

PUBLIC DISCLOSURE

October 6, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Solvay Bank
RSSD No. 722816

1537 Milton Avenue
Solvay, New York 13209

Federal Reserve Bank of New York

33 Liberty Street
New York, New York 10045

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

THIS INSTITUTION IS RATED: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS

The major factors supporting the bank's rating include:

LENDING TEST

- The loan-to-deposit ratio was reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending related activities were in the bank's assessment area.
- The geographic distribution of loans reflected excellent penetration through the assessment area.
- The distribution of borrowers reflected, given the demographics of the assessment area, reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

COMMUNITY DEVELOPMENT TEST

- The bank's community development performance demonstrated excellent responsiveness to community development loans, qualified investments, and community development services, as appropriate considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

INSTITUTION

DESCRIPTION OF INSTITUTION

Solvay Bank (Solvay or the bank) is a state-member bank headquartered in Solvay, New York (NY). Solvay operates nine full-service branches and ten ATMs, serving Onondaga County, NY. As of June 30, 2025, the bank reported total assets of \$1.2 billion. Solvay is a full-service commercial bank that offers a variety of consumer and commercial loan products, deposit products, and trust services.

Based on June 30, 2025, Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), Solvay's loan portfolio by dollar volume consisted of a mix of 1-4 residential real estate, nonfarm nonresidential secured, consumer, and commercial loans as summarized in the following table.

| Loan Portfolio | | |
|---|------------------|--------------|
| Loan Type | \$(000's) | % |
| 1-4 Family Residential Real Estate | 310,265 | 42.0 |
| Construction, Land Development, and Other Land Loans | 15,901 | 2.1 |
| Multifamily (5 or more units) Residential Real Estate | 38,842 | 5.3 |
| Home Equity Line of Credit | 30,094 | 4.1 |
| Consumer | 94,821 | 12.9 |
| Agricultural Production and Other Loans to Farmers | 0 | 0 |
| Commercial & Industrial | 88,494 | 12.0 |
| Nonfarm Nonresidential Secured | 156,688 | 21.2 |
| Other | 2,771 | 0.4 |
| Total Loans | 737,876 | 100.0 |

Source: Call Report as of June 30, 2025

Based on June 30, 2025, Uniform Bank Performance Report (UBPR), Solvay's deposit portfolio by dollar volume was comprised primarily of demand, time, and money market deposits as summarized in the following table.

| Deposit Portfolio | | |
|---|------------------|--------------|
| Deposit Type | \$(000's) | % |
| Demand Deposits | 349,126 | 32.3 |
| All NOW and ATS | 86,909 | 8.1 |
| Money Market Deposits | 159,356 | 14.7 |
| Other Savings Deposits | 123,430 | 11.4 |
| Time Deposits at or below Insurance Limit | 140,947 | 13.0 |
| Time Deposits Above Insurance Limit | 197,064 | 18.2 |
| Brokered Deposits | 24,657 | 2.3 |
| Total Deposits | 1,081,489 | 100.0 |

Source: UBPR as of June 30, 2025

There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

Previous Public Evaluation

The Federal Reserve Bank of New York assigned a rating of Satisfactory at the prior CRA Performance Evaluation dated June 23, 2023, using the FFIEC Intermediate Small Institution CRA Examination Procedures. The Lending and Community Development Tests were rated Satisfactory.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Solvay delineated one assessment area comprised of Onondaga County, NY, which is part of MSA 45060 (Syracuse, NY). The bank's assessment area remained unchanged since the prior evaluation.

The bank's assessment area was in compliance with the requirements of Section 228.41 of Regulation BB. A map illustrating the bank's assessment area is in Appendix A.

SCOPE OF EVALUATION

Procedures

To assess Solvay's CRA performance, examiners applied the FFIEC's Intermediate Small Institution CRA Examination Procedures. These procedures consist of the Lending Test and the Community Development Test. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

Products

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy, and loan portfolio composition. Construction, consumer, and small farm loans were excluded from the evaluation as they did not represent a major product line or provide material support for conclusions or ratings.

Solvay was a Home Mortgage Disclosure Act (HMDA) reporter throughout the evaluation period and examiners analyzed home mortgage data accordingly. For the Lending Test, home mortgage loans included home purchase, home refinance, home improvement, and multifamily housing loans, which examiners combined and analyzed collectively, as individually, the loan volumes were insufficient to provide a meaningful analysis. Examiners verified the integrity of the bank's HMDA data from January 1, 2023 through December 31, 2024.

Solvay was not required to collect and report small business data throughout the evaluation period. Examiners utilized small business data that the bank voluntarily collected and provided. The small business loans included commercial real estate loans, commercial and industrial loans and lines of credit in amounts of \$1.0 million or less. Examiners verified the integrity of the bank provided small business data from January 1, 2023 through December 31, 2024. Solvay is not a CRA small business reporter; therefore, examiners did not compare its performance to the aggregate data. However, examiners reviewed the aggregate data solely to understand small business loans demand and market conditions within the assessment area.

Examiners also analyzed community development loans, investments, and services. Multifamily loans considered in the retail lending test were also considered in the evaluation of community development lending.

Evaluation Period

The evaluation covered the period from the prior evaluation dated January 1, 2023 to the current evaluation dated December 31, 2024. Examiners reviewed the bank's home mortgage loans and small business loans originated during this period as well as community development loans, qualified investments, philanthropic grants, and community development services. Investments also included qualified investments and grants made during the current evaluation period and the current book value of any qualified investments outstanding from the prior evaluation.

Lending Analysis

Under the Lending Test, geographic and borrower loan distribution analyses were based on loan activity inside the bank's assessment area. The bank's home mortgage lending was compared to the U.S. Department of Commerce Bureau of the Census 2020 (2020 U.S. Census). Small business data was compared to Dun & Bradstreet (D&B) demographic data. Aggregate home mortgage lending data for 2023 and 2024, was also used. Aggregate lenders included all lenders required to report HMDA-reportable lending data within the assessment area. The bank's small business data was not compared to aggregate performance as Solvay was not required to report small business loans. Peer data was used for the LTD analysis.

To evaluate the geographic distribution, the proportion of home mortgage loan originations located in LMI geographies was compared to the proportion of owner-occupied housing units located in LMI geographies. For small business loans, the analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies were analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data.

To analyze the distribution of home mortgage lending by borrower profile, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the respective assessment areas. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. For small business lending, the bank's proportion of loans to businesses with gross annual revenues (GAR) of \$1.0 million or less, based on D&B data, were compared to the proportion of all such businesses located in the assessment area.

Community Development Activity Analysis

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) that included the assessment area if the institution met the needs of its existing assessment area. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the bank in the assessment area.

Deriving Overall Conclusions

Examiners conducted a full scope review of the assessment area. When evaluating the bank's performance under the Lending Test, small business lending was given greater weight than home mortgage lending in the

evaluation, as it comprised a larger portion of the bank's total loan volume by number. Demographic and economic information, which also impacted the bank's performance context, is discussed in detail.

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe this assessment area and to evaluate the context in which the bank operated. The information was obtained from publicly available sources, including the American Community Survey (ACS), Bureau of Labor Statistics (BLS), D&B, FFIEC, U.S. Census, and U.S. Department of Housing and Urban Development (HUD).

Demographic Characteristics

According to the 2020 U.S. Census, the population of this assessment area was 476,516. The assessment area consisted of 142 census tracts, of which 18 or 12.7% were low-income, 21 or 14.8% were moderate-income, 54 or 38.0% were middle-income, 42 or 29.6% were upper-income, and 7 or 4.9% were of unknown-income.

Income Characteristics

Based on the 2020 U.S. Census, the assessment area had 113,106 families, of which 21.5% were low-income (9.9% of which were below the poverty level), 16.5% were moderate-income, 20.0% were middle-income, and 42.0% were upper-income.

The table below depicts the median family income for the assessment area.

| Median Family Income | | | |
|----------------------|----------|----------|----------|
| Area | 2015 MFI | 2020 MFI | % Change |
| Assessment Area | \$78,168 | \$82,368 | 5.4 |
| Syracuse, NY MSA | \$74,807 | \$79,766 | 6.6 |
| State of NY | \$78,570 | \$87,270 | 11.1 |

Source: 2015 ACS and 2020 U.S. Census; MFIs have been inflation-adjusted and expressed in 2020 dollars.

Housing Characteristics

Based on the 2020 U.S. Census, the assessment area had 209,068 housing units, of which 58.3% were owner-occupied, 31.3% were rental, and 10.4% were vacant. Of the total housing units, 10.4% were located in low-income census tracts, 15.1% in moderate-income census tracts, 39.0% in middle-income census tracts, 32.5% in upper-income census tracts, and 3.0% in unknown-income census tracts. In low-income census tracts, 17.2% of housing units were owner-occupied, 62.3% were rental units, and 20.5% were vacant. In moderate-income census tracts, 41.6% of housing units were owner-occupied, 45.9% were rental units, and 12.5% were vacant.

The median age of housing stock in this assessment area was 61 years old, with 30.3% of the stock built before 1950. The median age of housing stock was 61 years in low-income census tracts and 61 years in moderate-income census tracts. According to the 2020 U.S. Census, the median housing value in this assessment area was \$148,074 with an affordability ratio of 42.2. The median gross rent in the assessment area was \$888 per month.

| Housing Characteristics | | | |
|-------------------------|---------------------------|--------------------------|------------------------|
| Geographic Area | 2020 Median Housing Value | 2020 Affordability Ratio | 2020 Median Gross Rent |
| Assessment Area | \$148,074 | 42.2 | \$888 |
| Syracuse, NY MSA | \$140,902 | 43.9 | \$868 |
| State of NY | \$325,000 | 21.9 | \$1,315 |

Source: 2020 U.S. Census

Housing Cost Burden

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD, within the assessment area, 44.2% of all rental households had rental costs that exceeded 30.0% of their incomes, 75.0% of low-income rental households had rental costs that exceeded 30.0% of their income, and 33.0% of moderate-income rental households had rental costs that exceeded 30.0% of their income.

According to HUD, within this assessment area, 15.4% of homeowners had housing costs that exceeded 30.0% of their incomes, 61.2% of low-income homeowners had housing costs that exceeded 30.0% of their income, and 30.9% of moderate-income homeowners had housing costs that exceeded 30.0% of their income. See the table below for more details.

| Housing Cost Burden | | | | | | |
|---------------------|-----------------------|-----------------|-------------|----------------------|-----------------|------------|
| Area | Cost Burden - Renters | | | Cost Burden - Owners | | |
| | Low Income | Moderate Income | All Renters | Low Income | Moderate Income | All Owners |
| Assessment Area | 75.0% | 33.0% | 44.2% | 61.2% | 30.9% | 15.4% |
| Syracuse, NY MSA | 73.7% | 30.3% | 43.3% | 61.8% | 29.1% | 16.2% |
| State of NY | 76.4% | 42.8% | 46.8% | 70.8% | 40.8% | 25.5% |

*Cost Burden is housing cost that equals 30.0% or more of household income.
Source: HUD, 2017-2021 Comprehensive Housing Affordability Strategy*

Labor, Employment and Economic Characteristics

According to D&B, there were 18,689 businesses operating in this assessment area in 2024, of which 8.5% were located in low-income census tracts and 11.5% were located in moderate-income census tracts. Of the total businesses operating in the assessment area, 89.4% were small businesses with GAR of \$1.0 million or less, of which 7.9% were located in low-income census tracts and 11.6% were located in moderate-income census tracts.

Unemployment trends increased slightly in the assessment area during the evaluation period. According to the BLS, unemployment in the assessment area was 3.3% in 2023 and increased to 3.5% in 2024. The state of NY had an unemployment rate of 4.1% in 2023 and increased to 4.3% in 2024. Additional unemployment rates are provided in the subsequent table.

| Unemployment Rates | | |
|---------------------------|-------------|-------------|
| Area | 2023 | 2024 |
| Assessment Area | 3.3% | 3.5% |
| Syracuse, NY MSA | 3.5% | 3.6% |
| State of NY | 4.1% | 4.3% |

Source: BLS, Local Area Unemployment Statistics

Competition

Solvay operated in a competitive banking market with large national banks, local community and state-chartered banks, credit unions, mortgage companies and non-bank financial institutions. According to the June 30, 2024 Federal Deposit Insurance Corporation Deposit Market Share report, Solvay faced strong competition among the 15 institutions in the assessment area. Competitors included Manufacturers and Traders Trust Company with 29.3% deposit market share and KeyBank, N.A. with 16.9% deposit market share. Solvay ranked 5th with 8.6% deposit market share, out of the 15 institutions in the assessment area.

Additional performance context for this assessment area is provided in the following table.

| Assessment Area Demographics | | | | | | | | |
|------------------------------|---------------------------|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low | 18 | 12.7 | 8,589 | 7.6 | 3,577 | 41.6 | 24,328 | 21.5 |
| Moderate | 21 | 14.8 | 14,545 | 12.9 | 2,563 | 17.6 | 18,622 | 16.5 |
| Middle | 54 | 38.0 | 45,185 | 39.9 | 2,918 | 6.5 | 22,652 | 20.0 |
| Upper | 42 | 29.6 | 43,287 | 38.3 | 1,513 | 3.5 | 47,504 | 42.0 |
| Unknown | 7 | 4.9 | 1,500 | 1.3 | 666 | 44.4 | 0 | 0 |
| Total Assessment Area | 142 | 100.0 | 113,106 | 100.0 | 11,237 | 9.9 | 113,106 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low | 21,835 | 3,763 | 3.1 | 17.2 | 13,598 | 62.3 | 4,474 | 20.5 |
| Moderate | 31,472 | 13,093 | 10.7 | 41.6 | 14,457 | 45.9 | 3,922 | 12.5 |
| Middle | 81,592 | 53,317 | 43.7 | 65.3 | 21,343 | 26.2 | 6,932 | 8.5 |
| Upper | 67,947 | 51,052 | 41.9 | 75.1 | 12,171 | 17.9 | 4,724 | 7.0 |
| Unknown | 6,222 | 677 | 0.6 | 10.9 | 3,878 | 62.3 | 1,667 | 26.8 |
| Total Assessment Area | 209,068 | 121,902 | 100.0 | 58.3 | 65,447 | 31.3 | 21,719 | 10.4 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1.0 Million | | | Over \$1.0 Million | | Revenue Not Reported | |
| | | # | % | # | % | # | % | # |
| Low | 1,592 | 8.5 | 1,326 | 7.9 | 254 | 14.2 | 12 | 6.3 |
| Moderate | 2,155 | 11.5 | 1,934 | 11.6 | 202 | 11.3 | 19 | 9.9 |
| Middle | 7,541 | 40.3 | 6,673 | 40.0 | 792 | 44.1 | 76 | 39.8 |
| Upper | 6,066 | 32.5 | 5,622 | 33.7 | 374 | 20.8 | 70 | 36.6 |
| Unknown | 1,335 | 7.1 | 1,148 | 6.9 | 173 | 9.6 | 14 | 7.3 |
| Total Assessment Area | 18,689 | 100.0 | 16,703 | 100.0 | 1,795 | 100.0 | 191 | 100.0 |
| | % of Total Businesses: | | | 89.4 | | 9.6 | | 1.0 |
| | Total Farms by Tract | Farms by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1.0 Million | | | Over \$1.0 Million | | Revenue Not Reported | |
| | | # | % | # | % | # | % | # |
| Low | 3 | 1.2 | 3 | 1.3 | 0 | 0 | 0 | 0 |
| Moderate | 7 | 2.8 | 7 | 3.0 | 0 | 0 | 0 | 0 |
| Middle | 131 | 53.3 | 125 | 52.7 | 6 | 66.7 | 0 | 0 |
| Upper | 103 | 41.9 | 100 | 42.2 | 3 | 33.3 | 0 | 0 |
| Unknown | 2 | 0.8 | 2 | 0.8 | 0 | 0 | 0 | 0 |
| Total Assessment Area | 246 | 100.0 | 237 | 100.0 | 9 | 100.0 | 0 | 0 |
| | % of Total Farms: | | | 96.3 | | 3.7 | | 0 |

Source: 2024 FFIEC and 2024 D&B

Community Contact

To learn more about community credit needs, examiners conducted interviews with representatives from two community organizations within the assessment area.

Examiners conducted an interview with a representative from an economic development organization located in Onondaga County. The organization provides confidential business consulting, at no cost, to start-up and existing businesses in Onondaga and the surrounding counties. The organization works with the U.S. Small

Business Administration (SBA) to provide customized solutions and advisement tailored to small business needs. The contact noted, with the anticipated arrival of Micron Technology, there may be an increased opportunity to create new small businesses in the area. The contact also noted a growing need for affordable housing, stemming from the job growth from the development of Micron Technology, as well as rising labor and construction costs driving up home prices.

A second community contact interview was conducted with a representative from an affordable housing organization. The organization’s mission is to rehabilitate distressed properties and build new homes for first-time homebuyers. Similar to the first interview, the representative noted that the arrival of Micron Technology is expected to drive population growth, increase demand for housing, and negatively impact housing affordability in the area. The contact also commended local lenders for their support in the organization’s mission.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Solvay’s overall performance under the Lending Test was rated Outstanding. The bank’s performance under the criteria of Assessment Area Concentration and Geographic Distribution primarily supported this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio was reasonable (considering seasonal variations and taking into account lending-related activities) given the bank’s size, financial condition, and assessment area credit needs. Solvay’s average LTD ratio, calculated from the Call Report for 10 quarters from March 31, 2023 to June 30, 2025 was 67.6%, which was comparable to the previous evaluation’s 24 quarter average of 68.9%.

Examiners also considered Solvay’s large volume of municipal deposits that are not available for lending, which lowered the LTD ratio. When excluding municipal deposits from Solvay and peers, the bank’s LTD ratio improves to 85.4% and aligns with similarly situated banks operating in bank’s assessment area. Overall, the bank’s lending relative to available deposits is appropriate and responsive to local credit needs.

| Loan-to-Deposit Ratio Comparison | | |
|--|---|----------------------------------|
| Bank Name | Total Assets as of June 30, 2025 (\$000’s) | Average Net LTD Ratio (%) |
| Solvay Bank | 1,181,142 | 67.6% |
| Adirondack Bank | 960,069 | 70.2% |
| Alden State Bank | 442,047 | 77.5% |
| Fulton Savings Bank | 480,901 | 78.3% |
| Pathfinder Bank | 1,496,605 | 75.9% |
| <i>Source: Call Report January 1, 2023 through June 30, 2025</i> | | |

Assessment Area Concentration

A substantial majority of loans and other lending related activities were in the bank’s assessment area. As shown in the table below, Solvay originated 92.6 percent of its loans by number and 92.2 percent by dollar volume inside the assessment area.

The bank’s lending inside and outside the assessment area is summarized in the table below.

| Lending Inside and Outside the Assessment Area | | | | | | | | |
|--|------------|-------------|------------------|-------------|-----------|------------|-----------------|------------|
| Loan Type | Inside | | | | Outside | | | |
| | # | % | \$(000's) | % | # | % | \$(000's) | % |
| Home Purchase | 38 | 95.0 | \$1,868 | 82.4 | 2 | 5.0 | \$400 | 17.6 |
| Home Improvement | 236 | 91.5 | \$62,352 | 90.8 | 22 | 8.5 | \$6,298 | 9.2 |
| Multifamily | 6 | 75.0 | \$15,163 | 93.5 | 2 | 25.0 | \$1,050 | 6.5 |
| Home Refinance | 44 | 91.7 | \$4,418 | 82.3 | 4 | 8.3 | \$951 | 17.7 |
| Total Home Mortgage | 324 | 91.5 | \$83,801 | 90.6 | 30 | 8.5 | \$8,699 | 9.4 |
| Total Small Business | 523 | 93.2 | \$107,566 | 93.5 | 38 | 6.8 | \$7,518 | 6.5 |
| TOTAL LOANS | 847 | 92.6 | \$191,367 | 92.2 | 68 | 7.4 | \$16,217 | 7.8 |

Source: HMDA and Bank collected small business data, January 1, 2023 to December 31, 2024

Geographic Distribution of Loans

The geographic distribution of loans reflected excellent penetration throughout the assessment area. Lending penetration in LMI tracts was excellent for both home mortgage and small business loans.

Gap Analysis

Solvay demonstrated a reasonable level of dispersion in LMI census tracts in the assessment area. Opportunities to make home mortgage and small business loans in low-income census tracts were limited during the evaluation period. According to 2020 Census Data, of the 21,835 housing units in low-income census tracts of which only 3.1% were owner-occupied. According to D&B data, of the 18,689 small businesses in the assessment area, of which only 8.5% were located in low-income census tracts. The bank's lending gap analysis in the assessment area is summarized in the table below.

| Lending Gap Analysis | | | |
|----------------------|------------------|----------------------|---------------|
| Tract Income Levels | Number of Tracts | Tracts with no Loans | Penetration % |
| 2024 | | | |
| Low | 18 | 10 | 44% |
| Moderate | 21 | 6 | 71% |
| Middle | 54 | 15 | 72% |
| Upper | 42 | 5 | 88% |
| Unknown | 7 | 4 | 43% |
| 2023 | | | |
| Low | 18 | 9 | 50% |
| Moderate | 21 | 4 | 81% |
| Middle | 54 | 9 | 83% |
| Upper | 42 | 11 | 74% |
| Unknown | 7 | 6 | 14% |

Source: FFIEC, Bank data January 1, 2023 to December 31, 2024.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflected excellent penetration throughout the assessment area. The analysis focused on the percentage of loans, by number, made in LMI census tracts. The following

table reflects the distribution of home mortgage loans by census tract income level.

| Geographic Distribution of Home Mortgage Loans | | | | | | | |
|--|--------------------------|--------------|--------------|---------------|--------------|--------------|-------------------------------|
| Geographic Income Level | Bank And Aggregate Loans | | | | | | Owner- Occupied Units % |
| | Bank | | Agg | Bank | | Agg | |
| | # | #% | #% | \$(000's) | % | \$% | |
| Low | | | | | | | |
| 2024 | 12 | 7.1 | 3.9 | 1,697 | 4.2 | 2.4 | 3.1 |
| 2023 | 8 | 5.2 | 3.6 | 898 | 2.1 | 5.3 | 3.1 |
| Moderate | | | | | | | |
| 2024 | 8 | 4.7 | 13.0 | 1,193 | 2.9 | 13.5 | 10.7 |
| 2023 | 18 | 11.7 | 12.4 | 2,526 | 5.9 | 9.9 | 10.7 |
| Middle | | | | | | | |
| 2024 | 68 | 40.0 | 41.6 | 13,362 | 32.8 | 36.3 | 43.7 |
| 2023 | 56 | 36.4 | 42.5 | 7,834 | 18.2 | 37.2 | 43.7 |
| Upper | | | | | | | |
| 2024 | 80 | 47.1 | 40.9 | 24,411 | 59.9 | 45.6 | 41.9 |
| 2023 | 70 | 45.5 | 40.8 | 25,697 | 59.7 | 45.0 | 41.9 |
| Unknown | | | | | | | |
| 2024 | 2 | 1.2 | 0.6 | 116 | 0.3 | 2.1 | 0.6 |
| 2023 | 2 | 1.3 | 0.7 | 6,067 | 14.1 | 2.5 | 0.6 |
| Totals | | | | | | | |
| 2024 | 170 | 100.0 | 100.0 | 40,779 | 100.0 | 100.0 | 100.0 |
| 2023 | 154 | 100.0 | 100.0 | 43,022 | 100.0 | 100.0 | 100.0 |

Source: 2023-2024 FFIEC; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.

The bank's geographic distribution of home mortgage loans reflected excellent performance in low-income census tracts. In 2024 and 2023, the bank's lending performance was significantly above aggregate performance and the percentage of owner-occupied housing units located in low-income census tracts.

The geographic distribution of home mortgage loans reflected reasonable performance in moderate-income census tracts. In 2024, the bank's lending performance was significantly below aggregate performance and the percentage of owner-occupied housing units located in moderate-income census tracts. In 2023, the bank's lending performance was similar to aggregate and the percentage of owner-occupied housing units located in moderate-income census tracts.

Small Business Loans

The geographic distribution of small business loans reflected excellent penetration throughout the assessment area. The analysis focused on the percentage of loans, by number, in made in LMI census tracts. Performance in low-income census tracts was excellent while performance in moderate income census tracts was reasonable. The following table reflects the distribution of small business loans by census tract income level.

| Geographic Distribution of Small Business Loans | | | | | | |
|---|------------|--------------|---------------|--------------|--------------------|--|
| Geographic Income Level | Bank Loans | | | | Total Businesses % | |
| | # | #% | \$(000's) | \$% | | |
| Low | | | | | | |
| 2024 | 31 | 12.5 | 8,972 | 17.2 | 8.5 | |
| 2023 | 28 | 10.2 | 8,016 | 14.5 | 8.6 | |
| Moderate | | | | | | |
| 2024 | 27 | 10.9 | 4,732 | 9.1 | 11.5 | |
| 2023 | 24 | 8.7 | 3,791 | 6.8 | 11.5 | |
| Middle | | | | | | |
| 2024 | 110 | 44.4 | 24,745 | 47.4 | 40.3 | |
| 2023 | 143 | 52.0 | 27,471 | 49.6 | 40.3 | |
| Upper | | | | | | |
| 2024 | 66 | 26.6 | 11,138 | 21.3 | 32.5 | |
| 2023 | 62 | 22.5 | 10,913 | 19.7 | 32.5 | |
| Unknown | | | | | | |
| 2024 | 14 | 5.6 | 2,595 | 5.0 | 7.1 | |
| 2023 | 18 | 6.5 | 5,193 | 9.4 | 7.1 | |
| Totals | | | | | | |
| 2024 | 248 | 100.0 | 52,182 | 100.0 | 100.0 | |
| 2023 | 275 | 100.0 | 55,384 | 100.0 | 100.0 | |
| <i>Source: 2023-2024 FFIEC; 2023-2024 D&B; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.</i> | | | | | | |

The bank's geographic distribution of small business loans reflected excellent performance in low-income census tracts. In 2024 and 2023, the bank's lending performance was above the percent of businesses located in low-income census tracts.

The bank's geographic distribution of small business loans reflected reasonable performance in moderate-income census tracts. In 2024, the bank's lending performance was similar to the percentage of businesses located in moderate-income census tracts. In 2023, the bank's lending performance was below the percentage of businesses located in moderate-income census tracts. As a result, performance within moderate-income census tracts was reasonable.

Borrower Profile

The distribution of borrowers reflected, given the product lines offered, reasonable penetration among customers of different income levels and businesses of different sizes. Home mortgage lending to LMI borrowers was excellent and lending to businesses with gross annual revenue of \$1.0 million or less was reasonable. Performance for small business lending carried more weight when deriving the overall conclusion for this criterion.

Home Mortgage Loans

The borrower distribution of home mortgage loans reflected excellent penetration throughout the assessment area. The analysis focused on the percentage of loans, by number, made to LMI borrowers. The following table reflects the distribution of home mortgage loans by borrower income level.

| Borrower Distribution of Home Mortgage Loans | | | | | | | | |
|--|--------------------------|--------------|--------------|---------------|--------------|--------------|-----------------------------------|--|
| Borrower Income Level | Bank And Aggregate Loans | | | | | | Families by Family Income % | |
| | Bank | | Agg | Bank | | Agg | | |
| | # | #% | #% | \$(000's) | % | % | | |
| Low | | | | | | | | |
| 2024 | 16 | 9.5 | 8.0 | 1104 | 2.8 | 4.1 | 21.5 | |
| 2023 | 19 | 12.7 | 9.1 | 1770 | 6.1 | 5.1 | 21.5 | |
| Moderate | | | | | | | | |
| 2024 | 39 | 23.2 | 20.3 | 5383 | 13.6 | 14.2 | 16.5 | |
| 2023 | 33 | 22.0 | 21.1 | 3618 | 12.4 | 15.1 | 16.5 | |
| Middle | | | | | | | | |
| 2024 | 23 | 13.7 | 22.8 | 3595 | 9.1 | 19.2 | 20.0 | |
| 2023 | 24 | 16.0 | 23.1 | 3357 | 11.5 | 20.8 | 20.0 | |
| Upper | | | | | | | | |
| 2024 | 80 | 47.6 | 36.7 | 27040 | 68.4 | 48.0 | 42.0 | |
| 2023 | 68 | 45.3 | 34.8 | 18339 | 63.0 | 45.4 | 42.0 | |
| Unknown | | | | | | | | |
| 2024 | 10 | 6.0 | 12.3 | 2411 | 6.1 | 14.5 | 0 | |
| 2023 | 6 | 4.0 | 11.9 | 2021 | 6.9 | 13.6 | 0 | |
| Totals | | | | | | | | |
| 2024 | 168 | 100.0 | 100.0 | 39,533 | 100.0 | 100.0 | 100.0 | |
| 2023 | 150 | 100.0 | 100.0 | 29,105 | 100.0 | 100.0 | 100.0 | |
| <i>Source: 2023-2024 FFIEC; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.</i> | | | | | | | | |

The distribution of home mortgage loans reflected excellent performance among low-income borrowers. In 2024 and 2023, the bank's lending performance was above aggregate performance but significantly below the percentage of low-income families. As previously noted, housing costs are relatively expensive in this assessment area, with 15.4% of homeowners spending more than 30.0% of their income on housing. This trend worsened significantly among low-income households to 61.2%. This data supports the challenges lenders face in originating loans to low-income borrowers, as aggregate lending was also significantly below demographic data.

The distribution of home mortgage loans reflected excellent performance among moderate-income borrowers. In 2024 and 2023, the bank's lending performance was above aggregate performance and above the percentage of moderate-income families.

Small Business Loans

The borrower distribution of small business loans reflected reasonable penetration throughout the assessment area. The following table reflects the distribution of small business loans by borrower income level.

| Borrower Distribution of Small Business Loans | | | | | |
|--|-------------------|--------------|------------------|--------------|---------------------------|
| Borrower Income Level | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000's) | \$% | |
| \$1.0 Million or Less | | | | | |
| 2024 | 76 | 30.6 | 7,524 | 14.4 | 89.4 |
| 2023 | 95 | 34.5 | 11,766 | 21.2 | 89.2 |
| Over \$1.0 Million | | | | | |
| 2024 | 166 | 66.9 | 44,423 | 85.1 | 9.6 |
| 2023 | 179 | 65.1 | 43,418 | 78.4 | 9.8 |
| Revenue Unknown | | | | | |
| 2024 | 6 | 2.4 | 235 | 0.5 | 1.0 |
| 2023 | 1 | 0.4 | 200 | 0.4 | 1.0 |
| Totals | | | | | |
| 2024 | 248 | 100.0 | 52,182 | 100.0 | 100.0 |
| 2023 | 275 | 100.0 | 55,384 | 100.0 | 100.0 |
| <i>Source: 2023-2024 FFIEC Census; 2023-2024 D&B; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.</i> | | | | | |

In 2024 and 2023, the bank's lending performance was significantly below the percentage of businesses with GAR of \$1.0 million or less. Aggregate lending levels were significantly below the demographics throughout the review period, indicating lower demand relative to the opportunity to lend in the assessment area. Additionally, the assessment area is highly competitive, with large and national institutions dominating small business lending. For example, in 2024, the top five lenders, all large and national institutions, captured 63.1% of the market share. This context supports the conclusion that the bank's performance among borrowers for small business lending is reasonable.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

COMMUNITY DEVELOPMENT TEST

Solvay's performance under the Community Development Test was rated Outstanding.

The bank's community development performance demonstrated excellent responsiveness to community development loans, qualified investments, and community development services, as appropriate considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area. The bank met the community development needs of the assessment area primarily through community development loans, investments, and services.

Community Development Loans

During the evaluation period, Solvay made 28 community development loans for \$20.6 million, representing a significant increase from the prior evaluation period. Annualized performance over 24 months totaled \$10.3 million, compared with an annualized volume of \$3.5 million at the prior evaluation, reflecting a 196.1% increase by dollar volume. Examiners also considered Solvay's annualized community development loans to deposits and to assets and compared performance to four similarly situated peer banks. Solvay's performance ranked second by assets and third by deposits.

The table below illustrates the bank's community development loan activity by year and purpose.

| Community Development Loans | | | | | | | | | | |
|-----------------------------|--------------------|--------------|--------------------|---------------|----------------------|-----------|-------------------------|--------------|-----------|---------------|
| Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | # | \$(000's) | # | \$(000's) |
| 2023 | 2 | 1,000 | 4 | 6,453 | 0 | 0 | 8 | 1,255 | 14 | 8,708 |
| 2024 | 2 | 1,000 | 2 | 9,100 | 1 | 15 | 9 | 1,760 | 14 | 11,875 |
| Total | 4 | 2,000 | 6 | 15,553 | 1 | 15 | 17 | 3,015 | 28 | 20,583 |

Source: Bank data January 1, 2023 to December 31, 2024

Below are examples of the bank’s community development loans within the assessment area.

- In 2024, the bank originated a \$750,000 loan to a nonprofit housing organization that is also a certified Community Development Financial Institution (CDFI) whose mission is to create housing opportunities for individuals and families and improve communities in Central and Upstate New York. The loan supported the CDFI in funding multiple affordable housing projects in the assessment area.
- In 2024, the bank originated a \$9.0 million line of credit to a business that provides non-emergency medical transportation for Medicaid recipients at no cost. This loan supported community services by improving access to health care for low-income individuals in the assessment area.

Community Development Investments and Grants

During the evaluation period, the bank reported 73 qualified community development investments and grants totaling \$16.7 million, including 24 new investments totaling \$4.2 million, 20 prior period investments with a current balance of \$12.5 million, and 29 grants totaling \$48,000. Annualized performance over 24 months totaled \$8.4 million, compared with an annualized volume of \$3.2 million at the prior evaluation, reflecting a 158.2% increase by dollar volume. Performance was primarily driven by prior period investments, which represented 74.8% of total dollar volume.

Examiners also considered Solvay’s annualized community development investments and grants to deposits and to assets and compared performance to four similarly situated banks. Solvay’s performance was above peers, ranking first by deposits and assets. As Solvay demonstrated a responsiveness to the community development needs of its assessment area, the institution received credit for 8 investments totaling \$9.7 million, that were made in the BSRA, all of which supported economic development. The table below illustrates the bank’s community development investment and grant activity by year and purpose.

| Community Development Investments and Grants | | | | | | | | | | |
|--|--------------------|-----------|--------------------|--------------|----------------------|--------------|-------------------------|--------------|-----------|---------------|
| Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | # | \$(000's) | # | \$(000's) |
| Prior Period | 0 | 0 | 8 | 4,400 | 6 | 7,665 | 6 | 433 | 20 | 12,498 |
| 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 990 | 12 | 990 |
| 2024 | 0 | 0 | 0 | 0 | 2 | 2,000 | 10 | 1,181 | 12 | 3,181 |
| Total Investments | 0 | 0 | 8 | 4,400 | 8 | 9,665 | 28 | 2,604 | 44 | 16,669 |
| Total Grants | 1 | 5 | 28 | 43 | 0 | 0 | 0 | 0 | 29 | 48 |
| Grand Total | 1 | 5 | 36 | 4,443 | 8 | 9,665 | 28 | 2,604 | 73 | 16,717 |

Source: Bank data January 1, 2023 to December 31, 2024

Below are examples of the bank’s qualified investments and grants within the assessment area.

- In 2024, the bank made two investments totaling \$2.0 million in Small Business Investment Company Fund that provides capital to small businesses in the assessment area and across the BSRA. These investments support economic development by expanding access to financing for small businesses.
- In 2023, the bank made a \$180,000 public welfare investment to support essential municipal services for the Village of Solvay, which is located in a moderate-income tract. This investment helped revitalize and stabilize the area by ensuring these services remain reliable for local residents.

Community Development Services

The bank provided 82 services, primarily addressing community service needs. This represented an annualized performance of 41 community development services over 24 months. Performance was similar when compared to the previous evaluation’s annualized performance of 40 community development services. The bank's level of community development services was consistent with prior evaluation. However, the prior evaluation period also included credit for COVID-19-related activities. The bank’s level of activities reflected a higher level of qualifying community development services when controlling for prior COVID-19 related activities. The table below illustrates the bank’s community development services by year and purpose.

| Community Development Services | | | | | |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|--------------------------------|---------------|
| Year | Affordable Housing | Community Services | Economic Development | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| 2023 | 2 | 19 | 1 | 0 | 22 |
| 2024 | 11 | 48 | 1 | 0 | 60 |
| Total | 13 | 67 | 2 | 0 | 82 |

Source: Bank data January 1, 2023 to December 31, 2024

Below are examples of the bank’s community development services within the assessment area:

- In 2023, a bank officer provided technical expertise by serving on the board of a non-profit affordable housing organization. The organization is also a certified CDFI whose mission is to create housing opportunities for individuals and families and improve communities in Central New York.
- In 2024, a bank employee participated in presenting a financial literacy workshop to high school students in Onondaga County. The workshops primarily benefited LMI students as a majority were eligible for free and reduced lunch.

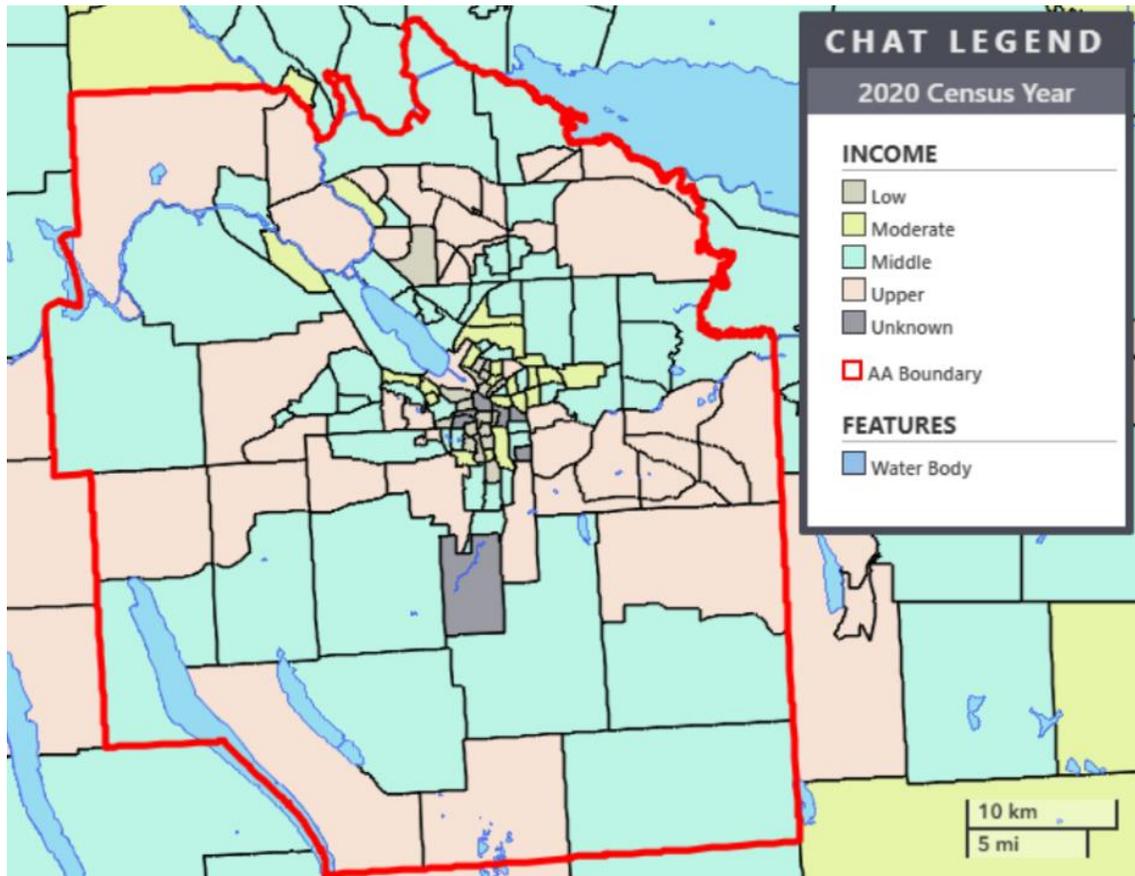
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of the assessment area was identified.

APPENDICES

APPENDIX A – ASSESSMENT AREA MAP

MSA 45060 (SYRACUSE, NY)



APPENDIX B – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GAR of \$1.0 million or less; or activities that revitalize or stabilize LMI geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- or moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% tabulations, the count of households always equals the count of occupied housing units.

Housing affordability ratio: The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

Limited scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

Moderate-income: Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1.0 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of \$500,000.0 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.