

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 4, 2022

Orange County Bancorp, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40711
(Commission File No.)

26-1135778
(I.R.S. Employer
Identification No.)

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

10940
(Zip Code)

Registrant's telephone number, including area code: (845) 341-5000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--------------------------------|------------------------------|--|
| Common Stock, par value \$0.50 | OBT | The Nasdaq Stock Market, LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01 **Regulation FD Disclosure**

On May 4, 2022, Orange County Bancorp, Inc. (the “Company”), parent company of Orange Bank & Trust Company and Hudson Valley Investment Advisors, made available and distributed to analysts and prospective investors a slide presentation. The slide presentation will be reviewed with certain analysts and certain institutional investors at meetings scheduled on May 4, 2022 and May 5, 2022. The presentation materials include information regarding the Company’s operating and growth strategies and financial performance. The slide presentation is furnished in this Current Report on Form 8-K, pursuant to this Item 7.01, as Exhibit 99.1, and is incorporated herein by reference.

This Current Report and the information included below and furnished as exhibits hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. The furnishing of the information in this Current Report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company or any of its affiliates.

Item 9.01 **Financial Statements and Exhibits**

- (a) Financial statements of businesses acquired. None.
 - (b) Pro forma financial information. None.
 - (c) Shell company transactions: None.
 - (d) Exhibits.
[99.1](#) [Presentation Materials of Orange County Bancorp, Inc.](#)
104 Cover Page Interactive Data File (embedded in the cover page formatted in Inline XBRL)
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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, hereunto duly authorized.

ORANGE COUNTY BANCORP, INC.

DATE: May 4, 2022

By: /s/ Robert Peacock
Robert Peacock
Senior Executive Vice President
and Chief Financial Officer

orange county
BANCORP,
inc.

INVESTOR

Presentation

May 2022

Forward Looking Statements

Forward-Looking Statements

This presentation contains, and future oral and written statements by us and our management may contain, forward-looking statements within the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements represent our objectives, goals, guidelines, expectations, intentions, projections, and statements of our beliefs concerning future events, business plans, objective operating results, and the assumptions upon which those statements are based. Forward-looking statements include without limitation, any statement that predicts, forecasts, indicates or implies future results, performance or achievements, and are typically identified with words such as "may," "could," "would," "believe," "anticipate," "estimate," "expect," "aim," "intend," "plan," or words or phrases of similar meaning. We caution that the forward-looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to factors which are, in many instances, beyond our control. Such forward-looking statements are based on various assumptions (some of which may not be realized) and are subject to risks and uncertainties, which change overtime, and other factors which could cause actual results to differ materially from those anticipated. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect our business. If more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievement may differ materially from those expressed in, or implied by, forward-looking information and statements contained in this presentation. Therefore, we caution you not to place undue reliance on our forward-looking information and statements. We disclaim any duty to revise or update the forward-looking statements, which are made to reflect actual results or changes in the factors affecting the forward-looking statements, except as specifically required by law.

Industry Information

This presentation includes statistical and other industry and market data that we obtained from government reports and other third-party sources. Our estimates, and forecasts are based on information obtained from government reports, trade and business organizations and other contacts in the industry that we operate and our management's understanding of industry conditions. Although we believe that this information (including the industry public information, industry research, surveys, and studies) is accurate and reliable, we have not independently verified such information. In addition, estimates, forecasts and other forward-looking information are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. Finally, forward-looking information obtained from third parties is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this presentation.

Non-GAAP Financial Measures

We present tangible shareholders' equity to tangible assets and efficiency ratios to help us describe our operating performance. Our presentation of non-GAAP measures is intended as a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures should not be considered as an alternative to performance measures derived in accordance with GAAP. Our presentation of these non-GAAP measures should not be construed to imply that our future results will be unaffected by these items. See the reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures.

March 31, 2022

Numbers contained in this presentation for the quarter ended March 31, 2022 are unaudited. As a result, subsequent information may cause a change in our accounting estimates and other financial information, including the Company's allowance for loan losses, fair values, and income taxes.

Franchise Overview

Strong Banking Institution with Established Presence in Stable Markets

Geographic Presence



Company Background and Financials

Background

- Bank was established in 1892 and has operated over 130 years
- Successfully completed IPO and NASDAQ listing 2021
- Headquartered in Middletown, NY
- Premier business bank in the Hudson Valley region, diverse and stable markets
- Highly attractive core deposit franchise
- Full service commercial bank with focus on small sized businesses
- Diverse, high-margin private banking and trust/management service offerings

Financial Snapshot as of and for the Three Ended March 31, 2022

| | |
|---------------------------|--|
| YTD Profitability | NIM ROAA ROAE Efficiency Ratio |
| Regulatory Capital | TCE/TA ¹ Tier 1 Leverage ² Tier 1 Capital Ratio ² Total Capital Ratio ² |
| Asset Quality | MRQ NCOs / Average Loans NPAs / Assets Loan Loss Reserves / Gross Loans |

| | | | |
|---------------------|------------------------|-----------------------|---------------|
| 2022Q1 | 2022Q1 | 2022Q1 | 2022Q1 |
| \$2.3B | \$1.3B | \$2.1B | \$1.3B |
| TOTAL ASSETS | TOTAL NET LOANS | TOTAL DEPOSITS | AUM |

1) See Slide 15 for non-GAAP reconciliation information.
2) Bank-level regulatory data.
3) There are 3 branches located in Middletown.

Balanced, Client-Driven Business Model

Client-Driven Service Unifies Three Unique Product Areas



Note: Key financials are as of March 31, 2022.



Franchise Scarcity Value in Highly Attractive Markets

Orange County

- Attractive and stable market
- 60 miles from New York City
- 130-year-operating history in the region
- Strong foundation for growth and low-cost deposit funding
- Recent COVID-19 related population growth

Westchester & Rockland Counties

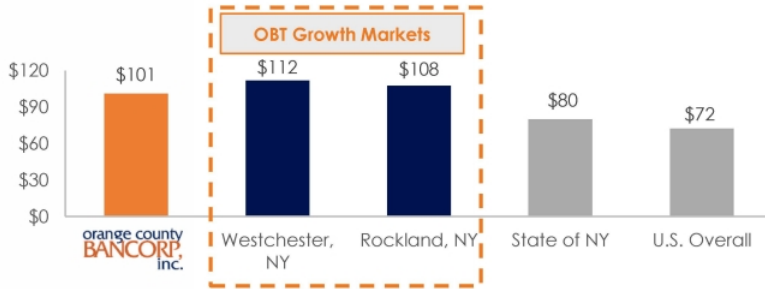
- Primary OBT growth markets
- Large, economically diverse and affluent markets
- Unbalanced Market: large regional/national banks, few small community banks
- Reputation as leading local bank for small business
- Significant long-term growth opportunity relative to current market share

Bronx County

- Densely populated area approximately 1.4 million
- Diversified economy typical population centers
- Persistent need for housing generates constant growth demand for construction refinancing activity

Attractive Demographics in a Large, Growing Addressable Market

Median Household Income (\$000)

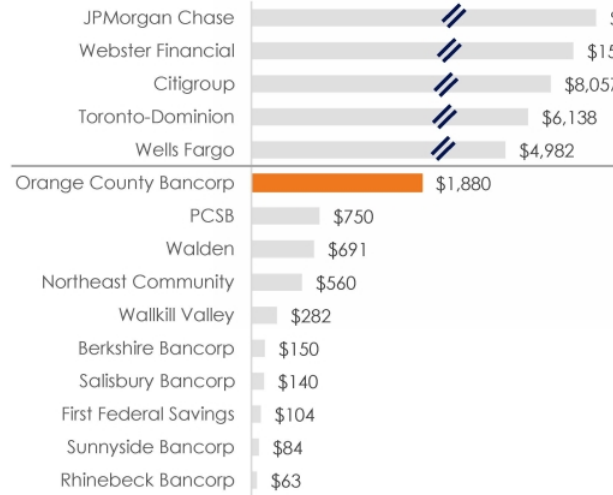


Source: FDIC, S&P Global Market Intelligence.
 Note: FDIC deposit data as of June 30, 2021.
 1) Defined as Lower Hudson Valley region, includes Orange, Westchester, and Rockland counties.



Largest Locally Headquartered Bank in the Lower Hudson Valley

Deposits in the Market (\$ in millions)



Business Strategy

| | |
|--|---|
| Leverage Relationships to Drive Organic Growth | <ul style="list-style-type: none">• The Bank's historical success has been closely tied to that of its clients and the communities it serves• Seek trusted advisor role with clients as they build their businesses with the Bank's resources and expertise |
| Derive Loan Growth Through Differentiated Service | <ul style="list-style-type: none">• Majority of loan growth comes from existing clients and referrals• Direct access to senior management offers customers quicker response time on loan application transactions• Differentiated level of service provides a pricing advantage, often resulting in higher loan rates |
| Continue to Grow Core Deposit Franchise | <ul style="list-style-type: none">• Core deposits comprise 95.3% of total funding, attributed to the Bank's long-standing relationships• Cash management has helped the Bank expand depth and efficiency of deposit product offerings• By broadening its suite of business services in 2022, deposits and loans grew 28.5% and 12.0% respectively in 2021 and 8.3% and 3.3% for the 1st quarter of 2022. |
| Continue to Build Fee-Based Business | <ul style="list-style-type: none">• Having recently reached \$1.3 billion in combined AUM as of 2022Q1, the Bank's trust and advisory services provide a strong foundation of fee-based revenue• Company intends to expand HVIA's services into Westchester and Rockland counties• Private Banking service enables approximately 426 clients to leverage the resources of the platform |
| Capitalize on Market Disruption | <ul style="list-style-type: none">• Lower Hudson Valley market has experienced significant consolidation with the sales/mergers of Westchester Bank, Sterling National Bank, Hudson Valley Bank, Hometown Bank and Greater Hudson Valley Bank• M&A consolidation presents opportunities to hire seasoned bankers positioned to thrive under the Bank's personalized, customer-centric business model |
| Strategic Expansion | <ul style="list-style-type: none">• Exploration of new opportunities for expansion remains a key initiative• Ongoing investments in Rockland, Westchester and Bronx Counties continue to be significant drivers of growth & profitability |
| Engage in Opportunistic M&A | <ul style="list-style-type: none">• Strategic opportunities to produce attractive returns for stockholders may be evaluated• Opportunities could include fee-based business, whole bank or branch acquisitions that would enhance the Bank's position in geographies with attractive demographics |

Note: Financial data as of March 31, 2022.

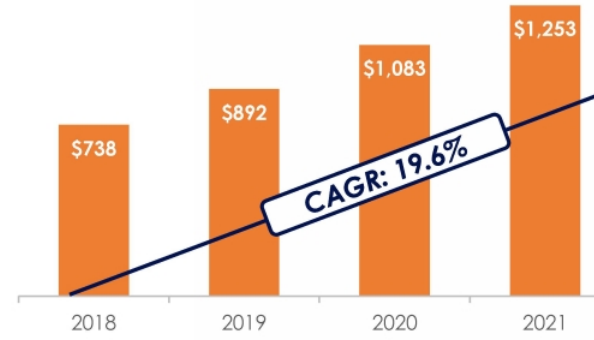
Consistent History of Growth

Current Success is Attributed to Disciplined Organic Growth

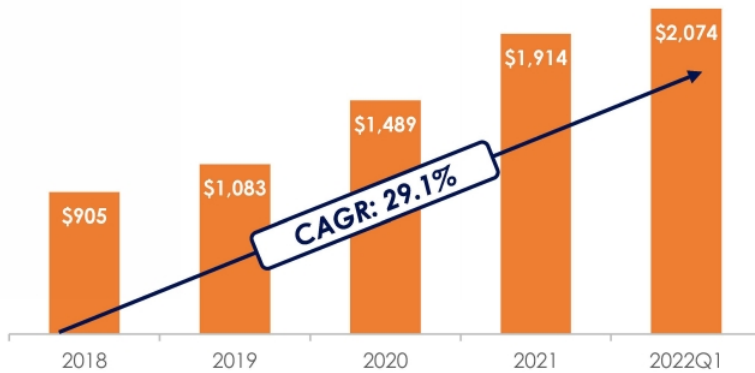
Total Assets (\$M)



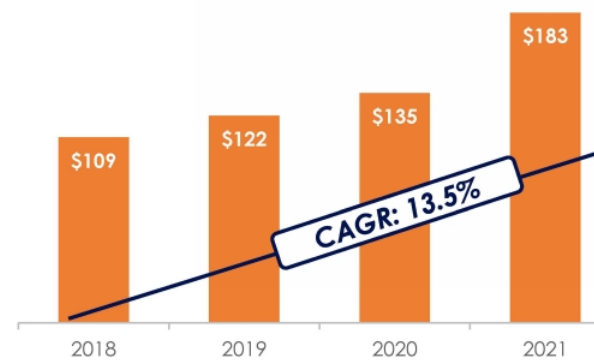
Gross Loans Ex. PPP (\$M)



Total Deposits (\$M)



Consolidated Equity (\$M)



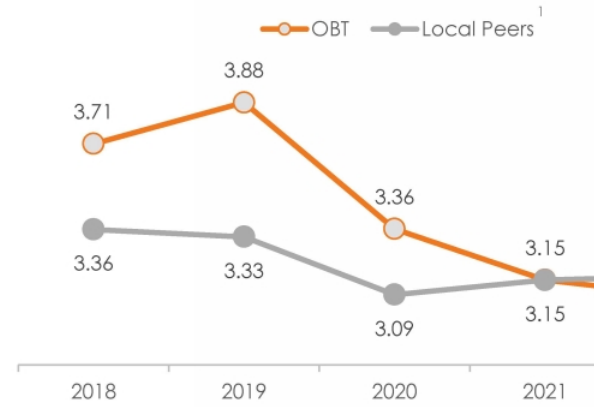
Strong and Consistent Historical Profitability

Success Maintaining Strong Profitability Metrics (YTD for the 3 months ended 3/31/2022)

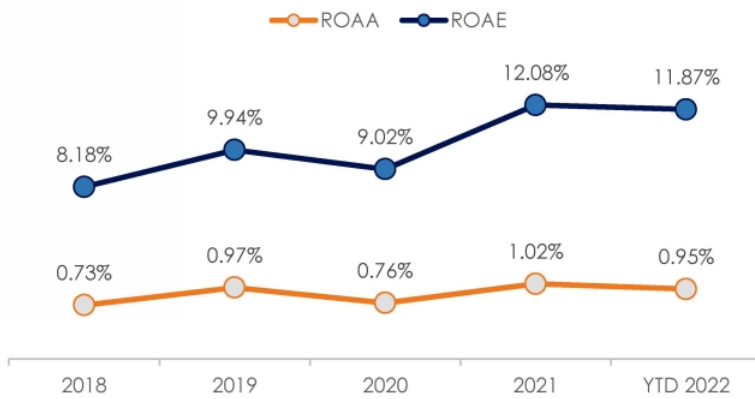
Net Income (\$M)



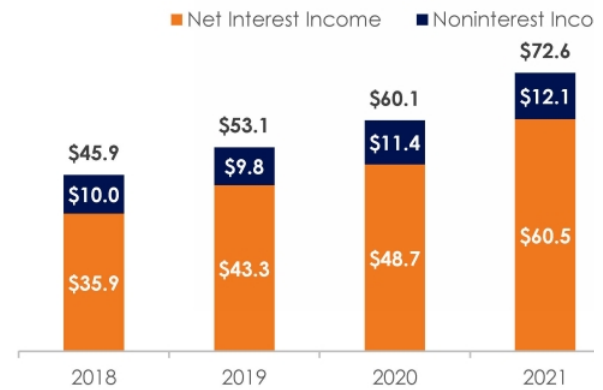
Net Interest Margin (%)



ROAA and ROAE (%)



Pre-Provision Net Revenue (\$M)

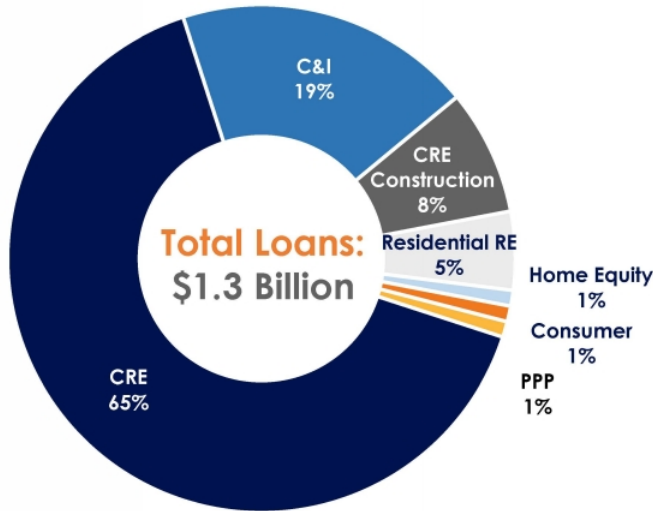


Source: S&P Global Market Intelligence.

1) Local Peers include NASDAQ, NYSE, NYSEAM, and OTC-traded U.S. banks and thrifts in the NYC MSA with most recent quarter total assets under \$50 billion, excluding merger targets and 2) 2022Q1 shown for OBT. Most recent quarter reported shown for peers.

Loan Composition

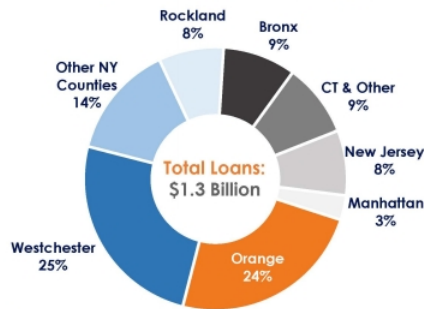
Highly Diversified Portfolio with Conservative Concentrations



375%
CRE
Concentration¹

4.61%
Yield on Loans²

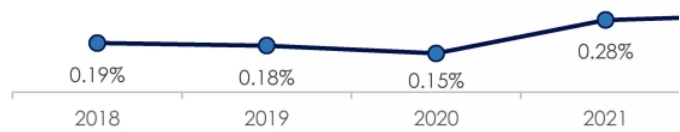
Composition by Geography



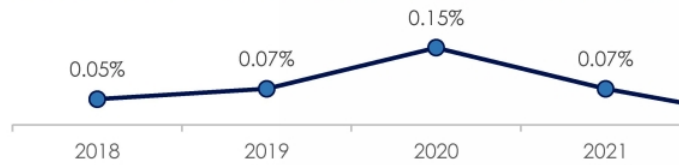
Loan Portfolio Commentary

- Strong asset quality, historically managed well th
- Majority of lending occurs within market
- ~\$12.7M PPP loans

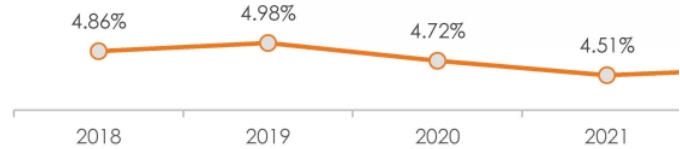
NPAs / Assets (%)



Net Charge-off (NCOs) / Average Loans (%)



Historical Yield on Loans²



Note: Financial data as of March 31, 2022.

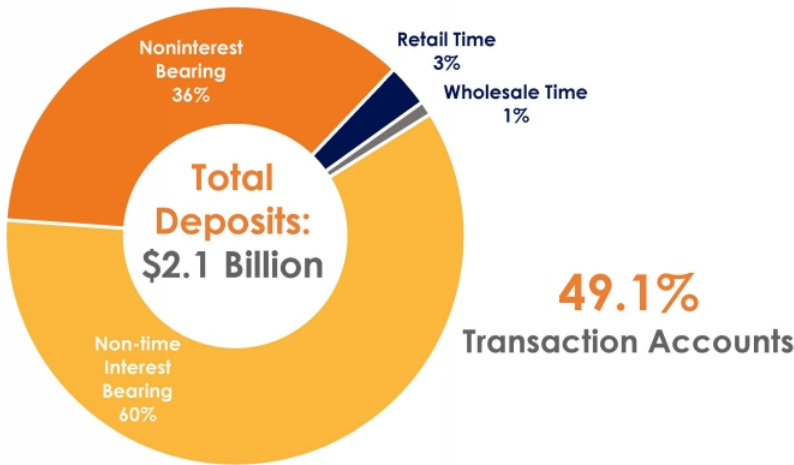
1) CRE Loans as a % of Total Risked-Based Capital; Bank-level regulatory data.

2) Excluding PPP loans.

orange county
BANCORP,
Inc.

Leading Core Deposit Franchise

Stable and Low Cost Core Funding Base

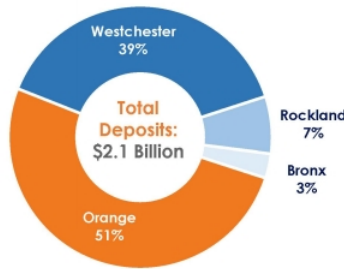


35.8%
Non-Interest Bearing

96.4%
Core Deposits

13bps
Q1 2022 Cost of Deposits

Composition by Geography



Areas of Focus

Keys to Success

- ✓ Dedicated Deposit Relationship managers
- ✓ Investment into Treasury / Cash management

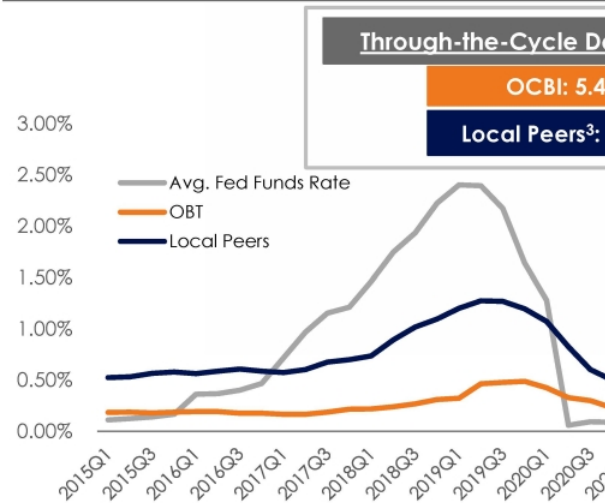
Escrow

- ✓ Attractable DDA capture

Municipal Deposits

- ✓ Competitive products and niche focus
- ✓ Focused on local opportunities
- ✓ Long-term relationships

Cost of Total Deposits During '15 – '19 Rate Cycle



orange county
BANCORP
Inc.

Source: S&P Global Market Intelligence, FDIC. Note: FDIC deposit data as of 6/30/2021. Financial data as of March 31, 2022.

1) Cost of total deposits calculated using total annualized deposit interest expense and average total deposits in the given period.

2) Deposit beta is calculated as the change in the bank's deposit costs as a percentage of the change in the Fed Fund Rate, measured from 2015Q1 to 2019Q1.

3) Local Peers include NASDAQ, NYSE, NYSEAM, and OTC-traded U.S. banks and thrifts in the NYC MSA with most recent quarter total assets under \$50 billion, excluding mutuals. MRQ cost of total deposits used for 2022Q1 for local peers.

First Quarter 2022 Highlights & Below Peer Valuation

- **Significant organic growth continues**
 - QoQ gross loan growth ex. PPP was 21.8% (annualized)
 - Deposit inflows continue
- **Solid profitability metrics**
 - Annualized ROAA and ROAE of 0.95% and 11.89%
- **Credit quality remains strong**
 - Net charge-offs in the quarter were 1bp (annualized)
 - There were no COVID-19 loan deferrals by year-end 2021
 - Reserve levels of 1.39% of gross loans ex. PPP
- **IPO completed on August 9, 2021**
 - Raised gross proceeds of \$38.5 million

Undervalued relative to comparable banks

Price / Tangible Book Value per Share⁽²⁾



Source: S&P Global Market Intelligence. Note: Market data as of 4/25/2022.

1) High Growth Peers include NASDAQ, NYSE, and NYSEAM traded U.S. banks and thrifts with total assets between \$1 and \$4 billion as of 2021Q4, with 2021 Total Loan (ex. PPP) growth of g excluding merger targets and mutuals. Long-term average shown for a 5 year period.

2) See Slide 15 for non-GAAP reconciliation information.

Investment Highlights



Strong and Experienced Management Team



Highly Attractive Market Geography and Scarcity Value of Franchise



Complementary Offerings in Private Banking and Trust & Wealth Businesses



Strong, Low Cost Deposit Base: 36% Noninterest bearing, 13bps Total Cost



Demonstrated Loan Growth Driven by Differentiated Service



Successful and Ongoing Expansion of Market Footprint



Ability to Take Advantage of M&A Driven Market Disintermediation



Consistent and Attractive Performance

1) For the quarter ended March 31, 2022.

Appendix

Senior Leadership Team



Michael J. Gilfeather
President & Chief Executive
Officer



Robert Peacock
Senior Executive Vice President
Chief Financial Officer



Michael Coulter
Executive Vice President
Chief Lending Officer



Joseph A. Ruhl
Executive Vice Pre
Regional President



Greg Sousa
Executive Vice President
Chief Commercial Banking
Officer



Pam Jones
Senior Vice President
Human Resources Director



Mike Listner
Senior Vice President
Chief Credit Officer



Frank Skuthan
Senior Vice Presi
Trust Services Di



ANTHONY PILI
Senior Vice President
Director of Cash Management



Elizabeth Jones
Senior Vice President
Chief Operating Officer



DAVID DINEEN
Senior Vice President
Director of Wealth Services

Non-GAAP Reconciliation

Dollar Values in Thousands

As of the Year Ended December 31,

| | 2018 | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|------------------|
| Total Common Equity | 109,279 | 122,063 | 135,423 | 182,836 |
| Goodwill | 5,359 | 5,359 | 5,359 | 5,359 |
| Other Intangibles | 2,535 | 2,249 | 1,963 | 1,678 |
| Less: Total Intangible Assets | 7,894 | 7,608 | 7,322 | 7,037 |
| Tangible Common Equity | 101,385 | 114,455 | 128,101 | 175,799 |
| Tangible Book Value per Share | \$22.52 | \$25.41 | \$28.57 | \$31.18 |
| Total Assets | 1,064,873 | 1,228,430 | 1,664,936 | 2,142,583 |
| Goodwill | 5,359 | 5,359 | 5,359 | 5,359 |
| Other Intangibles | 2,535 | 2,249 | 1,963 | 1,678 |
| Less: Total Intangible Assets | 7,894 | 7,608 | 7,322 | 7,037 |
| Tangible Assets | 1,056,979 | 1,220,822 | 1,657,614 | 2,135,546 |
| Tangible Common Equity / Tangible Assets | 9.59% | 9.38% | 7.73% | 8.23% |
| GAAP-based Efficiency Ratio | 74.65% | 68.73% | 66.87% | 59.11% |
| Net Interest Income | 35,912 | 43,281 | 48,739 | 60,461 |
| Noninterest Income | 10,019 | 9,814 | 11,423 | 12,102 |
| Less: Net Gains on Sale of Securities | - | (219) | 804 | - |
| Adjusted Revenue | 45,931 | 53,314 | 59,358 | 72,563 |
| Total Noninterest Expense | 34,286 | 36,491 | 40,231 | 43,458 |
| Efficiency Ratio, Adjusted | 74.65% | 68.45% | 67.78% | 59.89% |