



Solvay Bank Corp. (SOBS)

Updated April 28th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$33	5 Year Annual Expected Total Return:	11.3%	Market Cap:	\$84 M
Fair Value Price:	\$34	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	04/02/2026
% Fair Value:	97%	5 Year Valuation Multiple Estimate:	0.6%	Dividend Payment Date:	04/30/2026
Dividend Yield:	5.5%	5 Year Price Target	\$45	Years Of Dividend Growth:	34
Dividend Risk Score:	B	Sector:	Financials	Rating:	Buy

Overview & Current Events

Solvay Bank Corp, founded in 1917 and headquartered in Solvay, New York, is a state-chartered independent community bank and the oldest of its kind in Onondaga County, operating through a network of ten branch locations, including its newest "Smart*Office" in East Syracuse. The bank provides a comprehensive suite of financial services encompassing commercial and residential lending, a dedicated trust and investment management department, and general insurance via the Solvay Bank Insurance Agency. The bank has recently employed a "high-tech, high-touch" model, migrating to advanced digital banking platforms and real-time payment networks while expanding its commercial outreach into the Mohawk Valley to capitalize on significant regional economic growth driven by the local semiconductor manufacturing industry. Last year, Solvay Bank reported \$46.9 million in total interest income. It now has a market cap of \$84 million. The bank boasts an impressive track record of 34 years of consecutive annual dividend increases.

On March 30th, 2026, Solvay Bank reported its full-year results for the period ending December 31st, 2025. For the year, total interest income grew 3.8% to drive a 17.0% increase in net interest income to \$25.3 million, bolstered by a \$2.0 million reduction in interest expense. Net interest margin expanded 32 basis points to 2.14%, resulting in a 26.6% surge in net income to \$5.8 million, or \$2.27 per share. Total loans increased 3.4% to \$743.3 million, led by commercial real estate and residential mortgage growth, while asset quality remained exceptional with nonperforming loans at just 0.08% of the portfolio. Operating costs rose 3.3% to \$24.5 million as the bank invested in digital infrastructure and personnel to support its tenth branch opening and the ongoing economic expansion of the Central New York region. For FY2026, we forecast EPS of \$3.40.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.89	\$2.77	\$3.28	\$3.39	\$2.83	\$4.04	\$4.25	\$2.45	\$1.79	\$2.27	\$3.40	\$4.55
DPS	\$1.03	\$1.06	\$1.16	\$1.21	\$1.31	\$1.34	\$1.52	\$1.68	\$1.72	\$1.76	\$1.80	\$2.41
Shares¹	2.4	2.4	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Solvay Bank experienced somewhat consistent growth between 2016 and 2019, with net income growing from \$6.96 million to a then-record \$8.64 million. Growth was driven by robust performance in traditional lending and total assets nearing the \$1 billion milestone. To deliver value during this growth phase, the bank utilized frequent 21-for-20 stock splits (effectively 5% stock dividends) in 2016, 2017, and 2020, which systematically increased the share count while maintaining a steady upward trend in adjusted EPS.

During the pandemic, the bank achieved historic record earnings, peaking at an adjusted EPS of \$4.25 in 2022. This was primarily driven by two temporary but powerful tailwinds, including the recognition of significant processing fees from the federal Paycheck Protection Program (PPP) and a sharp reduction in "provision for credit losses." After setting aside nearly \$2 million in 2020 to prepare for pandemic-related defaults that never fully materialized, the bank was able to reduce these expenses significantly in 2021 and 2022, effectively "recovering" that income as asset quality remained exceptionally strong.

¹ Share count is in millions.

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EPS fell to \$1.79 in 2024 because the Fed’s rate hikes inverted the yield curve, pushing Solvay’s funding costs up faster than income from its long-term loan portfolio. This margin squeeze reduced Net Interest Income despite loan growth. In 2025, EPS bounced to \$2.27 as Solvay expanded Net Interest Margin by 32 basis points, lowered funding costs through deposit pricing, and grew loans at higher market yields. We believe the bank can grow its EPS and DPS at a 6% growth rate per year through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	9.6	11.8	10.8	9.9	11.1	8.7	8.5	12.4	15.0	12.7	9.7	10.0
Avg. Yld.	3.7%	3.2%	3.3%	3.6%	4.2%	3.8%	4.2%	5.6%	6.4%	6.1%	5.5%	5.3%

Solvay Bank’s valuation was conservative throughout the past decade, with the stock consistently trading at a discount to book value (averaging ~0.80x P/B) as rising interest rates triggered significant unrealized losses in the bond portfolio that pressured total equity after 2021. Despite this, the P/E ratio saw an expansion during the 2023-2025 earnings trough. Today, we believe the stock is slightly undervalued. Its dividend yield is at the high-end of its historical average.

Safety, Quality, Competitive Advantage, & Recession Resiliency

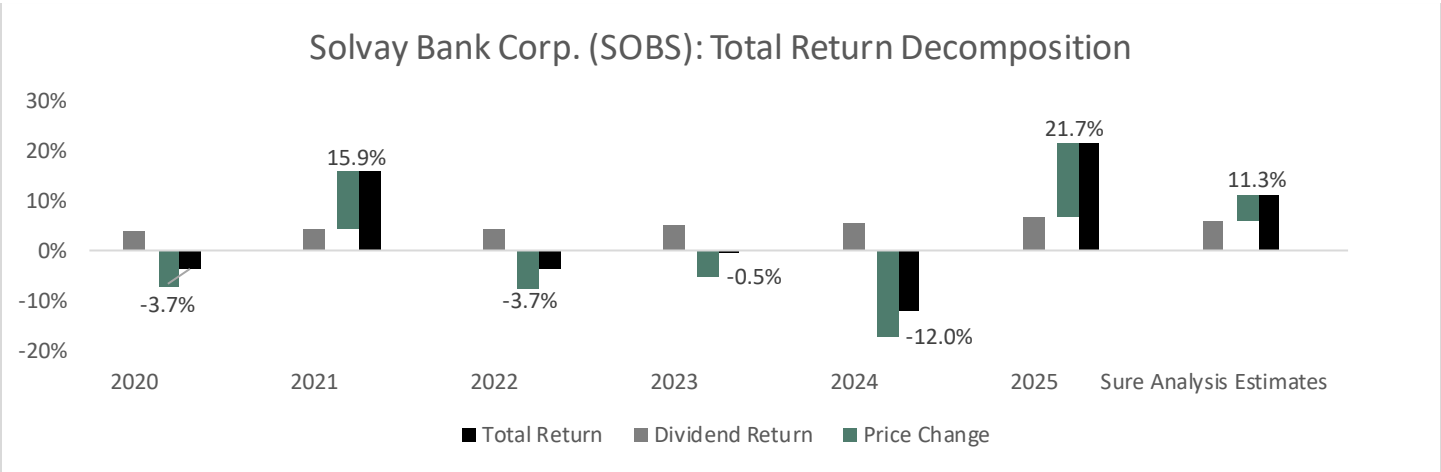
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	36%	38%	35%	36%	46%	33%	36%	69%	96%	78%	53%	53%

Solvay Bank mixed safety and quality through a prudent lending culture, evidenced by an elite 0.08% at the end of last year non-performing loan ratio, and diversified revenue from its insurance and trust subsidiaries. Its competitive edge stems from its local presence and its ability to capitalize on the region’s semiconductor manufacturing boom. But other than that its small size limits it. Still, this fundamental strength underpins the bank's recession resiliency, best exhibited by its 34-year track record of consecutive dividend increases, a streak that has remained unbroken through the 2008 financial crisis, the COVID-19 pandemic, and the recent interest rate cycle. Note that shares trade OTC and have limited liquidity with only a few hundred shares trading every other day.

Final Thoughts & Recommendation

Solvay Bank offers a resilient investment profile supported by a 34-year dividend growth streak and elite asset quality. It seems strategically positioned to capture decent regional growth from Central New York’s semiconductor manufacturing expansion. We forecast annualized returns of 11.3% through 2031, powered by our earnings growth estimate, the 5.5% starting dividend yield, and the possibility of a tiny valuation tailwind. We rate SOBS stock as a buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue						36	37	38	43	52
D&A Exp.						1	1	1	1	1
Operating Profit						9	13	14	8	5
Op. Margin						24.3%	34.8%	36.5%	17.9%	9.1%
Net Profit						7	10	11	6	5
Net Margin						19.9%	27.8%	28.7%	14.6%	8.7%
Free Cash Flow						9	12	10	12	0
Income Tax						2	3	3	1	1

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets						1,041	1,099	1,119	1,138	1,196
Cash & Equivalents						14	10	15	11	13
Total Liabilities						942	999	1,050	1,061	1,116
Long-Term Debt						31	6	51	82	46
Total Equity						99	100	70	77	80
LTD/E Ratio						0.32	0.06	0.74	1.07	0.58

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets						0.8%	1.0%	1.0%	0.6%	0.4%
Return on Equity							10.3%	12.7%	8.5%	5.8%
ROIC						7.3%	8.7%	9.5%	4.4%	3.2%
Shares Out.						2.5	2.5	2.5	2.5	2.5
Revenue/Share						14.27	14.54	14.81	16.78	20.54
FCF/Share						3.57	4.71	4.04	4.78	0.15

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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