regulations applicable to us, may impose new laws and regulations, increase the level of scrutiny of our business in the supervisory process, and pursue additional enforcement actions against financial institutions. Future legislative and regulatory changes such as these may increase our costs and have an adverse effect on our business, financial condition and results of operations. The legislative and regulatory trends that will affect us in the future are impossible to predict with any certainty.

### Critical Accounting Estimates

Critical accounting estimates are necessary in the application of certain accounting policies and procedures and are particularly susceptible to significant change. Critical accounting policies are defined as those involving significant judgments and assumptions by management that could have a material impact on the carrying value of certain assets or on income under different assumptions or conditions. These critical estimates, policies and their application are periodically reviewed with the Audit Committee and the board of directors. Management believes that the most critical accounting estimates, which involve the most complex or subjective decisions or assessments, are as follows:

**Allowance for Credit Losses.** Management believes that the determination of the allowance for credit losses involves a high degree of complexity and requires management to make difficult and subjective judgments, which often require assumptions or estimates about highly uncertain matters. Changes in these judgments, assumptions or estimates could materially impact the results of operations for Orange County Bancorp. The methodology, assumptions, and governance of this CECL model have been codified in a policy document that was most recently reviewed and approved by the Company’s Audit & Risk Committee during the fourth quarter of 2024. While there were no fundamental changes to the CECL model during the quarter, management evaluated certain probability of default assumptions as well as the loss driver analysis. This evaluation resulted in adjustment of certain assumptions but were not considered significant changes to the model. Accordingly, management believes there were no significant changes to the critical accounting estimates during the three and six months ended June 30, 2025, and as disclosed in the Company’s Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 17, 2025. A summary of our accounting policies, including the Allowance for Credit Losses, is included in the Company’s Annual Report on Form 10-K.

### Discussion and Analysis of Financial Condition

**Summary Financial Condition.** The following table sets forth a summary of the material categories of our balance sheet at the dates indicated:

	As of June 30, 2025	As of December 31, 2024	Change June 30, 2025 vs. December 31, 2024	
			Amount (\$)	Percentage (%)
			(Dollars in thousands)	
Assets	2,606,263	2,509,927	96,336	3.8 %
Cash and due from banks	175,606	150,334	25,272	16.8 %
Loans, net	1,889,394	1,789,674	99,720	5.6 %
Investment securities, available for sale	410,814	443,775	(32,961)	(7.4)%
Deposits	2,276,723	2,153,359	123,364	5.7 %
FHLB advances, short term	21,000	113,500	(92,500)	(81.5)%
FHLB advances, long term	10,000	10,000	—	— %
Subordinated notes, net of issuance costs	19,626	19,591	35	0.2 %
Stockholders’ Equity	252,589	185,531	67,058	36.1 %

**Assets.** Our total assets were \$2.6 billion at June 30, 2025, an increase of \$96.3 million, or 3.8%, from December 31, 2024. The increase was primarily driven by increases of \$99.7 million in loans, net and \$25.3 million in cash and due from banks, while investment securities, available for sale, decreased by \$33.0 million during the six months ended June 30, 2025.

**Cash and due from banks.** Cash and due from banks increased \$25.3 million, or 16.8%, to \$175.6 million at June 30, 2025, from \$150.3 million at December 31, 2024. The increase was mainly the result of the completion of a \$46.0 million common stock follow-

on offering during the quarter combined with management’s focus on using deposit growth during the six months ended June 30, 2025 to maintain a strong liquidity position while paying down borrowings.

**Loans.** The following table sets forth the composition of our loan portfolio by type of loan at the dates indicated.

	At June 30, 2025		At December 31, 2024	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Commercial and industrial	\$ 248,691	12.97 %	\$ 242,220	13.34 %
Commercial real estate	1,434,414	74.79 %	1,362,054	75.01 %
Commercial real estate construction	111,483	5.81 %	80,993	4.46 %
Residential real estate	71,169	3.71 %	74,973	4.13 %
Home equity	19,142	1.00 %	17,365	0.96 %
Consumer	32,756	1.71 %	37,976	2.09 %
PPP loans	147	0.01 %	170	0.01 %
Total loans	1,917,802	100.00 %	1,815,751	100.00 %
Allowance for credit losses	28,408		26,077	
Total loans, net	<u>\$ 1,889,394</u>		<u>\$ 1,789,674</u>	

Net loans increased \$99.7 million, or 5.6%, and reached \$1.9 billion at June 30, 2025 as compared to \$1.8 billion at December 31, 2024. The growth was primarily due to an increase of \$72.4 million related to commercial real estate loans as well as a \$30.5 million increase in commercial real estate construction loans and an increase of \$6.5 million in commercial and industrial loans offset by decreases in the residential real estate and consumer categories. Home equity loans also increased by \$1.8 million during the six months ended June 30, 2025. Commercial real estate loans increased by \$72.4 million, or 5.3%, to \$1.4 billion at June 30, 2025. Construction loans increased \$30.5 million, or 37.6%, to \$111.5 million at June 30, 2025 from \$81.0 million at December 31, 2024. Commercial and industrial loans experienced an increase of \$6.5 million, or 2.7%, to \$248.7 million at June 30, 2025 from \$242.2 million at December 31, 2024. Consumer loans decreased \$5.2 million, or 13.8%, to \$32.8 million at June 30, 2025 from \$38.0 million at December 31, 2024. Residential real estate loans decreased \$3.8 million, or 5.1%, to \$71.2 million at June 30, 2025 from \$75.0 million at December 31, 2024. The overall diversification within the commercial real estate portfolio continues to provide stability while we remained focused on loan originations to new and existing customers during the three months and six months ended June 30, 2025 as well as our continued commitment to geographic expansion in our market area.

### Non-performing Assets

Management reviews a loan for individual evaluation when it is non-performing or when it is probable at least a portion of the loan will not be collected in accordance with the original terms due to a deterioration in the financial condition of the borrower or the value of the underlying collateral if the loan is collateral dependent. When a loan is determined to be non-performing, the measurement of the loan in the allowance for credit losses is based on the fair value of the collateral for all collateral-dependent loans. Non-accrual loans are loans for which collectability is questionable and, therefore, interest on such loans will no longer be recognized on an accrual basis. All loans that become 90 days or more delinquent are placed on non-accrual status unless the loan is well secured and in the process of collection. When loans are placed on non-accrual status, unpaid accrued interest is fully reversed, and further income is recognized only to the extent received on a cash basis or cost recovery method.

When we acquire real estate as a result of foreclosure, the real estate is classified as real estate owned. The real estate owned is recorded at the lower of carrying amount or fair value, less estimated costs to sell. Soon after acquisition, we order a new appraisal to determine the current market value of the property. Any excess of the recorded value of the loan satisfied over the market value of the property is charged against the allowance for credit losses, or, if the existing allowance is inadequate, charged to expense of the current period. After acquisition, all costs incurred in maintaining the property are expensed. Costs relating to the development and improvement of the property, however, are capitalized to the extent of estimated fair value less estimated costs to sell. Management will consider a modification of loan terms, such as a reduction of the interest rate to below market terms, capitalizing past due interest or extending the maturity date and possibly a partial forgiveness of the principal amount due, when it is deemed appropriate based on individual borrower conditions. Interest income on restructured loans is accrued after the borrower demonstrates the ability to pay under the restructured terms through a sustained period of repayment performance, which is generally six consecutive months.

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The following table sets forth information regarding our non-performing assets. Non-performing loans aggregated approximately \$11.7 million at June 30, 2025 as compared to \$6.3 million at December 31, 2024.

	<u>At June 30,</u> <u>2025</u>	<u>At December 31,</u> <u>2024</u>
	(Dollars in thousands)	
<b>Non-accrual loans:</b>		
Commercial and industrial	\$ 2,372	\$ 293
Commercial real estate	8,414	6,000
Commercial real estate construction	—	—
Residential real estate	100	6
Home equity	828	—
Consumer	—	—
Total non-accrual loans	<u>11,714</u>	<u>6,299</u>
<b>Accruing loans 90 days or more past due:</b>		
Commercial and industrial	—	—
Commercial real estate	—	—
Commercial real estate construction	—	—
Residential real estate	—	—
Home equity	—	—
Consumer	—	—
Total accruing loans 90 days or more past due	<u>—</u>	<u>—</u>
Total non-performing loans	<u>11,714</u>	<u>6,299</u>
Other real estate owned	—	—
Other non-performing assets	—	—
Total non-performing assets	<u>\$ 11,714</u>	<u>\$ 6,299</u>
<b>Ratios:</b>		
Total non-performing loans to total loans	0.61 %	0.35 %
Total non-performing loans to total assets	0.45 %	0.25 %
Total non-performing assets to total assets	0.45 %	0.25 %

Non-performing loans at June 30, 2025 totaled \$11.7 million and consisted of \$8.4 million related to commercial real estate loans, \$2.4 million associated with commercial and industrial loans, \$100 thousand of residential real estate loans, and \$828 thousand of home equity loans. Although there were increases in other loan segments, the level of non-performing loans was still mainly related to one non-accrual commercial real estate office space loan participation which was classified as non-accrual during the second quarter of 2024. During the third quarter of 2024, this loan was written down by approximately \$8.7 million from its principal balance of \$14.7 million and remains at \$6.0 million as of June 30, 2025. The other loans designated as non-accrual were based upon individual analysis and payment performance. We had no other real estate owned at June 30, 2025 and December 31, 2024.

Non-performing assets increased \$5.4 million, or 86.0%, to \$11.7 million, or 0.45% of total assets, at June 30, 2025 from \$6.3 million, or 0.25% of total assets, at December 31, 2024 due to the increase in non-performing loans. Although an increase, the overall level of non-performing assets remains relatively stable at June 30, 2025. Management continues to focus on credit quality and attention to assets with potential concerns.

From time to time, as part of our loss mitigation strategy, we may renegotiate loan terms based on the economic and legal reasons related to the borrower's financial difficulties. There were no loans modified due to financial difficulties during the three months or six months ended June 30, 2025.

**Classified Assets.** Federal regulations provide that loans and other assets of lesser quality should be classified as “substandard”, “doubtful” or “loss” assets. An asset is considered “substandard” if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. “Substandard” assets include those characterized by the “distinct possibility” that we will sustain “some loss” if the deficiencies are not corrected. Assets classified as “doubtful” have all of the weaknesses inherent in those classified “substandard,” with the added characteristic that the weaknesses present make “collection or liquidation in full,” on the basis of currently existing facts, conditions, and values, “highly questionable and improbable.” Assets classified as “loss” are those considered “uncollectible” and of such little value that their continuance as assets without the

establishment of a specific loss reserve is not warranted. We designate an asset as “special mention” if the asset has a potential weakness that warrants management’s close attention.

The following table summarizes classified assets of all portfolio types at the dates indicated:

	At June 30, 2025	At December 31, 2024
	(Dollars in thousands)	
Classification of Assets:		
Substandard	\$ 71,684	\$ 43,981
Doubtful	—	—
Loss	—	—
Total Classified Assets	<u>\$ 71,684</u>	<u>\$ 43,981</u>
Special Mention	<u>\$ 26,031</u>	<u>\$ 20,851</u>

On the basis of management’s review of our assets, we have classified \$71.7 million of our assets at June 30, 2025 as substandard compared to \$44.0 million at December 31, 2024, with the increase due to a combination of risk ratings resulting from certain trends and delinquencies within those loans. There were no doubtful assets as of June 30, 2025 and December 31, 2024. We designated \$26.0 million of our assets at June 30, 2025 as special mention compared to \$20.9 million designated as special mention at December 31, 2024.

### Allowance for Credit Losses

On January 1, 2023, the Company adopted ASU 2016-13 (Topic 326), which replaced the incurred loss methodology with CECL for financial instruments measured at amortized cost and other commitments to extend credit. The allowance for credit losses is a valuation allowance for management’s estimate of expected credit losses in the loan portfolio. The process to determine expected credit losses utilizes analytic tools and judgement and is reviewed on a quarterly basis. When management is reasonably certain that a loan balance is not fully collectable, an analysis is completed and a specific reserve may be established or a full or partial charge off could be recorded against the allowance. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance via a quantitative analysis which considers available information from internal and external sources related to past loan loss and prepayment experience and current conditions, as well as the incorporation of reasonable and supportable forecasts. Management evaluates a variety of factors including available published economic information in arriving at its forecast. Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. Also included in the allowance for credit losses are qualitative reserves that are expected, but, in management’s assessment, may not be adequately represented in the quantitative analysis or the forecasts described above. Factors may include changes in lending policies and procedures, size and composition of the portfolio, experience and depth of management and the effect of external factors such as competition, legal and regulatory requirements, among others. The allowance is available for any loan that, in management’s judgment, should be charged off. Although management uses the best information available, the level of the allowance for credit losses remains an estimate, which is subject to significant judgment and short-term change. Various regulatory agencies, as an integral part of their examination process, periodically review the Bank’s allowance for credit losses. Such agencies may require the Company to make additional provisions for credit losses based upon information available to them at the time of their examination. Furthermore, the majority of the Bank’s loans are secured by real estate in the State of New York. Accordingly, the collectability of a substantial portion of the carrying value of the Bank’s loan portfolio is susceptible to changes in local market conditions and any adverse economic conditions. Future adjustments to the provision for credit losses and allowance for credit losses may be necessary due to economic, operating, regulatory and other conditions beyond the Company’s control.

As presented below, the allowance for credit losses increased by \$593 thousand, or 2.1%, to \$28.4 million, or 1.48% of total loans at June 30, 2025, from \$27.8 million, or 1.60% of total loans at June 30, 2024. The increase in the allowance was primarily due to

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reserves associated with loan growth during the period combined with specific reserves on certain loans. The six months ended June 30, 2025 also included net charge-offs of approximately \$148 thousand.

	At or for the Six Months Ended June 30,	
	2025	2024
	(Dollars in thousands)	
Balance at beginning of year	\$ 26,077	\$ 25,182
Charge-offs:		
Commercial and industrial	197	7
Commercial real estate	—	—
Commercial real estate construction	—	—
Residential real estate	—	94
Home equity	—	—
Consumer	3	—
PPP loans	—	—
Total charge-offs	200	101
Recoveries:		
Commercial and industrial	21	24
Commercial real estate	—	—
Commercial real estate construction	—	—
Residential real estate	—	—
Home equity	—	—
Consumer	31	39
Total recoveries	52	63
Net charge-offs (recoveries)	148	38
Provision for credit losses	2,479	2,671
Balance at end of period	\$ 28,408	\$ 27,815
Ratios:		
Net charge-offs to average loans outstanding	— %	— %
Allowance for credit losses to non-performing loans at end of period	242.51 %	173.95 %
Allowance for credit losses to total loans at end of period	1.48 %	1.60 %

For the six months ended June 30, 2025 and 2024, respectively, no category of loans had a net charge-off ratio which exceeded 0.01% either individually, or in the aggregate.

**Investment Securities**

The following table sets forth the estimated fair value of our available-for-sale securities portfolio at the dates indicated.

	At June 30, 2025		At December 31, 2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(Dollars in thousands)			
<b>Available for sale securities:</b>				
U.S. government agencies and treasuries	\$ 72,844	\$ 65,348	\$ 85,464	\$ 76,154
Mortgage-backed securities	287,969	244,142	307,463	257,339
Corporate securities	25,501	22,546	23,508	20,034
Obligations of states and political subdivisions	92,510	78,778	103,132	90,248
Total	\$ 478,824	\$ 410,814	\$ 519,567	\$ 443,775

Available for sale securities decreased \$33.0 million, or 7.4%, to \$410.8 million at June 30, 2025, due primarily to the sale of approximately \$15 million of investment securities combined with limited purchases as well as continued declines for all investment categories due to normal amortization and cash flow during the six month period ended June 30, 2025.

We did not have held-to-maturity securities at June 30, 2025 and December 31, 2024.

## Deposits

The following table sets forth our total deposit account balances, by account type, at the dates indicated:

	At June 30, 2025			At December 31, 2024		
	Amount	Percent	Average Rate	Amount	Percent	Average Rate
Noninterest-bearing demand deposits	\$ 687,120	30.18 %	—	\$ 651,135	30.24 %	—
Interest bearing demand deposits	429,330	18.86 %	0.52 %	331,115	15.38 %	0.42 %
Money market deposits	693,148	30.44 %	2.08 %	679,082	31.54 %	2.15 %
Savings deposits	322,832	14.18 %	1.40 %	271,014	12.59 %	1.25 %
Certificates of deposit	144,293	6.34 %	3.69 %	221,013	10.26 %	3.97 %
Total	<u>\$ 2,276,723</u>	<u>100.00 %</u>	<u>1.17 %</u>	<u>\$ 2,153,359</u>	<u>100.00 %</u>	<u>1.31 %</u>

Total deposits increased \$123.4 million, or 5.7%, to \$2.3 billion at June 30, 2025 from \$2.2 billion at December 31, 2024 driven by continued deposit growth focused on maintaining strong liquidity and commercial transaction accounts during the first six months of 2025. Non-interest-bearing demand deposits increased \$36.0 million due to normal business activity and continued focus on transactional accounts during the first six months of 2025. Interest bearing demand deposits experienced a \$98.2 million, or 29.7%, increase and money market deposits increased \$14.1 million, while savings deposits increased by \$51.8 million during the first six months of 2025 primarily related to our continued strategic focus on business account activity. At June 30, 2025, our core deposits (which includes all deposits except for certificates of deposit) totaled \$2.1 billion, or 93.7% of our total deposits. Certificates of deposit decreased by \$76.7 million, or 34.7%, mainly from payoffs of brokered deposits during the six months ended June 30, 2025. We held approximately \$106.5 million of brokered deposits (excluding reciprocal deposits obtained through the Certificate Deposit Account Registry Service (CDARS) and Insured Cash Sweep (ICS) networks) at June 30, 2025 as compared to \$180.0 million at December 31, 2024. This decrease represents a strategic initiative to reduce short term brokered deposits during the period as a result of increased core deposits and allow for replacement of maturing brokered deposits with transactional customer deposits and lower interest expense. Our reciprocal deposits obtained through the CDARS and ICS networks totaled \$6.6 million and \$83.8 million, respectively, at June 30, 2025 and the CDARS and ICS networks totaled \$6.9 million and \$92.5 million, respectively, at December 31, 2024. Uninsured deposits, net of fully collateralized municipal relationships, remained stable and represent approximately 43% of total deposits as of June 30, 2025 and 39% of total deposits as of December 31, 2024.

## Borrowings

Our borrowings consist of both short-term and long-term borrowings and provide us with one of our sources of funding. Maintaining available borrowing capacity provides us with a contingent source of liquidity.

Total borrowings from the Federal Home Loan Bank of New York were \$31.0 million at June 30, 2025 and \$123.5 million at December 31, 2024 as we made the strategic decision to pay down Federal Home Loan Bank advances, short term, by approximately \$92.5 million. This decrease represents the continued focus by management to reduce borrowings and the related interest expense by using lower-cost deposits for funding. We have the unused capacity to borrow an additional \$541.8 million from the Federal Home Loan Bank of New York as of June 30, 2025.

In September 2020, we issued \$20.0 million in aggregate principal amount of fixed to floating subordinated notes (the “2020 Notes”) to certain institutional investors. The 2020 Notes are non-callable for five years, have a stated maturity of September 30, 2030, and bear interest at a fixed rate of 4.25% per year until September 30, 2025. From September 30, 2025 to the maturity date or early redemption date, the interest rate will reset quarterly to a level equal to the then current three-month SOFR plus 413 basis points, payable quarterly in arrears.

## Stockholders’ Equity

Stockholders’ equity increased \$67.1 million, or 36.1%, to \$252.6 million at June 30, 2025 from \$185.5 million at December 31, 2024. The increase was due to the combination of the completion of a follow-on common stock offering during the second quarter of 2025 with net proceeds of \$43.0 million coupled with \$10.5 million in net income and a decrease in unrealized losses of approximately \$6.3 million on the market value of investment securities within the Company’s equity as accumulated other comprehensive income (loss) (“AOCI”), net of taxes during the first six months of 2025 offset by dividends of \$3.0 million during the period.

**Average Balance Sheets and Related Yields and Rates**

The following tables present average balance sheet information, interest income, interest expense and the corresponding average yields earned and rates paid for the three and six month periods ended June 30, 2025 and 2024. No tax equivalent yield adjustments have been made, as the effects would be immaterial. The average balances are daily averages for loans, as presented. Interest income on loans includes the effects of discount accretion and net deferred loan origination costs accounted for as yield adjustments. Average deferred loan fees totaled \$4.9 million and \$4.6 million for the three months ended June 30, 2025 and 2024, respectively. Average deferred loan fees totaled \$4.9 million and \$4.7 million for the six months ended June 30, 2025 and 2024, respectively.

	For the Three Months Ended June 30,					
	2025			2024		
	Average Outstanding Balance	Interest	Average Yield/Rate <sup>(1)</sup> (Dollars in thousands)	Average Outstanding Balance	Interest	Average Yield/Rate <sup>(1)</sup>
<b>Interest-earning assets:</b>						
Loans (excluding PPP loans)	\$ 1,879,606	\$ 28,100	6.00 %	\$ 1,728,195	\$ 26,778	6.21 %
PPP loans	152	3	7.92 %	197	-	— %
Investment securities available for sale	432,657	3,083	2.86 %	467,308	3,364	2.89 %
Cash and due from banks and other	167,987	1,829	4.37 %	160,498	2,048	5.12 %
Restricted stock	5,773	209	14.52 %	5,343	322	24.17 %
Total interest-earning assets	2,486,175	33,224	5.36 %	2,361,541	32,512	5.52 %
Noninterest-earning assets	104,019			99,032		
Total assets	<u>\$ 2,590,194</u>			<u>\$ 2,460,573</u>		
<b>Interest-bearing liabilities:</b>						
Interest-bearing demand deposits	\$ 397,476	\$ 489	0.49 %	\$ 394,697	\$ 485	0.49 %
Money market deposits	702,607	3,721	2.12 %	666,460	3,796	2.28 %
Savings deposits	301,586	1,046	1.39 %	254,188	877	1.38 %
Certificates of deposit	221,363	2,222	4.03 %	184,363	2,114	4.60 %
Total interest-bearing deposits	1,623,032	7,478	1.85 %	1,499,708	7,272	1.94 %
FHLB Advances and other borrowings	34,341	375	4.38 %	76,923	890	4.64 %
Subordinated notes	19,615	231	4.72 %	19,544	231	4.74 %
Total interest-bearing liabilities	1,676,988	8,084	1.93 %	1,596,175	8,393	2.11 %
Noninterest-bearing demand deposits	670,150			667,455		
Other noninterest-bearing liabilities	27,436			25,717		
Total liabilities	2,374,574			2,289,347		
Total stockholders' equity	215,620			171,226		
Total liabilities and stockholders' equity	<u>\$ 2,590,194</u>			<u>\$ 2,460,573</u>		
Net interest income		<u>\$ 25,140</u>			<u>\$ 24,119</u>	
Net interest rate spread <sup>(2)</sup>			3.43 %			3.41 %
Net interest-earning assets <sup>(3)</sup>	<u>\$ 809,187</u>			<u>\$ 765,366</u>		
Net interest margin <sup>(4)</sup>			4.06 %			4.10 %
Average interest-earning assets to interest-bearing liabilities			148.3 %			148.0 %

(1) Annualized.

(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.

(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(4) Net interest margin represents net interest income divided by average total interest-earning assets.

	For the Six Months Ended June 30,					
	2025			2024		
	Average Outstanding Balance	Interest	Average Yield/Rate <sup>(1)</sup>	Average Outstanding Balance	Interest	Average Yield/Rate <sup>(1)</sup>
	(Dollars in thousands)					
<b>Interest-earning assets:</b>						
Loans (excluding PPP loans)	\$ 1,854,899	\$ 55,411	6.02 %	\$ 1,733,197	\$ 52,389	6.06 %
PPP loans	157	6	7.71 %	203	3	2.96 %
Investment securities available for sale	437,191	6,205	2.86 %	474,419	6,796	2.87 %
Cash and due from banks and other	157,381	3,182	4.08 %	155,047	3,713	4.80 %
Restricted stock	6,871	327	9.60 %	8,119	684	16.90 %
Total interest-earning assets	2,456,499	65,131	5.35 %	2,370,985	63,585	5.38 %
Noninterest-earning assets	102,995			96,839		
Total assets	<u>\$ 2,559,494</u>			<u>\$ 2,467,824</u>		
<b>Interest-bearing liabilities:</b>						
Interest-bearing demand deposits	\$ 377,378	\$ 891	0.48 %	\$ 377,492	\$ 922	0.49 %
Money market deposits	694,263	7,356	2.14 %	643,244	7,151	2.23 %
Savings deposits	285,393	1,903	1.34 %	245,009	1,662	1.36 %
Certificates of deposit	222,173	4,446	4.04 %	197,003	4,528	4.61 %
Total interest-bearing deposits	1,579,207	14,596	1.86 %	1,462,748	14,263	1.96 %
FHLB Advances and other borrowings	59,536	1,306	4.42 %	122,203	3,141	5.15 %
Subordinated notes	19,606	461	4.74 %	19,535	461	4.73 %
Total interest-bearing liabilities	1,658,349	16,363	1.99 %	1,604,486	17,865	2.23 %
Noninterest-bearing demand deposits	668,864			667,947		
Other noninterest-bearing liabilities	28,665			27,081		
Total liabilities	2,355,878			2,299,514		
Total stockholders' equity	203,616			168,310		
Total liabilities and stockholders' equity	<u>\$ 2,559,494</u>			<u>\$ 2,467,824</u>		
Net interest income		<u>\$ 48,768</u>			<u>\$ 45,720</u>	
Net interest rate spread <sup>(2)</sup>			3.36 %			3.15 %
Net interest-earning assets <sup>(3)</sup>	<u>\$ 798,150</u>			<u>\$ 766,499</u>		
Net interest margin <sup>(4)</sup>			4.00 %			3.87 %
Average interest-earning assets to interest-bearing liabilities			148.1 %			147.8 %

(1) Annualized.

(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.

(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(4) Net interest margin represents net interest income divided by average total interest-earning assets.

### Rate/Volume Analysis

The following table presents the dollar amount of changes in interest income and interest expense for major components of interest earning assets and interest-bearing liabilities for the periods indicated. The table distinguishes between: (1) changes attributable to volume (changes in volume multiplied by the prior period's rate); (2) changes attributable to rate (change in rate

multiplied by the prior year's volume) and (3) total increase (decrease) (the sum of the previous columns). Changes attributable to both volume and rate are allocated ratably between the volume and rate categories.

	Three Months Ended June 30, 2025 vs. 2024			Six Months Ended June 30, 2025 vs. 2024		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate		Volume	Rate	
	(Dollars in thousands)			(Dollars in thousands)		
<b>Interest-earning assets:</b>						
Loans (excluding PPP loans)	\$ 2,263	\$ (941)	\$ 1,322	\$ 3,438	\$ (416)	\$ 3,022
PPP loans	(1)	4	3	(8)	11	3
Investment securities available for sale	(246)	(35)	(281)	(566)	(25)	(591)
Cash and due from banks	81	(300)	(219)	27	(558)	(531)
Other	15	(128)	(113)	(62)	(295)	(357)
<b>Total interest-earning assets</b>	<b>2,112</b>	<b>(1,400)</b>	<b>712</b>	<b>2,829</b>	<b>(1,283)</b>	<b>1,546</b>
<b>Interest-bearing liabilities:</b>						
Interest-bearing demand deposits	4	—	4	(5)	(26)	(31)
Money market deposits	190	(265)	(75)	533	(328)	205
Savings deposits	165	4	169	260	(19)	241
Certificates of deposit	371	(263)	108	488	(570)	(82)
<b>Total interest-bearing deposits</b>	<b>730</b>	<b>(524)</b>	<b>206</b>	<b>1,276</b>	<b>(943)</b>	<b>333</b>
Federal Home Loan Bank advances	(464)	(51)	(515)	(1,392)	(443)	(1,835)
Subordinated notes	—	(1)	—	—	—	—
<b>Total interest-bearing liabilities</b>	<b>266</b>	<b>(576)</b>	<b>(309)</b>	<b>(116)</b>	<b>(1,386)</b>	<b>(1,502)</b>
Change in net interest income	\$ 1,846	\$ (824)	\$ 1,021	\$ 2,945	\$ 103	\$ 3,048

#### Results of Operations for the Three and Six Months Ended June 30, 2025 and 2024

**Summary Income Statements.** The following table sets forth the income summary for the periods indicated:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change		2025	2024	Change	
			Amount (\$)	Percentage %			Amount (\$)	Percentage %
	(Dollars in thousands)				(Dollars in thousands)			
Interest income	\$ 33,224	\$ 32,512	\$ 712	2.2 %	\$ 65,131	\$ 63,585	\$ 1,546	2.4 %
Interest expense	8,084	8,393	(309)	(3.7)%	16,363	17,865	(1,502)	(8.4)%
Net interest income	25,140	24,119	1,021	4.2 %	48,768	45,720	3,048	6.7 %
Provision for credit losses - investments	—	—	—	— %	—	(1,900)	1,900	(100.0)%
Provision for credit losses	2,113	2,210	(97)	(4.4)%	2,315	2,470	(155)	(6.3)%
Noninterest income	7,316	3,807	3,509	92.2 %	11,672	7,493	4,179	55.8 %
Noninterest expense	16,754	15,487	1,267	8.2 %	33,248	30,797	2,451	8.0 %
Provision for income taxes	3,128	2,016	1,112	55.2 %	5,712	4,343	1,369	31.5 %
Net income	10,461	8,213	2,248	27.4 %	19,165	17,503	1,662	9.5 %

**General.** Net income increased \$2.2 million, or 27.4%, to \$10.5 million for the three months ended June 30, 2025 from \$8.2 million for the three months ended June 30, 2024. The increase was driven primarily by an increase of \$1.0 million related to net interest income growth and an increase of \$3.5 million in noninterest income, partially offset by an increase in noninterest expense of \$1.3 million during the second quarter of 2025 as compared to the same quarter in 2024. Net income for the six months ended June 30, 2025 was \$19.2 million, as compared to \$17.5 million for the same period in 2024. The overall increase was driven by \$3.1 million of net interest income growth combined with increased noninterest income of \$4.2 million partially offset by an increase in noninterest expense of \$2.5 million during the first six months of 2025 as compared to the same prior year period. The increase in

non-interest income includes the recognition of gain associated with the sale of a branch location coupled with a Bank Owned Life Insurance gain related to policy proceeds from a death benefit.

**Interest Income.** Interest income increased \$712 thousand, or 2.2%, to \$33.2 million for the three months ended June 30, 2025 from \$32.5 million for the three months ended June 30, 2024. This increase was driven by a \$124.6 million increase in the balance of average interest-earning assets between the two periods. Within the average balance of interest-earning assets, the average balance of loans receivable (net of PPP loans) grew \$151.4 million, or 8.8%, between the three months ended June 30, 2025 and June 30, 2024. During the period, the average yield of interest-earning assets decreased by 16 basis points from 5.52% for the three months ended June 30, 2024 to 5.36% for the three months ended June 30, 2025 as a result of the lower interest rate environment.

Interest income increased \$1.5 million, or 2.4%, for the six months ended June 30, 2025 reaching \$65.1 million from \$63.6 million for the six months ended June 30, 2024. This increase was driven by an \$85.5 million increase in the balance of average interest-earning assets between the two periods. Within the average balance of interest-earning assets, the average balance of loans receivable (net of PPP loans) grew \$121.7 million, or 7.0%, between the six months ended June 30, 2025 and June 30, 2024. During the period, the average yield of interest-earning assets decreased by three basis points from 5.38% for the six months ended June 30, 2024 to 5.35% for the six months ended June 30, 2025 as a result of the lower interest rate environment.

Interest income on loans, net of PPP loans, increased by \$1.3 million, or 4.9%, to \$28.1 million during the three months ended June 30, 2025 from \$26.8 million during the three months ended June 30, 2024. The increase in interest income on loans was primarily due to the increase in the average balance of loans (net of PPP loans). The average balance of these loans increased by \$151.4 million, or 8.8%, to \$1.9 billion for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The increase in the average balance of loans was due to growth in commercial real estate loan balances, including commercial real estate construction, as well as growth in our commercial and industrial loan portfolio. The average yield on loans, excluding PPP loans, decreased by 21 basis points to 6.00% for the three months ended June 30, 2025 from 6.21% for the three months ended June 30, 2024 as a result of the lower interest rate environment and competitive rate pressure within the market.

For the six months ended June 30, 2025, interest income on loans, net of PPP loans, increased by \$3.0 million, or 5.8%, reaching \$55.4 million as compared to \$52.4 million for the six months ended June 30, 2024. The increase in interest income on loans represents the impact of growth in average loan balances (net of PPP loans) of \$121.7 million between the six months ended June 30, 2025 and June 30, 2024. The increase in average loans outstanding was due to increases in commercial real estate balances, commercial real estate construction loans, and in the commercial and industrial segment of the loan portfolio. This increase in production was offset by a decrease in average yield on loans, excluding PPP loans, for the six month periods from 6.06% in 2024 to 6.02% in 2025. The decrease in the average yield on loans was driven by the effect of the lower interest rate environment during 2025 and competitive rate pressure within the market.

Interest income on securities decreased by \$281 thousand to \$3.1 million during the three months ended June 30, 2025 from \$3.4 million during the three months ended June 30, 2024. The decrease in interest income on securities was driven primarily by a decrease in the average balance of securities outstanding during the current period due to certain maturities and securities sales. The average balance of securities decreased by \$34.7 million, or 7.4%, to \$432.7 million for the three months ended June 30, 2025 compared to \$467.3 million for the three months ended June 30, 2024. The average yield on investment securities decreased by three basis points overall from 2.89% for the three months ended June 30, 2024 to 2.86% for the three months ended June 30, 2025. The decrease in the average yield reflected the continued maturity of lower yielding investments as well as the impact of \$15.0 million in securities sold at the end of the current period.

For the six months ended June 30, 2025, interest income on securities decreased by \$591 thousand, or 8.7%, to \$6.2 million during the period from \$6.8 million during the six months ended June 30, 2024. The decrease in interest income on securities was due to a decrease in the average balance of securities during the current period. The average balance of securities decreased by \$37.2 million, or 7.8%, to \$437.2 million for the six months ended June 30, 2025 compared to \$474.4 million for the six months ended June 30, 2024 due to certain maturities as well as a result of securities sold at the end of the current period. The average yield on investment securities decreased by one basis point overall from 2.87% for the six months ended June 30, 2024 to 2.86% for the six months ended June 30, 2025. The decrease in the average yield on securities was related to the maturity of lower yielding securities during the first half of 2025 and the impact of the securities sold at period end.

**Interest Expense.** Interest expense decreased \$309 thousand, or 3.7%, to \$8.1 million for the three months ended June 30, 2025 from \$8.4 million for the three months ended June 30, 2024. The decreased interest expense was primarily the result of the lower interest rate environment and the effect of increased core deposits on overall interest costs. The average rate paid on interest-bearing liabilities decreased nine basis points to 1.85% during the three months ended June 30, 2025 as compared to 1.94% for the three month period ended June 30, 2024. The average balance of interest-bearing liabilities increased by \$80.8 million, or 5.1%, reaching \$1.7 billion for the three months ended June 30, 2025 from \$1.6 billion for the three months ended June 30, 2024.

Interest expense decreased \$1.5 million, or 8.4%, to \$16.4 million for the six months ended June 30, 2025 from \$17.9 million for the six months ended June 30, 2024. The decrease in interest expense reflects the lower interest rate environment combined with the continuing effect of increased core deposits on overall deposit and funding costs during the period. The average rate paid on interest-bearing liabilities decreased 24 basis points to 1.99% during the six months ended June 30, 2025 as compared to 2.23% for the six month period ended June 30, 2024. The average balance of interest-bearing liabilities increased by \$53.9 million, or 3.4%, to \$1.7 billion for the six months ended June 30, 2025 as compared to \$1.6 billion for the six months ended June 30, 2024.

Interest expense on interest-bearing deposits increased by \$206 thousand to \$7.5 million for the three months ended June 30, 2025 from \$7.3 million for the three months ended June 30, 2024. The increase in interest expense on interest-bearing deposits was due mainly to the increase in the average balance of interest bearing deposits. The average balance of interest-bearing deposits increased by \$123.3 million, or 8.2%, to \$1.6 billion for the three months ended June 30, 2025 as compared to \$1.5 billion for the three months ended June 30, 2024 as a result of the increases in the average balances of all categories, but primarily due to the combination of increases in money market accounts, savings accounts, and certificates of deposit. The average cost of interest-bearing deposits decreased nine basis points to 1.85% during the three months ended June 30, 2025 as compared to 1.94% for the three months ended June 30, 2024.

During the six months ended June 30, 2025, interest expense on interest-bearing deposits increased by \$333 thousand, or 2.3%, to \$14.6 million during the six months ended June 30, 2025 from \$14.3 million during the six months ended June 30, 2024. The increase in interest expense on interest-bearing deposits for the six month period ended June 30, 2025 as compared to the same prior year period represents the effect of higher average balances of interest bearing deposits. The average balance of interest-bearing deposits increased by \$116.5 million, or 8.0%, to \$1.6 billion for the six months ended June 30, 2025 as compared to \$1.5 billion for the six months ended June 30, 2024 primarily as a result of the increases in the average balances of certificates of deposit, money market accounts, and savings accounts. The average cost of interest-bearing deposits decreased 10 basis points to 1.86% for the six months ended June 30, 2025 as compared to 1.96% for the six months ended June 30, 2024.

We also expensed a level amount of approximately \$231 thousand in interest expense for both the three months ended June 30, 2025 and 2024 related to the issuance in September 2020 of \$20.0 million in outstanding subordinated notes, which carries an interest rate of 4.25%. In addition, we expensed \$461 thousand in interest expense for both the six months ended June 30, 2025 and June 30, 2024. These flat interest costs represent the debt service required as part of the 2020 subordinated notes.

The interest expense related to borrowings in the second quarter of 2025 decreased to \$375 thousand at an average cost of 4.38% as compared to interest expense of \$890 thousand at an average cost of 4.64% for the same period in 2024. The second quarter 2025 average FHLB and other borrowings decreased to \$34.3 million compared to \$76.9 million of average FHLB and other borrowings in the same quarter of 2024. The decrease in average borrowings was the direct result of paydowns driven by increased deposits during the current period. Management was able to replace higher cost FHLB borrowings with lower cost deposits and reduce interest expense during the current period. Although borrowings remain a potential source of strategic funding for the Company, the reduction in borrowings during the quarter reflects the ability of the Company to increase deposits and strategically reduce related interest costs.

The interest expense related to the FHLB and other borrowing for the first six months of 2025 decreased to \$1.3 million as compared to \$3.1 million for the first six months of 2024. For the six months ended June 30, 2025, average FHLB and other borrowings decreased to \$59.5 million with an average cost of 4.42% compared to \$122.2 million of average FHLB and other borrowings with an average cost of 5.15% for the same period in 2024. The decrease in average borrowings was the direct result of paydowns driven by increased deposits during the current period.

**Net Interest Income.** Net interest income increased \$1.0 million, or 4.2%, to \$25.1 million for the three months ended June 30, 2025 from \$24.1 million for the three months ended June 30, 2024 due to the increase in income from average interest earning assets and the reduction of interest costs associated with interest bearing liabilities. Net interest rate spread increased by 2 basis points to

3.43% for the three months ended June 30, 2025 from 3.41% for the three months ended June 30, 2024, reflecting a 16 basis points decrease in the average yield on interest-earning assets offset by an 18 basis points decrease in the average rate paid on interest-bearing liabilities. The net interest margin was reduced by four basis points to 4.06% for the three months ended June 30, 2025 from 4.10% for the three months ended June 30, 2024 due to tightening associated with the lower interest rate environment as well as the impact of managed funding and deposit costs during the period.

For the six months ended June 30, 2025, net interest income increased \$3.1 million, or 6.7%, to \$48.8 million from \$45.7 million for the six months ended June 30, 2024 due to an increase in net interest margin combined with increased average interest earning assets for the current period. The net interest margin increased 13 basis points to 4.00% for the six months ended June 30, 2025 from 3.87% for the six months ended June 30, 2024. Net interest rate spread grew by 21 basis points to 3.36% for the six months ended June 30, 2025 from 3.15% for the six months ended June 30, 2024.

**Provision for Credit Losses.** The Company recognized a provision for credit losses of \$2.1 million for the three months ended June 30, 2025, compared to \$2.2 million for the three months ended June 30, 2024. The decreased provision for the three months ended June 30, 2025 as compared to the same period in 2024 reflected lower levels of specific reserves associated with certain loans during the second quarter of 2025 as compared to the second quarter of 2024 offset by loan portfolio growth during the current period. The allowance for credit losses to total loans was 1.48% as of June 30, 2025, an increase of four basis points, or 2.8%, versus 1.44% as of December 31, 2024.

For the six months ended June 30, 2025, the provision for credit losses totaled \$2.3 million as compared to \$570 thousand for the six months ended June 30, 2024. The provision for the six months ended June 30, 2025 represented the effect of lower levels of specific reserves associated with certain loans during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 offset by loan portfolio growth during the current period, while the provision for the six months ended June 30, 2024 included the recognition of a \$1.9 million recovery associated with the 2023 write off of the Signature Bank subordinated debt in the amount of \$5.0 million made during the six months ended June 30, 2023 as well as the additional provision related to a nonaccrual commercial real estate loan participation identified during the second quarter of 2024.

**Noninterest Income.** Noninterest income information is as follows:

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
	(Dollars in thousands)							
Service charges on deposit accounts	\$ 334	\$ 232	\$ 102	44.0 %	\$ 624	\$ 467	\$ 157	33.6 %
Trust income	1,573	1,309	264	20.2 %	3,247	2,621	626	23.9 %
Investment advisory income	1,823	1,650	173	10.5 %	3,589	3,225	364	11.3 %
Investment securities gains(losses)	(727)	—	(727)	(100.0)%	(727)	—	(727)	(100.0)%
Earnings on bank owned life insurance	234	270	(36)	(13.3)%	493	512	(19)	(3.7)%
Proceeds from bank owned life insurance benefit	2,399	—	2,399	100.0 %	2,399	—	2,399	100.0 %
Gain on sale of assets	1,236	—	1,236	100.0 %	1,236	—	1,236	100.0 %
Other	444	346	98	28.3 %	811	668	143	21.4 %
<b>Total noninterest income</b>	<b>\$ 7,316</b>	<b>\$ 3,807</b>	<b>\$ 3,509</b>	<b>92.2 %</b>	<b>\$ 11,672</b>	<b>\$ 7,493</b>	<b>\$ 4,179</b>	<b>55.8 %</b>

Noninterest income increased by \$3.5 million, or 92.2%, reaching \$7.3 million for the three months ended June 30, 2025 as compared to \$3.8 million for the three months ended June 30, 2024. Our Wealth Management division revenues, which include our Trust and Asset Management businesses also experienced growth and represented a 14.8% increase quarter-over-quarter, to \$3.4 million for the second quarter of 2025 as compared to \$3.0 million for the second quarter of 2024 as a result of continued growth in asset values during the current period. During the same period, assets-under-management increased to \$1.8 billion at June 30, 2025 from \$1.7 billion at June 30, 2024. Additionally, the second quarter of 2025 included the recognition of a \$1.2 million gain associated with the sale of a branch location and approximately \$2.4 million of income associated with BOLI payments related to death benefit proceeds offset by a loss of \$727 thousand recorded on the sale of certain securities to reposition a portion of the investment portfolio and replace with higher yielding securities.

For the six months ended June 30, 2025, noninterest income increased by \$4.2 million, or 55.8%, to \$11.7 million as compared to \$7.5 million for the six months ended June 30, 2024. Our Wealth Management division revenues increased and represented a 16.9% increase reaching \$6.8 million for the six month period ended June 30, 2025 from \$5.8 million for the six month period ended June 30, 2024 as a result of continued growth in asset values and related fees during the current period. The six months ended June 30, 2025 also included the impact associated with the branch location sale, the BOLI proceeds, and the investment portfolio repositioning as described above.

**Noninterest Expense.** Noninterest expense information is as follows:

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
	(Dollars in thousands)							
Salaries	\$ 6,813	\$ 6,873	\$ (60)	(0.9)%	\$ 13,718	\$ 13,611	\$ 107	0.8 %
Employee benefits	2,338	2,304	34	1.5 %	4,788	4,426	362	8.2 %
Occupancy expense	1,299	1,164	135	11.6 %	2,576	2,325	251	10.8 %
Professional fees	1,666	1,337	329	24.6 %	3,013	2,773	240	8.7 %
Directors' fees and expenses	319	(125)	444	(355.2)%	625	197	428	217.3 %
Computer software expense	2,117	1,430	687	48.0 %	4,099	2,665	1,434	53.8 %
FDIC assessment	330	350	(20)	(5.7)%	660	768	(108)	(14.1)%
Advertising expenses	481	438	43	9.8 %	870	802	68	8.5 %
Advisor expenses related to trust income	22	32	(10)	(31.3)%	44	65	(21)	(32.3)%
Telephone expenses	203	188	15	8.0 %	410	375	35	9.3 %
Intangible amortization	72	71	1	1.4 %	143	143	—	— %
Other	1,094	1,425	(331)	(23.2)%	2,302	2,647	(345)	(13.0)%
<b>Total noninterest expense</b>	<b>\$ 16,754</b>	<b>\$ 15,487</b>	<b>\$ 1,267</b>	<b>8.2 %</b>	<b>\$ 33,248</b>	<b>\$ 30,797</b>	<b>\$ 2,451</b>	<b>8.0 %</b>

Non-interest expense was \$16.8 million for the second quarter of 2025, reflecting an increase of approximately \$1.3 million, or 8.2%, as compared to \$15.5 million for the same period in 2024. The increase in non-interest expense for the current three-month period was due primarily to continued investment in overall Company growth, computer software expense, professional fees, and occupancy expense. Our efficiency ratio was 51.6% for the three months ended June 30, 2025, from 55.5% for the same period in 2024.

Non-interest expense was \$33.3 million for the first half of 2025, reflecting an increase of approximately \$2.5 million, or 8.0%, as compared to \$30.8 million for the same period in 2024. The increase in non-interest expense for the current six month period was also due to continued investment in overall Company growth, primarily, increases in salaries and benefits, computer software expense, occupancy expense, and professional fees. For the six months ended June 30, 2025, our efficiency ratio was 55.0% as compared to 57.9% for the same period in 2024.

**Provision for Income Tax.** Our provision for income taxes for the three months ended June 30, 2025 was \$3.1 million, compared to \$2.0 million for the same period in 2024. The increase for the current period was due to higher income before income taxes during the quarter. Our effective tax rate for the three-month period ended June 30, 2025 was 23.0%, as compared to 19.7% for the same period in 2024. For the six months ended June 30, 2025, our provision for income taxes was \$5.7 million, as compared to \$4.3 million for the six months ended June 30, 2024. The increase for the current period was due to the increase in income before income taxes during the current six month period. Our effective tax rate for the six-month period ended June 30, 2025 was 23.0%, as compared to 19.9% for the same period in 2024. The growth of the effective tax rates for the 2025 second quarter and six month periods was due to a reclassification of state tax expense and the increase in proportion of pre-tax income compared with non-taxable revenue (tax-exempt interest income and earnings on bank owned life insurance) during 2025 as compared to 2024.

**Financial Position and Results of Operations of our Wealth Management Business Segment**

We conduct our business through two business segments: (1) our banking business segment, which involves the delivery of loan and deposit products to our customers through Orange Bank & Trust Company; and (2) our wealth management business segment,

which includes asset management and trust services to individuals and institutions through HVIA and Orange Bank & Trust Company that provides trust and investment management fee income.

The following table presents the statements of income and total assets for our reportable business segments for the periods indicated:

	For the Three Months Ended June 30,					
	2025			2024		
	Banking	Wealth Management	Total Segments	Banking	Wealth Management	Total Segments
	(Dollars in thousands)					
Net Interest Income	\$ 25,140	\$ —	\$ 25,140	\$ 24,119	\$ —	\$ 24,119
Noninterest income	3,920	3,396	7,316	848	2,959	3,807
Provision for credit loss- investments	—	—	—	—	—	—
Provision for credit loss	(2,113)	—	(2,113)	(2,210)	—	(2,210)
Noninterest expenses	(14,414)	(2,340)	(16,754)	(13,219)	(2,268)	(15,487)
Income tax expense	(2,906)	(222)	(3,128)	(1,871)	(145)	(2,016)
Net income	<u>\$ 9,627</u>	<u>\$ 834</u>	<u>\$ 10,461</u>	<u>\$ 7,667</u>	<u>\$ 546</u>	<u>\$ 8,213</u>

	At or for the Six Months Ended June 30,					
	2025			2024		
	Banking	Wealth Management	Total Segments	Banking	Wealth Management	Total Segments
	(Dollars in thousands)					
Net Interest Income	\$ 48,768	\$ —	\$ 48,768	\$ 45,720	\$ —	\$ 45,720
Noninterest income	4,836	6,836	11,672	1,647	5,846	7,493
Provision for credit loss - investments	—	—	—	1,900	—	1,900
Provision for credit loss	(2,315)	—	(2,315)	(2,470)	—	(2,470)
Noninterest expenses	(28,624)	(4,624)	(33,248)	(26,423)	(4,374)	(30,797)
Income tax expense	(5,247)	(465)	(5,712)	(4,034)	(309)	(4,343)
Net income	<u>\$ 17,418</u>	<u>\$ 1,747</u>	<u>\$ 19,165</u>	<u>\$ 16,340</u>	<u>\$ 1,163</u>	<u>\$ 17,503</u>
Assets under management and/or administration (AUM) (market value)	\$ —	\$ 1,827,989	\$ 1,827,989	\$ —	\$ 1,715,057	\$ 1,715,057
Total assets	<u>\$ 2,595,763</u>	<u>\$ 10,500</u>	<u>\$ 2,606,263</u>	<u>\$ 2,471,961</u>	<u>\$ 9,196</u>	<u>\$ 2,481,157</u>

The market value of assets under management and/or administration at June 30, 2025 was \$1.8 billion as compared to \$1.7 billion at June 30, 2024. This includes assets held at both Orange Bank & Trust Company and HVIA at June 30, 2025 and 2024.

Our income related to our wealth management business segment, which we record as noninterest income, increased \$437 thousand or 14.8%, to \$3.4 million for the three months ended June 30, 2025 compared to \$3.0 million for the three months ended June 30, 2024. The increase was mainly due to the impact of equity markets. Our income related to our wealth management business segment increased \$990 thousand, or 16.9%, to \$6.8 million for the six months ended June 30, 2025 compared to \$5.8 million for the six months ended June 30, 2024. The increase was mainly due to the impact of equity markets.

Our expenses related to our wealth management business segment, which we record as noninterest expense, increased \$72 thousand, or 3.2%, to \$2.3 million for the three months ended June 30, 2025 remaining relatively level with the three months ended June 30, 2024. The increase in expenses was primarily due to continued growth of the business unit and continued investment in technology during the period. For the six months ended June 30, 2025, our expenses related to our wealth management business segment increased \$250 thousand, or 5.7%, to \$4.6 million for the six months ended June 30, 2025 compared to \$4.4 million for the six months ended June 30, 2024. The increase in expenses was primarily due to the growth and investment within the business unit and its related operations as well as costs associated with certain managed trust assets.

## Liquidity and Capital Resources

**Liquidity.** Liquidity is the ability to meet current and future financial obligations of a short-term nature. Our primary sources of funds consist of deposit inflows, loan repayments and maturities and sales of securities. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions and competition.

Our most liquid assets are cash and due from banks. The levels of these assets are dependent on our operating, financing, lending and investing activities during any given period. At June 30, 2025 and December 31, 2024, cash and due from banks totaled \$175.6 million and \$150.3 million, respectively. Securities classified as available-for-sale, which provide additional sources of liquidity, totaled \$410.8 million at June 30, 2025 and \$443.8 million at December 31, 2024.

Certificates of deposit due within one year of June 30, 2025 totaled \$134.1 million, or 93.0% of total certificates of deposit. The largest concentration of certificates of deposit at June 30, 2025 represented brokered deposits in the amount of \$106.5 million for diversified funding purposes.

We participate in IntraFi Network, allowing us to provide access to multi-million-dollar FDIC deposit insurance protection on deposits for customers, businesses and public entities. We can elect to sell or repurchase this funding as reciprocal deposits from other IntraFi Network banks depending on our funding needs. At June 30, 2025, we had a total of \$90.4 million of IntraFi Network deposits, all of which were repurchased as reciprocal deposits from the IntraFi Network.

Although customer deposits remain our preferred source of funds, maintaining back up sources of liquidity is part of our prudent liquidity risk management practices. We have the ability to borrow from the Federal Home Loan Bank of New York and the Federal Reserve Bank of New York as well as other correspondent banks. At June 30, 2025, we had a total capacity of \$628.2 million at the Federal Home Loan Bank of New York, of which \$76.4 million was used to collateralize municipal deposits, and \$10.0 million was utilized for long-term advances. At June 30, 2025, we also held \$74.3 million of collateral at the Federal Reserve Bank of New York which could be utilized to provide additional funding through the discount window. We also maintain additional borrowing capacity of \$20.0 million of discretionary lines of credit with correspondent banks at June 30, 2025 with no outstanding balance. We also have a borrowing agreement with Atlantic Community Bankers Bank (“ACBB”) to provide short-term borrowings of \$5.0 million at June 30, 2025. There were no outstanding borrowings with ACBB at June 30, 2025.

Our cash flows are comprised of three primary classifications: cash flows from operating activities, investing activities, and financing activities. Net cash used in operating activities was \$114 thousand and \$11.5 million for the six months ended June 30, 2025 and 2024, respectively. Net cash used by investing activities, which consists primarily of disbursements for loan originations and the purchase of securities, offset by principal collections on loans, proceeds from the sale of securities and proceeds from maturing securities and pay downs on securities, was \$46.1 million for the six months ended June 30, 2025 and net cash from investing activities was \$47.6 million for the six months ended June 30, 2024. Net cash provided by financing activities, consisting of activity in deposit accounts and borrowings, was \$71.4 million for the six months ended June 30, 2025 and net cash used by financing activities was \$16.9 million for the six months ended June 30, 2024.

We remain committed to maintaining a strong liquidity position. We monitor and evaluate our liquidity position daily. We anticipate that we will have sufficient funds to meet our current funding commitments. Based on our deposit growth and retention, current pricing strategy and regulatory restrictions, we have the ability to retain and increase a substantial portion of maturing time deposits, and we can supplement our funding with borrowings in the event that we allow these deposits to run off at maturity.

**Capital Resources.** We are subject to various regulatory capital requirements administered by the FRB and the NYSDFS. At June 30, 2025 and December 31, 2024, we exceeded all applicable regulatory capital requirements, and were considered “well capitalized” under regulatory guidelines. See Note 10 to the Notes to the Unaudited Consolidated Financial Statements appearing elsewhere in this Quarterly Report on Form 10-Q for actual and required capital amounts and ratios at June 30, 2025 and December 31, 2024.

## Off-Balance Sheet Arrangements

**Off-Balance Sheet Arrangements.** We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our customers. These financial instruments include commitments to extend credit, which

involve elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. Our exposure to credit loss is represented by the contractual amount of the instruments. We use the same credit policies in making commitments as we do for on-balance sheet instruments.

At June 30, 2025, we had \$417.7 million in loan commitments outstanding. We also had \$17.3 million in standby letters of credit at June 30, 2025.

### **Effect of Inflation and Changing Prices**

The consolidated financial statements and related financial data included in this Quarterly Report on Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering the change in the relative purchasing power of money over time due to inflation. The primary impact of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, virtually all the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates generally have a more significant impact on a financial institution's performance than do general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

#### **Management of Market Risk**

**General.** The principal objective of our asset and liability management function is to evaluate the interest rate risk within the balance sheet and pursue a controlled assumption of interest rate risk while maximizing net income and preserving adequate levels of liquidity and capital. The board of directors of our Bank has oversight of our asset and liability management function, which is managed by our Asset/Liability Management Committee and our Finance Committee. Our Asset/Liability Management Committee meets regularly to review, among other things, the sensitivity of our assets and liabilities to market interest rate changes, local and national market conditions and market interest rates. That group also reviews our liquidity, capital, deposit mix, loan mix and investment positions. As a financial institution, our primary component of market risk is interest rate volatility. Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on most of our assets and liabilities, and the fair value of all interest-earning assets and interest-bearing liabilities, other than those that have a short term to maturity. Interest rate risk is the potential of economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair values. The objective is to measure the effect on net interest income and to adjust the balance sheet to minimize the inherent risk while at the same time maximizing income.

We manage our exposure to interest rates primarily by structuring our balance sheet in the ordinary course of business. We do not typically enter into derivative contracts for the purpose of managing interest rate risk, but we may do so in the future. Based upon the nature of our operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

**Net Interest Income Simulation.** We use an interest rate risk simulation model to test the interest rate sensitivity of net interest income and the balance sheet. Instantaneous parallel rate shift scenarios are modeled and utilized to evaluate risk and establish exposure limits for acceptable changes in net interest margin. These scenarios, known as rate shocks, simulate an instantaneous change in interest rates and use various assumptions, including, but not limited to, prepayments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, reinvestment and replacement of asset and liability cash flows.

The following table presents the estimated changes in our net interest income, calculated on a bank-only basis, which would result from changes in market interest rates over a twelve month period as of June 30, 2025.

At June 30, 2025			
Change in Interest Rates (basis points) <sup>(1)</sup>	Net Interest Income Change		Year 1 Change from Level
	Year 1 Forecast		
(Dollars in thousands)			
+200	\$	3,682	3.43 %
+100	\$	2,036	1.89 %
—	\$	—	— %
-100	\$	(2,226)	(2.07)%
-200	\$	(4,505)	(4.19)%

This analysis assumes an instantaneous and parallel rate shock across the entire yield curve for the scenarios indicated.

**Economic Value of Equity Simulation.** We also analyze our sensitivity to changes in interest rates through an economic value of equity ("EVE") model. EVE represents the present value of the expected cash flows from our assets less the present value of the expected cash flows arising from our liabilities adjusted for the value of off-balance sheet contracts. EVE attempts to quantify our economic value using a discounted cash flow methodology. We estimate what our EVE would be as of a specific date. We then calculate what EVE would be as of the same date throughout a series of interest rate scenarios representing immediate and permanent, parallel shifts in the yield curve. We currently calculate EVE under the assumptions that interest rates increase 100, 200, 300 and 400 basis points from current market rates, and under the assumption that interest rates decrease 100 basis points from current market rates.

The following table presents the estimated changes in our EVE, calculated on a bank-only basis, that would result from changes in market interest rates as of June 30, 2025.

At June 30, 2025				
Change in Interest Rates (basis points)	Estimated EVE	Estimated Increase (Decrease) in EVE		
		Amount	Percent	
(Dollars in thousands)				
+400	\$ 652,272	\$ 37,939	5.82 %	
+300	645,887	31,554	5.14 %	
+200	636,930	22,597	3.68 %	
+100	630,602	16,269	2.58 %	
—	614,333	—	— %	
-100	589,070	(25,263)	(4.11)%	

Note: This analysis assumes an instantaneous and parallel rate shock across the entire yield curve for the scenarios indicated.

Many assumptions are used to calculate the impact of interest rate fluctuations. Actual results may be significantly different than our projections due to several factors, including the timing and frequency of rate changes, market conditions and the shape of the yield curve. The computations of interest rate risk shown above do not include actions that our management may undertake to manage the risks in response to anticipated changes in interest rates, and actual results may also differ due to any actions taken in response to the changing rates.

## **Credit Risk**

The Company manages credit risk consistent with state and federal laws governing the making of loans through written policies and procedures; loan review to identify loan problems at the earliest possible time; collection procedures (including subsequent to a loan being charged off); an adequate allowance for credit losses; and continuing education and training to ensure lending expertise. Diversification by loan product is maintained through offering commercial loans, 1-4 family mortgages, and a full range of consumer loans.

The Company monitors its loan portfolio prudently. The Director's Loan Committee of the Company's Board of Directors is designated to receive required loan reports, oversee loan policy, and approve loans above authorized individual and Management Loan Committee lending limits. The Management Loan Committee, consisting of the President and Chief Executive Officer, Chief Financial Officer, Chief Credit Officer, Chief Risk Officer, Chief Loan Officer, EVP-Strategic Lending, and the SVP-Commercial Lending, implements the Board-approved loan policy.

## **Item 4. Controls and Procedures**

***An Evaluation of disclosure controls and procedures.*** As of the end of the period covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply judgment in evaluating its controls and procedures. Based on their evaluation of the Company's disclosure controls and procedures as of June 30, 2025 the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and regulations are operating in an effective manner.

***Internal control over financial reporting.*** There were no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II — OTHER INFORMATION**

### **Item 1. Legal Proceedings**

As of June 30, 2025, the Company is not currently a named party in a legal proceeding, the outcome of which would have an adverse material effect on the financial condition or results of operations of the Company.

On October 25, 2024, the Bank filed a civil complaint in the United States District Court for the District of New Jersey against the lead lender, Valley National Bank, of a non-performing commercial real estate loan participation. This action cites breach of contract and other claims related to the participation agreement with the lead lender. The lawsuit requests damages and demands repurchase by the lead lender of the participated loan amount in accordance with the rights available under the terms of the participation agreement. As of June 30, 2025, the litigation is currently in the discovery stage.

### **Item 1A. Risk Factors**

There has been no material change to Risk Factors as disclosed in the Company's 2024 Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 17, 2025.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

Not applicable.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

During the second quarter of 2025 none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as that term is used in SEC regulations.

**Item 6. Exhibits**

See Exhibit Index.

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
31.1†	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2†	<a href="#">Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1†	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2†	<a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, duly authorized.

Date: August 11, 2025

**ORANGE COUNTY BANCORP, INC.**

By: /s/ Michael J. Gilfeather

Name: Michael J. Gilfeather

Title: President and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Michael Lesler

Name: Michael Lesler

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Michael J. Gilfeather, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orange County Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

By: /s/ Michael J. Gilfeather

Name: Michael J. Gilfeather

Title: President and Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Michael Lesler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orange County Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

By: /s/ Michael Lesler

Name: Michael Lesler

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

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**Certification of CEO Pursuant to 18 U.S.C. Section 1350,****As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Orange County Bancorp, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

By: /s/ Michael J. Gilfeather

Name: Michael J. Gilfeather

Title: President and Chief Executive Officer  
(Principal Executive Officer)

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**Certification of CFO Pursuant to 18 U.S.C. Section 1350,****As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Orange County Bancorp, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

By: /s/ Michael Lesler

Name: Michael Lesler

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

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