



SOLCAP[®]

The Only Solar Tax Credit Platform
Dedicated to Community Banks

**Key
State**[®]

Q4 2025

Every Bank Pays Taxes...

Some Just Less Than Others

Solar Tax Equity

Investment in a solar project portfolio to provide clean energy to underserved local communities while reducing a bank's Effective Tax Rate.

An Opportunity Right Now

Large national banks have benefitted from tax equity investments since 2007. A confluence of events in recent years makes this an especially compelling time for community and regional banks to consider it.

About SOLCAP

Launched by KeyState in 2019, SOLCAP is a dedicated solar tax credit platform that helps community and regional banks deploy and manage solar tax equity investments.

About KeyState


Since its founding in 1991, KeyState has worked almost exclusively with community and regional banks, implementing and managing tax-efficient structures and offering other solutions to help them compete more effectively with large national banks.

Tax Equity is Providing Meaningful Results

Income Taxes

The Company's effective tax rate for the three and nine months ended September 30, 2025 was 23.80% and 25.60% compared to 24.25% and 26.25%, for the three and nine months ended September 30, 2024, respectively. Our estimated annual effective tax rate also varies depending upon the level of tax-advantaged income from municipal securities and bank owned life insurance ("BOLI"), as well as available tax credits. The decrease in the effective tax rate was primarily driven by increased investments in solar tax credits.

MD&A September 2025 from a \$15B bank headquartered in a high tax state investing in solar tax credits for two+ years.



WHY SOLAR TAX EQUITY

Converting Tax Liabilities into Earnings and Capital

Tax equity generates dependable, front-loaded returns.

- 1 Minimal balance sheet impact
- 2 Short payback period
- 3 Highest return on average investment balance vs. any other federal tax credit
- 4 Potential for CRA credit

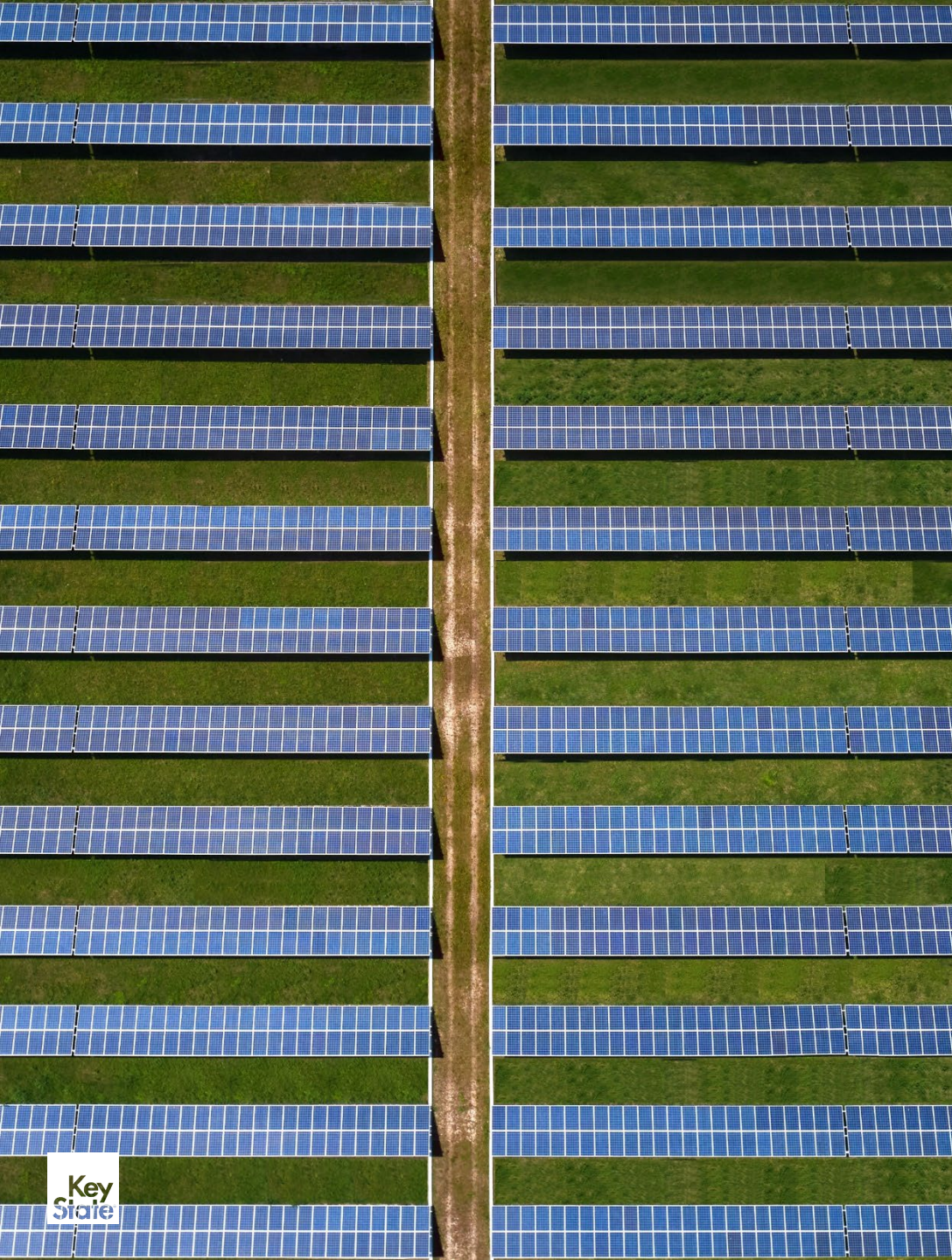
Return Profile (Average)

11-13%+
ROI

3-6 Months
Payback Period

<5%
Investment Balance Carrying Value

40%+
Annual Return on Average Investment Balance



THE TIME IS NOW FOR COMMUNITY BANKS

An Opportunity Driven by Recent Legislation and Rules

Legislative

Inflation Reduction Act (2022)

Extended and expanded Renewable Energy Investment Tax Credit (ITC) program

OBBBA (2025)

Slightly shortened the "sunset date" of solar and wind ITC's but left many key provisions unchanged. This includes **transferability, 3-year carrybacks, bonus depreciation, adders, and the tax credit rate.**

GAAP

Proportional Amortization Method (2023)

FASB issued new rule allowing solar tax equity investors to use simpler GAAP.

Regulatory

OCC (2021)

Rule allowing national banks to make solar tax equity investments

CRA (2024)

OCC granting CRA eligibility for SOLCAP fund

Key Dates Impacting Section 48E Solar Investment Tax Credits

Under OBBBA Legislation
Dated 7/4/25



FINAL

If Construction
Begins

Then:

After 9/1/25

Subject to new start of
construction guidance

After 12/31/25

Subject to FEOC rules

Before 7/4/26

Must be placed-in-service
by the end of the 4th tax year
After start of construction

After 7/4/26

Must be placed-in-service
by 12/31/27

REPRESENTATIVE SOLCAP INVESTORS

Intentional Tax Management



\$10B +

\$5 – 10B

\$1 – 5B

BANK ASSETS



2026 SOLCAP Funds

2026 Funds	Project Locations	Project Type	Estimated Total Tax Equity (\$MM)
SOLCAP Generate 2026	IL / NY	Community Solar	\$160
SOLCAP 38DN 2026-1	NY	Community Solar	\$42
SOLCAP RP 2026	CA / NY	Community Solar, Battery Storage	\$45
SOLCAP Cultivate 2026	IL	Community Solar	\$22
SOLCAP 2026-2	IL / NY	Community Solar	\$150
SOLCAP 2026-3	IL / NY	Community Solar	\$70
ITC TRANSFER	TN	Utility Scale Solar	\$98
ITC TRANSFER	IN	Battery Storage	\$25
			\$612

WHY KEYSTATE

We **Speak** Community Bank

Having guided community banks through an ever-shifting tax landscape for over 34 years, we have a deep understanding of your goals and needs.

KeyState

1991

Firm
Launched

150+

Community Bank
Clients

10+

State Banking
Association
Endorsements

\$20B+

Fixed Income
Assets Under
Management

SOLCAP

17

Funds

175+

Projects Funded

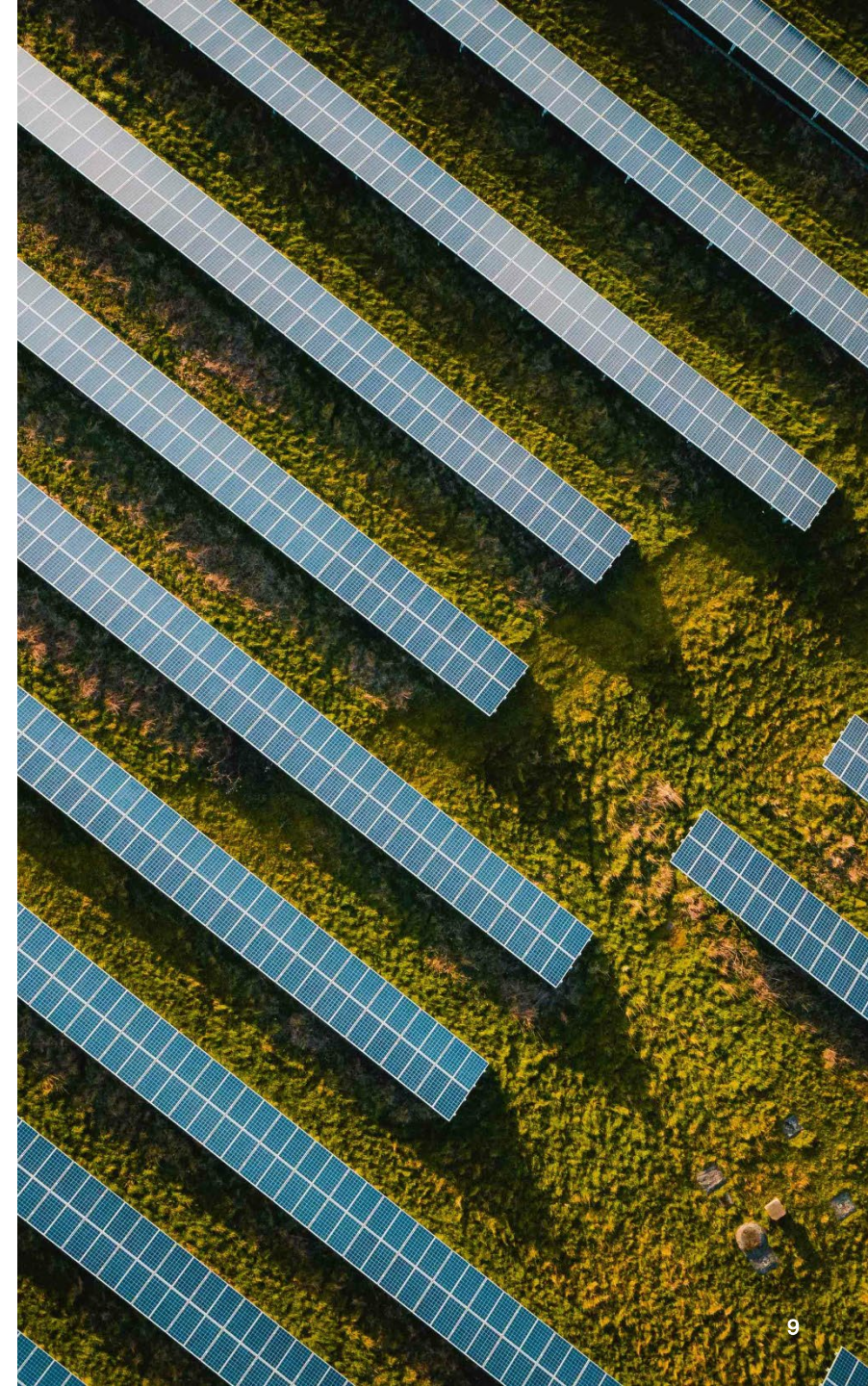
685MWdc+

Annual Power
Produced

\$825M+

Capital Deployed
and Committed

SOLCAP is committed to providing banks with a stable and reliable source of solar tax investments for the next ten years and beyond.





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