



PUBLIC DISCLOSURE

September 22, 2025

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Walden Savings Bank
Charter Number: 718043

15 Scott's Corner Drive
Montgomery, NY 12549

Office of the Comptroller of the Currency

91 Fieldcrest Avenue
Suite A-30
Edison, NJ 08837

NOTE: 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, and should not 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.

Contents

Overall CRA Rating.....	1
Description of Institution	2
Scope of the Evaluation	3
Discriminatory or Other Illegal Credit Practices Review	4
State Rating.....	5
State of New York.....	5
Appendix A: Scope of Examination	A-1
Appendix B: Summary of MMSA and State Ratings	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio was reasonable, based on the bank’s size, financial condition, and credit needs of the assessment area (AA).
- The majority of the bank’s loans were originated or purchased within the AA.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and across geographies of different income levels.
- Community Development (CD) activities, including CD loans, qualified investments, and CD services, reflect excellent responsiveness to the CD needs of the bank’s AA.

Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s LTD ratio was reasonable.

The bank’s average LTD using quarterly data from the first quarter of 2022 through the fourth quarter of 2024 was 73.3 percent. The ratio ranged from a quarterly high of 82.6 percent to a quarterly low of 59.6 percent. The OCC compared Walden’s LTD ratio performance to three other financial institutions with similar size, location, and product selection. The average quarterly LTD ratio for similar banks over the same time period was 84.4 percent. The ratio ranged from a quarterly high of 100.4 percent to a quarterly low of 68.7 percent.

Lending in Assessment Area

A majority of the bank’s loans were inside its AA.

The bank originated and purchased 76.3 percent of its total loans inside the bank’s AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	566	76.267	176	23.753	742	149,194	70.36	62,837	29.64	212,031
Total	566	76.27	176	23.75	742	149,194	70.36	62,837	29.64	212,031

Source: 1/1/2022 - 12/31/2024 Bank Data.
 Due to rounding, totals may not equal 100.0%

Description of Institution

Walden Savings Bank (Walden or the bank) is a mutual savings bank established in 1872. Walden is headquartered in Montgomery, NY, approximately 60 miles north of New York City. The bank has one affiliate, NEDLAW, which is a holding company wholly owned by Walden for the purpose of holding the vacant lot behind the corporate office in Montgomery, NY.

Walden is a single-state institution with one rating area, which includes all of Orange County, NY and a majority of Ulster County, NY. Walden's AA does not include the entire county of Ulster due to Northern Ulster County's distance from the bank's branches and the challenge it would be to sufficiently service that area. Orange and Ulster Counties are contiguous and are both part of the New York-Newark, NY-NJ-CT-PA Combined Statistical Area (CSA 408). Orange County is part of the Kiryas Joel-Poughkeepsie-Newburgh, NY (MSA 28880). The MSA code and name changed in 2024 but was previously called Poughkeepsie-Newburgh-Middletown NY MSA #39100 during 2022-2023. Ulster County falls within the Kingston, NY MSA (MSA 28740).

The bank operates 11 full-service branches with 9 drive-up ATMs and 6 walk-ups ATMs. The bank does not operate any standalone ATMs. The branches are primarily located in Orange County, with the exception of the Gardiner branch, which is located in Ulster County. Walden's branches in Orange County are located in Walden, Washingtonville, Montgomery, Cornwall-on-Hudson, Pine Bush, New Windsor, Circleville, Middlehope, and Florida. The bank also operates a loan production office outside of the AA located in Beacon, NY in Dutchess County. There were no branch openings or closings during the evaluation period.

Walden is a community bank that provides a full range of retail and commercial products to customers in the local community. Lending products include fixed and adjustable-rate residential mortgages, home equity lines of credit, consumer loans such as personal lines of credit and automobile loans, commercial mortgages, and commercial business loans. Deposit products include various checking accounts such as super NOW, money market, and savings accounts, certificates of deposits, and individual retirement accounts. The bank also offers online, mobile, and telephone banking services.

As of December 31, 2024, Walden had total assets of \$914.4 million with net loans of \$659.9 million and total deposits of \$799.4 million. Net loans represented 72.2 percent of total assets. Tier one capital was \$88.1 million. The bank's loan portfolio is primarily comprised of 1-4 family residential mortgages (\$322.7 million or 48.9 percent of total loans) and commercial real estate loans (\$184.6 million or 28.0 percent of total loans). Walden also originates commercial and industrial loans, construction and land loans, home equity lines of credit, multifamily loans, and consumer loans. Commercial and industrial loans totaled \$81.2 million, or 12.3 percent, construction and land loans totaled \$44.2 million or 6.7 percent, home equity lines of credit totaled \$23.8 million or 3.6 percent, multifamily loans totaled \$31.5 million or 4.8 percent, and consumer loans totaled \$2.2 million or 0.3 percent of the loan portfolio as of December 31, 2024.

There are no legal, financial, or other factors which would impede the bank's ability to help meet the credit needs within its AA. Walden received a "Satisfactory" rating at the last CRA evaluation, dated April 4, 2022.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Walden was evaluated under the Intermediate Small Bank examination procedures, which includes the Lending Test and the CD test. The evaluation period for the lending test and the CD test is January 1, 2022 through December 31, 2024.

The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AA through lending activities. To evaluate the bank's lending performance, OCC examiners reviewed home mortgage loans, which was the primary loan product during the evaluation period. The primary lending product was determined based on the bank's overall business strategy and the volume of home mortgage loans originated or purchased during the evaluation period. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments, donations, and services.

Due to updated 2024 U.S. Census data, census tract income level designation changes became effective January 1, 2024. This required an analysis of loan data against applicable demographic data for two separate analysis periods, resulting in multiple analyses for each. Examiners analyzed home mortgage loan data from January 1, 2022, through December 31, 2023 (2022 – 2023 analysis period), using 2020 U.S. Census demographic information and home mortgage loan data from January 1, 2024, through December 31, 2024 (2024 analysis period), using 2024 U.S. Census demographic information. Examiners placed more weight on the 2022-2023 analysis period due to the larger number of loans originated.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on performance in the bank's one AA within the New York-Newark, NY-NJ-CT-PA CSA in the State of New York.

The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the weighted-average conclusions in those AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of New York

CRA rating for the State of New York¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The distribution of loans to individuals of different income levels is reasonable.
- The bank exhibits reasonable distribution of loans by income level of the geography.
- Walden's CD activities show excellent responsiveness to community needs.

Description of Institution's Operations in New York

Walden is a community bank that provides traditional loan and deposit products to individuals and mid-size businesses in the Hudson Valley region of New York State. The bank has one AA, which includes all of Orange County, NY and part of Ulster County, NY. The area includes urban centers such as Middletown, Newburgh, Port Jervis, and Kingston as well as rural townships and agricultural communities. Walden's AA does not include the entire county of Ulster due to Northern Ulster County's distance from the bank's branch and the challenge it would be to sufficiently service that area. Orange and Ulster Counties are contiguous and are both part of the New York-Newark, NY-NJ-CT-PA Combined Statistical Area (CSA 408). Orange County is part of the Kiryas Joel-Poughkeepsie-Newburgh, NY (MSA 28880). Ulster County falls within the Kingston, NY MSA (MSA 28740). The bank's AA contains 132 contiguous census tracts (CTs) that consist of ten (7.6 percent) low-income CTs, 26 (19.7 percent) moderate-income CTs, 72 (54.6 percent) middle-income CTs and 23 (17.4 percent) upper-income CTs. The AA meets the requirements of the CRA and does not arbitrarily exclude low- and moderate (LMI) geographies.

Walden operates in a highly competitive financial services market, competing for both deposits and loans. According to FDIC Market Share Report as of June 30, 2024, Walden has a deposit market share of 5.2 percent in the bank's AA, ranking 9th out of 27 institutions in total market share. Significant competitors for deposits included JPMorgan Chase Bank, N.A., TD Bank, N.A., Manufacturers and Traders Trust Company, Bank of America, N.A., Key Bank, N.A., Orange Bank & Trust Company, Ulster Savings Bank, and Wells Fargo, N.A. These institutions have a combined deposit market share of 69.3 percent.

Based on the 2024 Home Mortgage Disclosure Act (HMDA) Market Share Report, there were 308 reporting residential mortgage lenders in the bank's AA. The top five mortgage lenders have a combined total market share of 31.0 percent in the total number of applications. The lenders include Hudson Valley Credit Union, United Wholesale Mortgage, Rocket Mortgage, CBNA and Discover Bank. Walden ranked 22nd in the AA with a market share of 1.1 percent in total applications.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Data from Moody's Analytics over the evaluation period indicated that Kingston, NY experienced cooling in the economy and a softening in the pace of employment growth to parallel the region and nation. Top industries include the state government, education and health services, leisure and hospital services, and retail trade. Major employers include Health Alliance of the Hudson Valley, State University of New York at New Paltz, Eastern New York Correctional Facility, Northeast Center for Special Care, Ulster-Greene ARC, United Cerebral Palsy of Ulster County, and United Cerebral Palsy of Ulster County. The area has benefited from medical services as the recent growth in healthcare payroll has been strong. The region experienced muted gains in leisure and hospitality and enrollment challenges at the State University of New York at New Paltz. House price appreciation gained momentum during the evaluation period, outpacing those in New York and the USA. A rise in permits and completions indicated an improvement in the homebuilding space, which has been weak over the past decade.

The unemployment rate has remained low and stable. Based on data from the U.S. Bureau of Labor Statistics (BLS), the average annual unemployment rates in Ulster County, NY for 2024, 2023, and 2022 were 3.5 percent, 3.4 percent, and 3.3 percent, respectively. The calculated average annual unemployment rate in Orange County, NY for 2024, 2023, and 2022 were 3.7 percent, 3.5 percent, and 3.4 percent, respectively. The calculated average annual unemployment rate for both counties were lower than the calculated New York State average annual unemployment rate for 2024, 2023, and 2022 of 4.3 percent, 4.1 percent, and 4.3 percent, respectively.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$45,050 per year (or less than 50 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a \$209,800 mortgage with a payment of \$1,126 per month. A moderate-income borrower making \$72,080 per year (or less than 80 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a \$335,679 mortgage with a payment of \$1,802 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$3,019. The median housing value in the AA is \$449,000 and \$562,375 in 2022 and 2024, respectively, reflecting a percent change of 25.3% from 2022 to 2024 according to Realtor.com data.

As part of the CRA evaluation, examiners reviewed information from two community contact interviews conducted during the evaluation period. Community contacts included a non-profit organization that focuses on affordable housing and a non-profit organization that provides support, resources, and programs to help local business owners. The interviews provided context on the communities' economic conditions, demographic conditions, and the organizations' perspective on community needs and opportunities for participation by local financial institutions.

These sources identified the following needs within the community:

- Additional housing development.
- Financial education programs for LMI borrowers and in LMI geographies.
- Small business micro loans.

Walden AA 2022-2023

Assessment Area(s) - 2023 New York MSA						
2022 - 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	132	7.58	19.70	54.55	17.42	0.76
Population by Geography	548,877	8.41	18.61	53.93	18.58	0.47
Housing Units by Geography	210,613	5.86	19.55	56.21	17.62	0.76
Owner-Occupied Housing by Geography	126,048	2.55	14.75	59.28	22.50	0.93
Occupied Rental Units by Geography	59,567	12.82	29.67	47.92	9.31	0.28
Vacant Units by Geography	24,998	5.98	19.64	60.51	12.81	1.06
Businesses by Geography	22,919	8.76	18.75	52.35	19.52	0.63
Farms by Geography	1,089	1.74	11.02	58.49	27.64	1.10
Family Distribution by Income Level	125,829	22.38	17.57	21.35	38.70	0.00
Household Distribution by Income Level	185,615	25.63	14.53	17.63	42.21	0.00
Unemployment rate (%)	4.91	5.25	6.71	4.71	3.78	6.68
Households Below Poverty Level (%)	11.02	34.71	16.22	8.63	5.28	7.44
Median Family Income (28740 - Kingston, NY MSA)	\$87,034		Median Housing Value			\$255,600
Median Family Income (39100 - Poughkeepsie-Newburgh-Middletown, NY MSA)	\$100,123		Median Gross Rent			\$1,272
Median Family Income (28740 - Kingston, NY MSA) for 2023	\$112,400		Families Below Poverty Level			7.96
Median Family Income (39100 - Poughkeepsie-Newburgh-Middletown, NY MSA) for 2023	\$119,600					
Source: FFIEC File – 2020 Census 2023 Dun & Bradstreet SBSF Demographics Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification						

Walden AA 2024

Assessment Area(s) - 2024 New York MSA						
2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	132	7.58	19.70	54.55	17.42	0.76
Population by Geography	548,877	8.41	18.61	53.93	18.58	0.47
Housing Units by Geography	210,613	5.86	19.55	56.21	17.62	0.76
Owner-Occupied Housing by Geography	126,048	2.55	14.75	59.28	22.50	0.93
Occupied Rental Units by Geography	59,567	12.82	29.67	47.92	9.31	0.28
Vacant Units by Geography	24,998	5.98	19.64	60.51	12.81	1.06
Businesses by Geography	23,402	8.46	18.37	52.92	19.62	0.64
Farms by Geography	1,123	1.96	11.04	58.50	27.43	1.07
Family Distribution by Income Level	125,829	22.38	17.57	21.35	38.70	0.00
Household Distribution by Income Level	185,615	25.63	14.53	17.63	42.21	0.00
Unemployment rate (%)	4.91	5.25	6.71	4.71	3.78	6.68

Households Below Poverty Level (%)	11.02	34.71	16.22	8.63	5.28	7.44
Median Family Income (28740 - Kingston, NY MSA)		\$87,034	Median Housing Value		\$255,600	
Median Family Income (28880 - Kiryas Joel-Poughkeepsie-Newburgh, NY MSA)		\$100,123	Median Gross Rent		\$1,272	
Median Family Income (28740 - Kingston, NY MSA) for 2024		\$117,200	Families Below Poverty Level		7.96	
Median Family Income (28880 - Kiryas Joel-Poughkeepsie-Newburgh, NY MSA) for 2024		\$114,800				
Source: FFIEC File – 2024 Census 2024 Dun & Bradstreet SBSF Demographics Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification						

Scope of Evaluation in New York

The rating for New York is based on a full-scope review of the bank’s AA consisting of all of Orange County and partial Ulster County, New York. Orange and Ulster Counties are contiguous and are both part of the New York-Newark, NY-NJ-CT-PA CSA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN New York

LENDING TEST

The bank’s performance under the Lending Test in New York is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s lending performance in the state of New York was reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibited reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Tables 7 in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

In evaluating the geographic distribution of home loans in the AA, we considered the proportion of owner-occupied housing in low-income census tracts. Of the total 12,341 housing units in low-income census tracts, a high percentage of the total housing units are renter-occupied housing units. According to the 2020 US Census data, 61.9 percent of total housing units in low-income geographies are renter-occupied units. The limited number of owner-occupied housing units in low-income census tracts limits lending opportunities. Moderate-income census tracts are similarly situated with limited lending opportunities.

2022-2023

The percentage of home mortgage loans originated and purchased in low-income geographies was below the percentage of owner-occupied units and was well below the aggregate lending. The percentage of home mortgage loans originated and purchased in moderate-income geographies was below the percentage of owner-occupied units and was below the aggregate lending.

2024

The percentage of home mortgage loans originated and purchased in low-income geographies was well below both the percentage of owner-occupied units and the aggregate lending. The percentage of home mortgage loans originated and purchased in moderate-income geographies was well below both the percentage of owner-occupied units and the aggregate lending.

Lending Gap Analysis

Examiners reviewed maps detailing Walden's lending activity over the evaluation period for home mortgage loans to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a reasonable distribution of loans to individuals of different income levels. Examiners considered housing costs in relation to the median family income and the significant increase in home values during the evaluation period, which limited affordability for many low-income borrowers. Bank and industry performance was impacted by the ratio of median housing value (MHV) to income in the AA. The MHV constrains lending opportunities to low-income borrowers as the proportion of properties affordable to low-income borrowers is limited. The MHV in the AA is \$244,859. The maximum income level for low-income borrowers is \$57,400, making the MHV nearly five times the maximum low-income level.

Home Mortgage Loans

Refer to Tables 8 in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

2022-2023

The percentage of loans made to low-income borrowers was well below the percentage of low-income families in the AA and exceeded aggregate lending. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families in the AA and exceeded aggregate lending.

2024

The percentage of loans made to low-income borrowers was well below the percentage of low-income families in the AA and exceeded aggregate lending. The percentage of loans made to moderate-income borrowers was below the percentage of moderate-income families in the AA and below aggregate lending.

Responses to Complaints

Walden received no CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of New York is rated Outstanding.

Based on a full-scope review, the bank exhibited excellent responsiveness to community development needs in the state through 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 AA.

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Walden AA	3	75.0	7,040	70.0
Dutchess County (Outside of AA)	1	25.0	3,010	30.0
Total	4	100.0	10,050	100

The bank originated three CD loans in the AA totaling \$7.0 million, which represented 8.0 percent of tier 1 capital.

The following are examples of CD loans the bank originated or purchased in this AA:

- A \$1.4 million bridge loan to a non-profit that promotes economic development by focusing on growing an inclusive regional food system to underserved farmers.
- A \$1.2 million loan to a business that promotes economic development by employing LMI individuals in a moderate-income CT.
- A \$4.5 million loan to a business that promotes economic development by employing minimum wage workers in a facility within 5 miles of an LMI tract.

Examiners qualified one CD loan originated outside the AA due to the bank's excellent responsiveness within its AA:

- A \$3.0 million loan for a development of property in Dutchess County, NY which provides affordable housing for LMI individuals.

Number and Amount of Qualified Investments

Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Walden AA	1	1,034	1	1,566	2	100.0	2,589	100.0	0	0
Total	1	1,034	1	1,566	2	100.0	2,589	100.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. This table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

Walden purchased two qualified investments totaling \$2.6 million and made 35 qualified donations and sponsorships totaling \$97,883. Total investments and donations represented 3.1 percent of tier 1 capital.

Notable examples of CD investments include:

- A \$1.7 million investment in an agency mortgage-backed security (MBS) comprised of six loans made to LMI borrowers inside the bank's AA.
- A 1.0 million investment in an MBS, purchased in a prior period, comprised of loans made to moderate income borrowers inside the bank's AA.

In addition, Walden made 35 qualified donations and sponsorships totaling \$97,883 to various organizations that supported LMI individuals and families within the bank's AA.

Notable examples of CD donations include:

- Three donations totaling \$43,333 to a food bank to build a new distribution center to meet the growing needs of the community.
- A donation of \$25,000 to permanently endow a fund in memory of an SVP for the mission of building affordable housing for LMI families.
- Five donations totaling \$11,301 to an organization serving neighboring LMI census tracts through restoration and public access efforts.

Extent to Which the Bank Provides Community Development Services

Seven bank employees, officers, and directors provided 574 hours of CD services to seven eligible organizations.

Notable examples of CD services include:

- The President/CEO served 150 hours as a Board Member of a college foundation that provides scholarships and emergency funds to LMI students in the AA.
- A Branch Manager served 36 hours as a Board Member of an organization that provides low-income housing and programs in the arts to community members in an LMI CT.

- The Assistant Controller served 108 hours as a Finance Committee Member of an organization that fundraises and grants funds for food, shelter, and clothing to domestic violence victims in the AA, including LMI tracts.

Walden also supported LMI individuals by providing payment assistance through local nonprofit partnerships and programs, hosting first-time homebuyer seminars, and hosting financial literacy classes.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	1/1/2022 to 12/31/2024	
Bank Products Reviewed:	Home mortgage CD loans, qualified investments, CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
New York State: New York-Newark, NY-NJ-CT-PA CSA	Full-scope	Orange County in the Kiryas Joel-Poughkeepsie-Newburgh, NY MSA Portion of Ulster County in the Kingston, NY MSA.

Appendix B: Summary of MMSA and State Ratings

RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Walden Savings Bank	Satisfactory	Outstanding	Satisfactory
State:			
New York	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs' size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): 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, 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of CD loans and qualified investments, branch distribution, and CD services).

Low-Income: Individual income that is at less than 50 percent of the area median income, or a median family income that is less than 50 percent 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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a Core Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

Multistate Metropolitan Statistical Area (MMSA): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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

Rating Area: A rated area is a state or multistate metropolitan statistical 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 statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have

original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 7. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table 8. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-23
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate
Walden AA	433	\$144,353	100	23,369	2.55	1.62	5.63	14.75	8.08	14.97	59.28	65.59	57.56	22.50	24.25	21.25	0.93	0.46	0.59
Total	433	\$144,353	100	23,369	2.55	1.62	5.63	14.75	8.08	14.97	59.28	65.59	57.56	22.50	24.25	21.25	0.93	0.46	0.59

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table 7a: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate
Walden AA	133	\$34,841	100	10,589	2.55	0.75	7.42	14.75	4.51	15.63	59.28	68.42	57.62	22.50	25.56	18.58	0.93	0.75	0.55
Total	133	\$34,841	100	10,589	2.55	0.75	7.42	14.75	4.51	15.63	59.28	68.42	57.62	22.50	25.56	18.58	0.93	0.75	0.55

Source: FFIEC File - 2024 Census; 1/1/2024 - 12/31/2024 Bank Data, 2024 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-23
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Walden AA	433	\$114,353	100	23,369	22.38	9.70	7.49	17.57	22.17	20.26	21.35	26.79	26.85	38.7	38.34	35.36	--	3.00	10.03
Total	433	\$114,353	100	23,369	22.38	9.70	7.49	17.57	22.17	20.26	21.35	26.79	26.85	38.7	38.34	35.36	--	3.00	10.03

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table 8a: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Walden AA	133	\$34,841	100	10,589	22.38	7.52	6.91	17.57	15.04	16.27	21.35	31.58	25.62	38.7	43.61	38.19	--	2.26	13.00
Total	133	\$34,841	100	10,589	22.38	7.52	6.91	17.57	15.04	16.27	21.35	31.58	25.62	38.7	43.61	38.19	--	2.26	13.00

Source: FFIEC File - 2024 Census; 1/1/2024 - 12/31/2024 Bank Data, 2024 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%