PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF SOLVAY BANK

AS OF DECEMBER 31, 2024

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

NOTE: **This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

Sections

I. General Information

II. Overview of Institution's Performance

III. Performance Context

A. Institution Profile

B. Assessment Area

C. Demographic & Economic Data

D. Community Information

IV. Performance Standards and Assessment Factors

A. Lending Test

B. Community Development Test

C. Additional Factors

V. Glossary

I - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Solvay Bank ("Solvay" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This Evaluation represents the Department's current assessment and rating of the Bank's CRA performance based on an evaluation conducted as of December 31, 2024.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income ("LMI") areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent ("GRS") implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions' performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

(1) Outstanding record of meeting community credit needs;

(2) Satisfactory record of meeting community credit needs;

(3) Needs to improve in meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Solvay according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2023 and 2024 for the lending test and the period from April 1, 2023 to December 31, 2024 for the community development test. Solvay is rated "**2**," indicating a "**Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

1. Loan-to-Deposit Ratio and Other Lending-Related Activities:

Solvay's average loan-to-deposit ("LTD") ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

Solvay's average LTD ratio of 67.2% for the evaluation period was well below the peer's average LTD ratio of 82.7%. However, Solvay's percentage of municipal deposits to total deposits was significantly higher than that of its peer group. The availability of municipal deposits is subject to regulatory restrictions, which contributed to the Bank's lower average LTD ratio.

2. Assessment Area Concentration:

During the evaluation period, Solvay originated 92.9% by number and 92.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

3. Distribution by Borrower Characteristics:

Solvay's HMDA-reportable and small business lending demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

Solvay's average rate of HMDA-reportable lending to LMI borrowers by number of loans exceeded the aggregate rate of lending, while the Bank's rate of lending to LMI borrowers by dollar value trailed the aggregate rate of lending.

Solvay's average rate of small business lending to businesses with gross annual revenue of $1 million or less trailed the aggregate rates of lending by number and dollar value of loans.

4. Geographic Distribution of Loans:

Solvay's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

Solvay's average HMDA-reportable rate of lending in LMI census tracts by number and dollar value of loans trailed the aggregate rates by number and dollar value of loans, while the Bank's

small business rates of lending in LMI census tracts exceeded the aggregate rates both by number and dollar value of loans.

5. Action Taken in Response to Written Complaints with Respect to CRA:

Neither DFS nor Solvay received any written complaints during the evaluation period regarding Solvay's CRA performance.

B. Community Development Test: Outstanding

Solvay's community development performance demonstrated an excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments and services, considering the Bank's capacity and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, Solvay originated $19.7 million in new community development loans and had $1.2 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending.

2. Qualified Investments:

During the evaluation period, Solvay made $1.6 million in qualified investments and had $431,779 outstanding from prior evaluation periods. In addition, Solvay made $34,226 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

3. Community Development Services

Solvay demonstrated an excellent level of community development services over the course of the evaluation period.

During the evaluation period, senior management and employees performed 51 qualified community development service activities including serving on boards or committees of nonprofit organizations and providing financial literacy seminars in cooperation with community organizations, nonprofits, and central school districts.

4. Responsiveness to Community Development Needs:

Solvay demonstrated an excellent level of responsiveness to credit and community development needs.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

III - PERFORMANCE CONTEXT

A. Institution Profile

Founded in 1917, Solvay is a New York State-chartered commercial bank headquartered in the village of Solvay, New York. Solvay is the sole subsidiary of Solvay Bank Corp., a bank holding company.

Solvay operates nine banking offices in Onondaga County, New York. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 10 machines, one at each office location and an additional non-deposit-taking ATM at the Bank's main office.

Solvay offers a range of banking products and services for both retail and business customers. Deposit products include savings, club, personal and business checking accounts, debit and credit cards, money market, certificates of deposit, and individual retirement accounts. Loan products include one-to-four family residential mortgage loans, business lines of credit, commercial real estate loans, U.S. Small Business Administration loans ("SBA") loans, home equity, and personal loans. Services offered by the Bank include digital banking, remote deposit capture, prepaid cards, electronic bill pay, wire transfers, trust, investment, and merchant services.

Solvay participates in a variety of homeownership programs that primarily benefit LMI borrowers, such as the HomeReady Mortgage Program and the Homebuyer Dream Program offered through the Federal Home Loan Bank of New York. The Bank also participates in the Onondaga County Homeownership Program and the Syracuse University Mortgage Program. These programs are designed to provide affordable housing for LMI borrowers and make homeownership more accessible for LMI individuals and families.

In its Consolidated Report of Condition (the "Call Report") as of June 30, 2025, filed with the Federal Deposit Insurance Corporation ("FDIC"), Solvay reported total assets of $1.2 billion of which $730 million were net loans and lease financing receivables. It also reported total deposits of $1.1 billion, resulting in an LTD ratio of 69.1%. According to the latest available comparative deposit data as of June 30, 2025, Solvay obtained a market share of 8.42%, or $1.1 billion in a market of $12.5 billion, ranking it fifth among 14 deposit-taking institutions in Onondaga County.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2023 and 2024 Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
	2023		2024	
Loan Type	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	312,860	44.8	316,811	44.1
Commercial & Industrial Loans	74,992	10.7	83,452	11.6
Commercial Mortgage Loans	150,635	21.6	157,402	21.9
Multifamily Mortgages	28,152	4.0	31,423	4.4
Consumer Loans	96,077	13.8	98,063	13.6
Agricultural Loans	0	0.0	0	0.0
Construction Loans	32,387	4.6	28,337	3.9
Obligations of States & Municipalities	3,391	0.5	2,852	0.4
Other Loans	79	0.0	238	0.0
Total Gross Loans	698,573		718,578	

As illustrated in the above table, Solvay is primarily a residential mortgage lender with one-to-four family residential mortgage loans (44.1%) and multifamily mortgages (4.4%) representing 48.5% of its gross loan portfolio as of December 31, 2024. Commercial mortgage loans (21.9%) and commercial & industrial loans (11.6%) represented 33.5%.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on Solvay's ability to meet the credit needs of its community.

B. Assessment Area

The Bank's assessment area consists of Onondaga County in its entirety and has not changed from the prior evaluation period.

There are 142 census tracts in the Bank's assessment area, of which 18 are low-income, 21 are moderate-income, 54 are middle-income, 42 are upper-income, and seven are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Onondaga	7	18	21	54	42	142	27.5
Total	7	18	21	54	42	142	27.5

C. Demographic & Economic Data

The assessment area had a population of 476,516 during the evaluation period. Approximately 16.6% of the population were over the age of 65 and 21.4% were under the age of 16.

Of the 113,106 families in the assessment area 21.5% were low-income, 16.5% were moderate-income, 20% were middle-income and 42% were upper-income. There were 187,349 households

in the assessment area, of which 13.1% had income below the poverty level and 3.2% were on public assistance.

The weighted average median family income in the assessment area was $85,531.

There were 209,068 housing units within the assessment area, of which 79.8% were one- to four-family units and 18.8% were multifamily units. A majority (58.3%) of the housing units were owner-occupied, while 31.3% were rental-occupied units.

Of the 121,902 owner-occupied housing units, 13.8% were in LMI census tracts while 85.6% were in middle- and upper-income census tracts and 0.6% in census tracts with no income available. The median age of the housing stock was 62 years and the median home value in the assessment area was $147,930.

There were 49,488 non-farm businesses in the assessment area. Of these, 87% were businesses with reported revenues of less than or equal to $1 million, 3.9% reported revenues of more than $1 million and 9% did not report their revenues. Of all the businesses in the assessment area, 97.6% were businesses with less than fifty employees while 90.6% operated from a single location. The largest industries in the area were services (35.3%), retail trade (11.3%) and finance, insurance & real estate (10.4%); 24.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State increased slightly from 2023 to 2024. While Onondaga County's unemployment rate remained below the statewide average, the County has also seen a slight increase in its average unemployment rate during the evaluation period.

Assessment Area Unemployment Rate		
	Statewide	Onondaga
2023	4.1	3.3
2024	4.3	3.5

D. Community Information

As part of the evaluation, DFS examiners conducted community contact interviews with representatives from two nonprofit organizations operating within the Bank's assessment area to better understand the economic conditions and the community's credit and banking needs.

The first organization focuses on affordable housing developments for LMI families and other vulnerable populations including veterans, survivors of domestic violence, and individuals requiring accessible housing, as well as neighborhood revitalization initiatives. The representative noted that portions of the assessment area are underbanked, with many residents relying on alternative financial service providers due to limited bank presence. The representative cited high concentrations of poverty in the city of Syracuse stagnant population growth, and disinvestment in certain neighborhoods. Affordable housing and expanded access to banking products and services were identified as critical community needs.

The second organization supports community development by raising and distributing funds to charitable organizations focused on education environmental initiatives, healthcare, human services, and inclusive economic development. The representative identified access to capital and financial services as primary needs particularly for first-time homebuyers, small businesses and entrepreneurs, including minority- and women-owned businesses, and nonprofit organizations.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated Solvay under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

DFS also considered the following factors in assessing the bank's record of performance:

1. The extent of participation by the Board of Directors or Board of Trustees in formulating CRA policies and reviewing CRA performance;
2. Evidence of any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

DFS derived statistics employed in this Evaluation from various sources. Solvay submitted bank-specific information both as part of the Evaluation process and in its all report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained loan to deposit ("LTD") ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2023 and 2024 for lending activities and the period from April 1, 2023 to December 31, 2024 for community development activities.

Examiners considered Solvay's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted above.

Solvay is not required to report small business loan data, so Solvay's small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

In its prior Community Reinvestment Act Performance Evaluation as of March 31, 2023, DFS assigned Solvay a rating of "2," or a "Satisfactory" compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

Solvay's small business and HMDA-reportable lending activities were reasonable considering the Bank's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

1. Loan-to-Deposit Ratio and other Lending-Related Activities:

Solvay's average LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

Solvay's average LTD ratio for the evaluation period was 67.2%, well below its peer group's average LTD ratio of 82.7%. However, DFS examiners noted that the percentage of municipal deposits to total deposits held by Solvay ranged from a low of 17.6% to a high of 23.4%, compared to 9.5% and 9.7%, respectively, for its peer group for the last four quarters of the evaluation period. As the availability of municipal deposits is subject to regulatory restrictions, and given that Solvay's municipal deposits by percentage of total deposits is significantly higher than its peer group's percentage, Solvay's lower average LTD ratio is deemed reasonable.

The table below shows Solvay's LTD ratios in comparison with the peer group's ratios for the eight quarters of this evaluation.

Loan-to-Deposit Ratios									
	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	65.8	69.6	66.8	71.3	67.4	67.5	62.1	67.1	67.2
Peer	79.8	81.9	82.0	83.4	83.0	84.5	83.6	83.3	82.7

2. Assessment Area Concentration:

During the evaluation period, Solvay originated 92.9% by number and 92.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, Solvay Bank originated 92.2% by number and 90.8% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending inside of Solvay's assessment area reflects an excellent concentration of lending.

b. Small Business Loans:

During the evaluation period, Solvay originated 93.4% by number and 94.0% by dollar value of its small business loans within the assessment area. This substantial majority of lending inside of Solvay's assessment area reflects an excellent concentration of lending.

The following table shows the percentages of Solvay's HMDA-reportable and small business loans inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA-Reportable										
2023	170	91.9%	15	8.1%	185	44,100	89.6%	5,125	10.4%	49,225
2024	183	92.4%	15	7.6%	198	41,427	92.1%	3,572	7.9%	44,999
Subtotal	353	92.2%	30	7.8%	383	85,527	90.8%	8,697	9.2%	94,224
Small Business										
2023	275	93.5%	19	6.5%	294	55,384	94.7%	3,092	5.3%	58,476
2024	248	93.2%	18	6.8%	266	52,181	93.2%	3,787	6.8%	55,968
Subtotal	523	93.4%	37	6.6%	560	107,565	94.0%	6,879	6.0%	114,444
Grand Total	876	92.9%	67	7.1%	943	193,092	92.5%	15,576	7.5%	208,668

DFS based its analysis of the Bank's HMDA-reportable and small business lending on actual loans.

3. Distribution by Borrower Characteristics:

Solvay's HMDA-reportable and small business lending demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

Solvay's one-to-four family HMDA-reportable lending demonstrated a reasonable distribution of loans among borrowers of different income levels.

The Bank's average rates of lending to LMI borrowers were 34.3% by number and 17.8% by dollar value of loans, compared to the aggregate rates of 31.7% and 21.3%, respectively. Solvay's annual rates of lending to low-income borrowers by number of loans exceeded the aggregate rates for each year of the evaluation period, while the Bank's rates of lending to moderate-income borrowers by dollar value of loans trailed the aggregate each year.

Both the Bank's and the aggregate average rates of lending to LMI borrowers were below the percentage (38.0%) of LMI families living in the assessment area during the evaluation period.

The following table provides a summary of the distribution of Solvay's one-to-four family loans by borrower income.

Distribution of One-to-Four Family Loans by Borrower Income									
2023									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	23	13.9%	1,894	6.3%	726	9.5%	65,330	5.4%	21.5%
Moderate	36	21.7%	3,737	12.4%	1,773	23.2%	202,095	16.8%	16.5%
LMI	59	35.5%	5,631	18.7%	2,499	32.6%	267,425	22.2%	38.0%
Middle	28	16.9%	3,587	11.9%	1,931	25.2%	276,495	23.0%	20.0%
Upper	73	44.0%	18,944	62.8%	2,953	38.6%	618,415	51.3%	42.0%
Unknown	6	3.6%	2,021	6.7%	273	3.6%	42,065	3.5%	
Total	**166**		**30,183**		**7,656**		**1,204,400**		
2024									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	20	11.0%	1,463	3.6%	671	8.5%	61,925	4.6%	21.5%
Moderate	40	22.1%	5,411	13.5%	1,747	22.2%	216,415	15.9%	16.5%
LMI	60	33.1%	6,874	17.1%	2,418	30.7%	278,340	20.5%	38.0%
Middle	27	14.9%	3,795	9.4%	1,991	25.3%	296,165	21.8%	20.0%
Upper	86	47.5%	27,412	68.2%	3,138	39.9%	719,130	52.8%	42.0%
Unknown	8	4.4%	2,100	5.2%	317	4.0%	67,165	4.9%	
Total	**181**		**40,181**		**7,864**		**1,360,800**		
GRAND TOTAL									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	43	12.4%	3,357	4.8%	1,397	9.0%	127,255	5.0%	
Moderate	76	21.9%	9,148	13.0%	3,520	22.7%	418,510	16.3%	
LMI	119	34.3%	12,505	17.8%	4,917	31.7%	545,765	21.3%	
Middle	55	15.9%	7,382	10.5%	3,922	25.3%	572,660	22.3%	
Upper	159	45.8%	46,356	65.9%	6,091	39.2%	1,337,545	52.1%	
Unknown	14	4.0%	4,121	5.9%	590	3.8%	109,230	4.3%	
Total	**347**		**70,364**		**15,520**		**2,565,200**		

b. Small Business Loans:

Solvay's small business lending demonstrated a reasonable distribution of loans among businesses of different revenue sizes.

The Bank's average rates of lending to businesses with annual revenues of $1 million or less were 32.7% by number and 17.9% by dollar value of loans, trailing the aggregate rates of 53.4% by number and 32.6%, by dollar value . A substantial majority, or more than 86%, of the businesses within the Bank's assessment area had gross annual revenues of $1 million or less.

Solvay's competition for small business loans included large national and regional banks and non-bank small business lenders. In reviewing the 2024 small business market share report[1] in the Bank's assessment area, DFS examiners noted that the top three out of 68 lenders held the majority

[1] The Institution Market Share report ranks institutions by the number and dollar amount of small business loans originated in their assessment areas.

of the market share by number of all the aggregate's small business loans originated within Solvay's assessment area, accounting for 53.5% of the market share in 2024.

The following table provides a summary of the distribution of the Bank's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2023									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	95	34.5%	11,766	21.2%	4,201	53.8%	85,627	31.1%	86.5%
Rev. > $1MM	179	65.1%	43,418	78.4%					4.1%
Rev. Unknown	1	0.4%	200	0.4%					9.4%
Total	**275**		**55,384**		**7,812**		**275,143**		
2024									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	76	30.6%	7,524	14.4%	4,309	53.0%	94,024	34.0%	87.0%
Rev. > $1MM	166	66.9%	44,422	85.1%					3.9%
Rev. Unknown	6	2.4%	235	0.5%					9.0%
Total	**248**		**52,181**		**8,126**		**276,165**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	171	32.7%	19,290	17.9%	8,510	53.4%	179,651	32.6%	
Rev. > $1MM	345	66.0%	87,840	81.7%	-				
Rev. Unknown	7	1.3%	**435**	0.4%	0				
Total	**523**		107,565		**15,938**		**551,308**		

4. Geographic Distribution of Loans:

Solvay's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

a. HMDA-Reportable Loans:

The distribution of Solvay's HMDA-reportable loans among census tracts of different income levels was reasonable.

Solvay's average rate of lending in LMI census tracts by number of loans was 13.6%, slightly below the aggregate rate of 15.6%. By dollar value, the Bank's 7.8% rate of lending in LMI census tracts was well below the aggregate rate of 15.8%. However, Solvay's annual rates of lending in low-income census tracts by number of loans exceeded the aggregate rates each year of the evaluation period, while the Bank's rates of lending in moderate-income census tracts trailed the aggregate's each year. In addition, Solvay's rates of lending in low-income census tracts by number of loans exceeded the percentage of owner-occupied housing in low-income census tracts in the Bank's assessment area in each year of the evaluation period.

The following table provides a summary of the distribution of the Bank's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2023									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	9	5.3%	937	2.1%	262	3.4%	83,260	5.6%	3.1%
Moderate	19	11.2%	2,806	6.4%	930	12.0%	145,310	9.8%	10.7%
LMI	28	16.5%	3,743	8.5%	1,192	15.4%	228,570	15.4%	13.8%
Middle	62	36.5%	8,057	18.3%	3,279	42.4%	542,855	36.7%	43.7%
Upper	78	45.9%	26,233	59.5%	3,208	41.5%	667,040	45.1%	41.9%
Unknown	2	1.2%	6,067	13.8%	53	0.7%	41,495	2.8%	0.6%
Total	**170**		**44,100**		**7,732**		**1,479,960**		
2024									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	12	6.6%	1,696	4.1%	285	3.6%	35	2.3%	3.1%
Moderate	8	4.4%	1,193	2.9%	958	12.1%	213	13.8%	10.7%
LMI	20	10.9%	2,889	7.0%	1,243	15.7%	249	16.1%	13.8%
Middle	74	40.4%	13,711	33.1%	3,338	42.2%	562	36.4%	43.7%
Upper	87	47.5%	24,712	59.7%	3,280	41.5%	698	45.2%	41.9%
Unknown	2	1.1%	115	0.3%	49	0.6%	37	2.4%	0.6%
Total	**183**		**41,427**		**7,910**		**1,544**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	21	5.9%	2,633	3.1%	547	3.5%	83,295	5.6%	
Moderate	27	7.6%	3,999	4.7%	1,888	12.1%	145,523	9.8%	
LMI	48	13.6%	6,632	7.8%	2,435	15.6%	228,819	15.4%	
Middle	136	38.5%	21,768	25.5%	6,617	42.3%	543,417	36.7%	
Upper	165	46.7%	50,945	59.6%	6,488	41.5%	667,738	45.1%	
Unknown	4	1.1%	6,182	7.2%	102	0.7%	41,532	2.8%	
Total	**353**		**85,527**		**15,642**		**1,481,504**		

b. Small Business Loans:

The distribution of Solvay's small business loans among census tracts of varying income levels was reasonable.

Solvay's average rates of small business lending in LMI census tracts for the evaluation period were 21.0% by number and 23.7% by dollar value of loans, which exceeded the aggregate rates of 17.9% and 20.4%, respectively. In addition, the Bank's average rates of lending in LMI census tracts for the evaluation period exceeded the percentage of small businesses located in LMI census tracts within the Bank's assessment area of approximately 20%.

The following table provides a summary of the distribution of Solvay's small business loans by the income level of the geography where the businesses were located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2023									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	28	10.2%	8,016	14.5%	474	6.1%	21	7.8%	8.7%
Moderate	24	8.7%	3,791	6.8%	954	12.2%	31	11.1%	11.1%
LMI	52	18.9%	11,807	21.3%	1,428	18.3%	52	18.9%	19.8%
Middle	143	52.0%	27,471	49.6%	3,194	40.9%	132	47.8%	38.2%
Upper	62	22.5%	10,913	19.7%	2,786	35.7%	74	26.8%	33.5%
Unknown	18	6.5%	5,193	9.4%	404	5.2%	18	6.5%	8.6%
Total	**275**		**55,384**		**7,812**		**275**		
2024									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	31	12.5%	8,971	17.2%	517	6.4%	19,605	7.1%	8.8%
Moderate	27	10.9%	4,731	9.1%	903	11.1%	36,854	13.3%	11.3%
LMI	58	23.4%	13,702	26.3%	1,420	17.5%	56,459	20.4%	20.0%
Middle	110	44.4%	24,745	47.4%	3,345	41.2%	121,373	43.9%	38.3%
Upper	66	26.6%	11,139	21.3%	2,956	36.4%	81,873	29.6%	33.4%
Unknown	14	5.6%	2,595	5.0%	405	5.0%	16,460	6.0%	8.3%
Total	**248**		**52,181**		**8,126**		**276,165**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	59	11.3%	16,987	15.8%	991	6.2%	19,626	7.1%	
Moderate	51	9.8%	8,522	7.9%	1,857	11.7%	36,885	13.3%	
LMI	110	21.0%	25,509	23.7%	2,848	17.9%	56,511	20.4%	
Middle	253	48.4%	52,216	48.5%	6,539	41.0%	121,505	44.0%	
Upper	128	24.5%	22,052	20.5%	5,742	36.0%	81,947	29.6%	
Unknown	32	6.1%	7,788	7.2%	809	5.1%	16,478	6.0%	
Total	**523**		**107,565**		**15,938**		**276,440**		

5. Action Taken in Response to Written Complaints with Respect to CRA:

Neither DFS nor Solvay received any written complaints during the evaluation period regarding Solvay's CRA performance.

B. Community Development Test: Outstanding

Solvay's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, considering Solvay's capacity, and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, Solvay originated $19.7 million in new community development loans and had $1.2 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.[2]

Solvay's total new community development loans of $19.7 million was in line with the Bank's previous evaluation total of $19.7 million; but in a much shorter evaluation period (1.75-years this current evaluation period versus 6-years for previous evaluation period), resulting in an excellent level of performance.

By dollar value, majority (79%) of Solvay's community development loans were for the purpose of community services, which helped provide needed services to LMI individuals. By number of loans, majority (64%) of the Bank's community development loans supported economic development, particularly small business projects, in the assessment area.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	4	$2,000	2	$329
Economic Development	14	$2,155	1	$19
Community Services	4	$15,500	4	$255
Revitalization/Stabilization	0	$0	1	$600
Total	22	$19,655	8	$1,203

Below are highlights of Solvay's community development lending.

- Solvay extended two lines of credit totaling $15 million used to support ongoing business operations of an organization that provides transportation services to Medicaid members. Through the organization's various healthcare services and programs, Medicaid members can get to and from their medical appointments at no cost.

- Solvay extended four lines of credit totaling $2 million to a nonprofit organization, which is also a certified Community Development Financial Institution ("CDFI"), whose primary focus is affordable housing and community development in the Bank's assessment area. The organization provides loans and financial education to underserved people, while revitalizing the communities in which they live. Loan proceeds were used to fund the organization's home improvement and home ownership opportunity programs.

[2] For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the period of the exam.

- Solvay extended a $500,000 line of credit for working capital to a business located in a low-income census tract in Onondaga County. The entity, which is a New York certified minority- and women-owned business, provides employment for LMI individuals in the assessment area.

2. Qualified Investments:

During the evaluation period, Solvay made $1.6 million in new qualified investments and had $431,779 outstanding from prior evaluation periods. In addition, Solvay made $34,226 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

DFS examiners noted that the total dollar value of $2.1 million of Solvay's qualified investments and grants improved significantly from the previous evaluation period total dollar value of $700,000.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing				
Economic Development				
Community Services				
Revitalization/Stabilization	18	1,610	6	432
Total	18	1,610	6	432
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	2	6		
Economic Development				
Community Services	20	28		
Revitalization/Stabilization				
Total	22	34		

Below are highlights of Solvay's qualified investments and grants.

- Solvay purchased 15 municipal bonds totaling $959,464, issued by the Village of Solvay and Town of Geddes. The municipal bond proceeds funded projects supporting roadway and infrastructure maintenance in mostly LMI census tracts .

- Solvay donated a total of $5,862 to a nonprofit organization that provides economically disadvantaged students with the tools, support, guidance and resources students need to achieve academic goals. The Bank sponsored the organization's event with backpack giveaways filled with school supplies to the LMI students and children in need.

- Solvay donated a total of $6,000 to a nonprofit organization that seeks to improve the lives of children in need through programs that include education, employment, and self-

sufficiency. The foundation primarily serves LMI individuals and families residing in Central New York.

- Solvay donated $5,000 to a nonprofit CDFI whose mission is to create housing opportunities for the underserved within the communities in the Bank's assessment area. The funds supported the preservation of affordable housing for low-income and disadvantaged individuals and families, as well as community development projects and various initiatives that benefit underserved communities.

3. Community Development Services:

Solvay demonstrated an excellent level of community development services over the course of the evaluation period. Bank management and employees performed 51 qualified community development services, which included serving on boards or committees of various nonprofit organizations and providing financial literacy seminars in cooperation with community development organizations, nonprofits, and central school districts.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	15
Technical Assistance	
Seminars	36
Credit Counseling	
Other Services	
Total Community Development Services	**51**

Below are highlights of Solvay's community development services.

- Solvay's President and Chief Executive Officer serves on the board of a nonprofit corporation that focuses on patient care, education, community health and well-being. The foundation's orientation supports the mission of a medical university located in low-income tract in Syracuse, New York and programs offered by other nonprofit organizations that help improve the health and well-being of mostly LMI residents in Onondaga and neighboring counties.

- An assistant vice president of the Bank serves on the board of a nonprofit organization whose mission is to help LMI individuals in the community realize their potential for becoming self-sufficient through a variety of programs that include early childhood education, emergency assistance, employment support, mentoring at-risk children, and tax preparation.

- A vice president and CRA Officer of the Bank serves on the board of a nonprofit organization that specializes in short-term rehabilitation and long-term care. The

organization's range of services included housekeeping, emergency medication management, personal care, transport for medical needs, health monitoring, and meal preparation.

- Throughout the evaluation period, Solvay's personnel facilitated financial literacy workshops providing economically disadvantaged students with financial tools and the knowledge to help them achieve their goals, through various community development organizations that serve the LMI population.

4. Responsiveness to Community Development Needs:

Solvay demonstrated an excellent level of responsiveness through community development lending, investments and service's needs.

C. Additional Factors

1. The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

Solvay's Board of Directors reviews and approves the Bank's CRA policy and performance. The Board regularly reviews the Bank's CRA performance, including lending, investments, community development loans, services, and other activities within the assessment area. The CRA Officer oversees the CRA program and presents quarterly performance analyses to senior management and the Board. The Board also participates in decisions on CRA strategies and initiatives, such as financing affordable housing, supporting community development loans, and promoting financial literacy programs. Through these activities, the Board ensures the Bank's compliance with CRA requirements and its commitment to community development.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

  DFS examiners did not note practices by Solvay intended to discourage applications for the types of credit offered by Solvay.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

  DFS examiners did not note evidence by Solvay of prohibited discriminatory or other illegal practices.

3. Record of opening and closing offices and providing services at offices

Solvay did not open or close any branches during the evaluation period.

All Solvay's branch offices offer full-service drive-through ATMs, accessible 24 hours, seven days

a week. Solvay's main office offers both a full-service drive-through ATM and a cash withdrawal only walk-up ATM, both available 24 hours a day. Branch hours are Monday through Wednesday from 9:00 AM to 4:00 PM, with extended hours on Thursday and Friday until 5:00 PM. In addition, the Bank offers limited Saturday hours from 9 AM to 12 PM.

Distribution of Branches within the Assessment Area								
County	**N/A #**	**Low #**	**Moderate #**	**Middle #**	**Upper #**	**Total #**	**LMI %**	**LMI and Distressed or Underserved**
Onondaga	1	1	1	4	2	9	22%	22%
Total	**1**	**1**	**1**	**4**	**2**	**9**	22%	22%

4. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution*.

Solvay ascertains the credit needs of its community through collaborations with various community groups within the assessment area. As part of these efforts, bank directors, senior bank officers and branch managers serve on boards and committees of various community development organizations providing technical assistance. In addition, Solvay employees participated in various financial literacy and homebuyer education workshops. These activities allow the Bank to ascertain the credit needs of its community and make the community aware of existing and new credit products and services offered by the Bank.

- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

Solvay advertises its products and services through digital channels, in-branch displays, billboards, and community events. The Bank also promotes its loans and deposit products, including special credit-related programs, when participating or hosting financial literacy and homebuyer education seminars. In addition, Solvay's marketing efforts include a calling program in which loan officers are required to participate. The program is designed to make members of the community, including small business owners, aware of the products and credit services offered by the Bank.

5. Other factors that in the judgment of the Superintendent bear upon the extent to which Solvay is helping to meet the credit needs of its entire community

During the evaluation period, Solvay invested $2 million in Small Business Investment Company ("SBIC") bonds that supported economic development and small business growth nationwide. However, DFS examiners could not identify whether any of the SBIC investments made supported small businesses within the Bank's assessment area.

V - GLOSSARY

Aggregate Lending

"Aggregate lending" means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District ("BDD") Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program may be found at https://www.dfs.ny.gov and search for the BDD Program.

Community Development

"Community development" means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

"Community development loan" means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons (DFS multifamily industry letter www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated) ;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;

- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

"Community development service" means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - ❖ Serving on a loan review committee;
  - ❖ Developing loan application and underwriting standards;
  - ❖ Developing loan processing systems;
  - ❖ Developing secondary market vehicles or programs;
  - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
  - ❖ Furnishing financial services training for staff and management;
  - ❖ Contributing accounting/bookkeeping services; and

- Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution ("CDFI")

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department's CDFI Fund.

Fair Market Rents ("FMRs")

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development ("HUD") and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas ("MSAs") nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

"Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act ("HMDA")

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area ("MSA") or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

"LMI geographies" means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas ("BNAs") and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

"LMI borrowers" means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

"LMI individuals" or "LMI persons" means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

"LMI penetration rate" means the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit ("LIHTC")

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions ("MDIs")

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is

minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit ("NMTC")

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities ("CDEs"). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program ("PPP") Loans

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") temporarily permits the U.S. Small Business Administration ("SBA") to guarantee 100% of 7(a) loans under a new program titled the "Paycheck Protection Program". The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

"Qualified investment" means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;

- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to $1 million.