



SENECA
FINANCIAL CORP.

Quarterly Report

Q1 2022

FINANCIALS



Q1 2022 Financial Performance:

Net income decreased by \$151,000, or 31.7%, to \$325,000 for the three months ended March 31, 2022 from \$476,000 for the three months ended March 31, 2021. Earnings per share basic decreased \$0.08 for the three months ended March 31, 2022, to \$0.18, from \$0.26 for the three months ended March 31, 2021. The decrease in net income was largely due to the decrease in interest and fee income. Interest and fee income decreased by \$252,000, or 11.5%, to \$1.9 million for the three months ended March 31, 2022 from \$2.2 million for the three months ended March 31, 2021 as a result of a decrease in Paycheck Protection Program (“PPP”) loans due to loan forgiveness by the SBA.

Interest expense decreased by \$84,000, or 30.2%, to \$194,000 for the three months ended March 31, 2022 from \$278,000 for the three months ended March 31, 2021. Interest expense decreased as the average balance of certificates of deposit decreased due to maturities.

Noninterest income increased \$126,000, or 44.8%, to \$407,000 for the three months ended March 31, 2022 from \$281,000 for the three months ended March 31, 2021. The increase in non-interest income was due to an increase in income from financial services and fee income. Financial services income increased \$118,000, or 125.5%, to \$212,000 for the three months ended March 31, 2022 from \$94,000 for the three months ended March 31, 2021.

Non-interest expense increased \$191,000, or 12.2%, to \$1.8 million for the three months ended March 31, 2022 from \$1.6 million for the three months ended March 31, 2021. The increase in non-interest expense was primarily due to increases in compensation and employee benefits and core processing expense. Compensation and employee benefits increased \$51,000, or 6.0%, to \$908,000 for the three months ended March 31, 2022 from \$857,000 for the three months ended March 31, 2021. Compensation and employee benefits increased as we added financial services and insurance representatives. Core processing expense increased \$89,000, or 54.3%, to \$253,000 for the three months ended March 31, 2022 from \$164,000 for the three months ended March 31, 2021. Core processing expense increased as we created efficiencies through adding software and enhancing our customer’s digital experience.

The provision for loan losses decreased \$55,000, or 73.3%, to \$20,000 for the three months ended March 31, 2022 from \$75,000 for the three months ended March 31, 2021 due to an increase in credit quality.

Due to our participation in the PPP loans, total assets decreased \$12.0 million, or 5.3%, to \$214.7 million at March 31, 2022 from \$226.7 million at March 31, 2021. The decrease in assets was mostly due to loan forgiveness of PPP loans. Gross loans decreased \$11.2 million, or 6.8%, to \$153.8 million at March 31, 2022, from \$165.0 million at March 31, 2021. Please note that PPP loans of approximately \$3.6 million and \$17.1 million are reported in those figures, respectively. Gross loans excluding PPP loans increased \$2.4 million, or 1.6%, to \$150.3 million at March 31, 2022 from \$147.9 million at March 31, 2021. The increase in our loans (excluding the PPP loans) was due to an increase in commercial real estate loans. Commercial real estate loans increased \$2.5 million, or 7.0%, to \$38.9 million at March 31, 2022, from \$36.1 million at March 31, 2021. Total loans past-due over thirty days increased to \$1.4 million at March 31, 2022 from \$1.1 million at March 31, 2021. Non-performing loans decreased to \$331,000 at March 31, 2022 from \$340,000 at March 31, 2021.



Q1 2022 Financial Performance *continued...*

Total noninterest-bearing deposits decreased \$3.6 million, or 12.2%, to \$26.3 million at March 31, 2022 from \$29.9 million at March 31, 2021. A large reason for this decrease was the end of the government provided pandemic economic stimulus programs. Interest-bearing deposits increased \$1.7 million, or 1.3%, to \$137.3 million at March 31, 2022 from \$135.6 million at March 31, 2021. The increase in interest-bearing deposits was a result of an increase in MMDA and NOW accounts partially offset by a decrease in certificates of deposit.

Total stockholders' equity decreased \$1.5 million, or 6.2%, to \$22.8 million at March 31, 2022 from \$24.3 million at December 31, 2021 as a result of the increase in accumulated other comprehensive loss due to the increase in market interest rates during the three months ended March 31, 2022.



Financials | Q1 2022

Selected Income Statement Data

(Dollars in thousands except per share data, unaudited)

	Three Months Ended March 31,	
	2022	2021
Interest Income	\$ 1,947	\$ 2,199
Interest Expense	194	278
Net Interest Income	1,753	1,921
Provision for Loan Losses	20	75
Net Interest Income after Provision for Loan Losses	1,733	1,846
Noninterest Income	407	281
Noninterest Expense	1,762	1,571
Income before Income Taxes	378	556
Income Taxes	53	80
Net Income	\$ 325	\$ 476
Income per Common Share-Basic	\$ 0.18	\$ 0.26
Income per Common Share-Dilutive	\$ 0.18	\$ 0.26
Weighted Average Share-Basic	1,841,705	1,853,821
Weighted Average Share-Dilutive	1,843,387	1,853,821

Selected Financial Statement Data

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Cash and Cash Equivalents	\$ 4,071	\$ 3,526	\$ 6,469	\$ 2,193	\$ 5,699
Securities Available-for-Sale	40,141	43,800	41,721	38,739	40,743
Gross Loans	153,825	151,938	154,419	165,738	164,989
Allowance for Loan Losses	(1,943)	(1,896)	(1,821)	(1,826)	(1,751)
Other Assets	18,575	17,571	16,485	17,622	16,999
Total Assets	\$ 214,669	\$ 214,939	\$ 217,273	\$ 222,466	\$ 226,679

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Noninterest-Bearing Deposits	\$ 26,275	\$ 26,390	\$ 28,525	\$ 28,166	\$ 29,918
Interest-Bearing Deposits	137,343	133,677	133,099	134,571	135,647
Total Deposits	163,618	160,067	161,624	162,737	165,565
FHLB and PPLF Borrowings	24,050	24,950	25,650	30,517	35,542
Other Liabilities	4,165	5,565	5,931	5,690	2,623
Total Stockholders' Equity	22,836	24,357	24,068	23,522	22,949
Total Liabilities and Stockholders' Equity	\$ 214,669	\$ 214,939	\$ 217,273	\$ 222,466	\$ 226,679

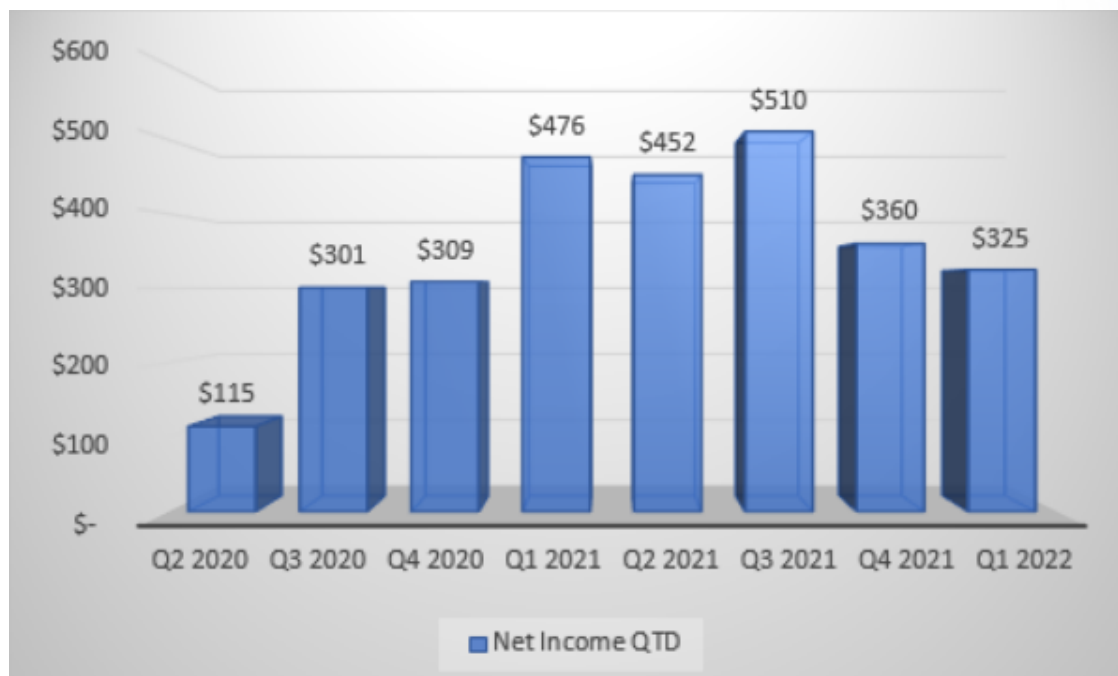
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total Loans over 30 days Past Due	\$ 1,370	\$ 1,441	\$ 774	\$ 1,175	\$ 1,141
Total Non-Performing Loans	\$ 331	\$ 248	\$ 297	\$ 340	\$ 340
Other Real Estate Owned and Repossessed Assets	\$ -	\$ 40	\$ 40	\$ -	\$ 381
Allowance for Loan Losses to total Loans	1.26%	1.25%	1.26%	1.10%	1.10%
Total Non-Performing Loans to total Loans	0.22%	0.18%	0.19%	0.21%	0.21%
Non-Performing Assets to total Assets	0.15%	0.15%	0.16%	0.15%	0.32%

	Three Months Ended March 31,	
	2022	2021
Return on Average Assets	0.60%	0.85%
Return on Average Equity	5.37%	8.37%
Tier 1 Capital Ratio	11.25%	10.39%
Net Interest Margin	3.47%	3.67%
Efficiency Ratio	81.57%	71.34%

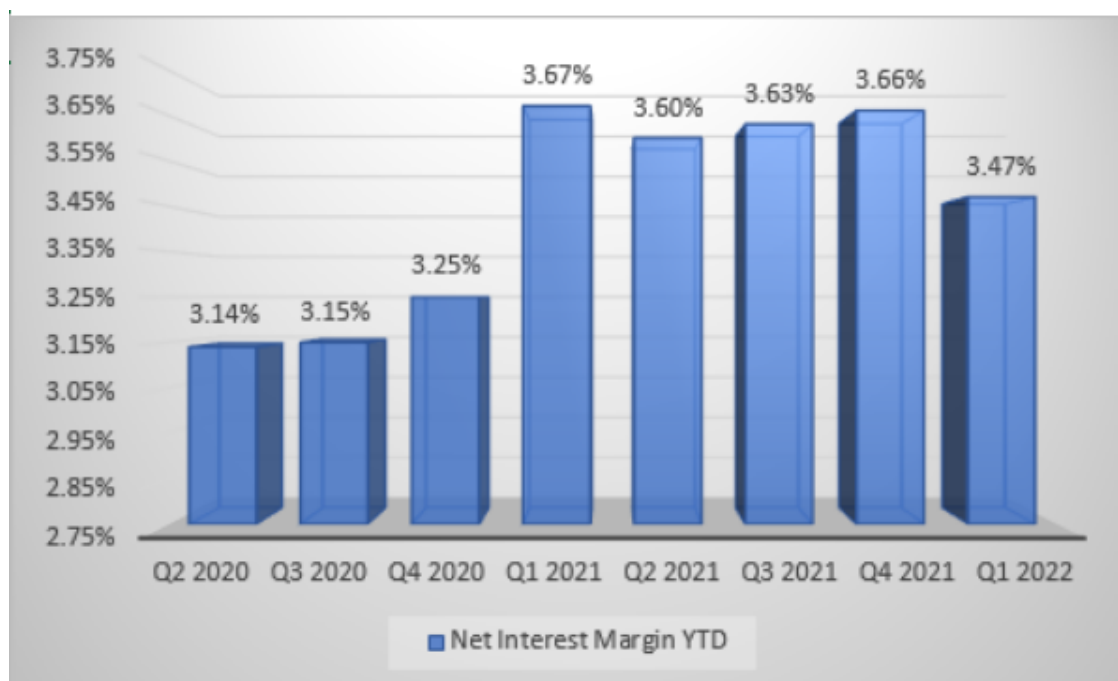


Financials | Q1 2022

NET INCOME YTD

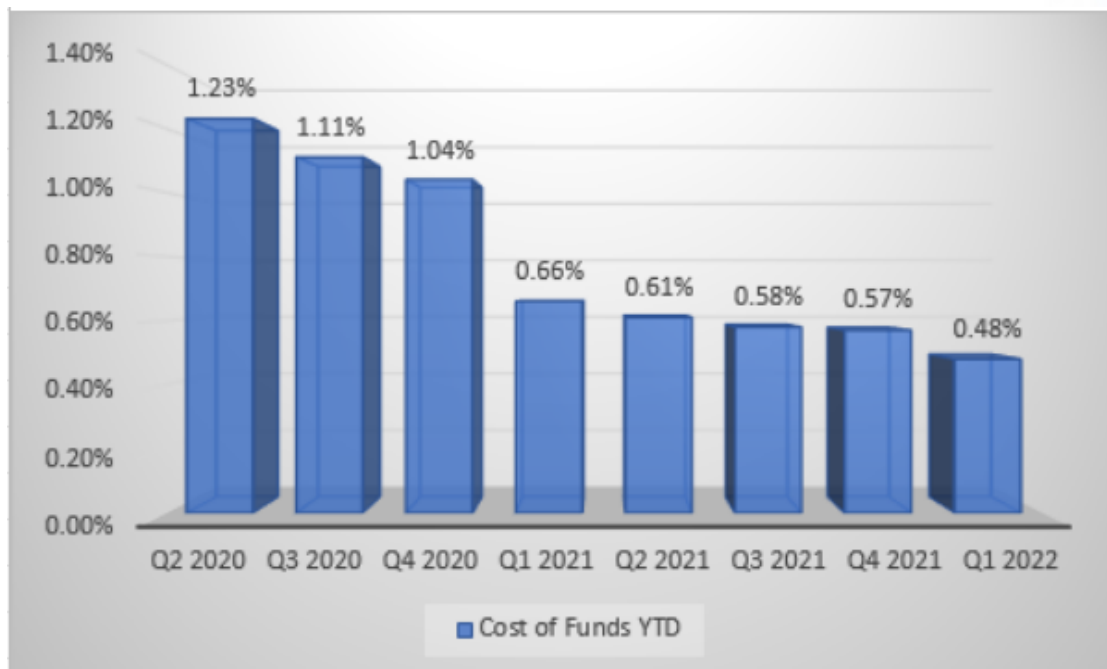


NET INTEREST MARGIN YTD

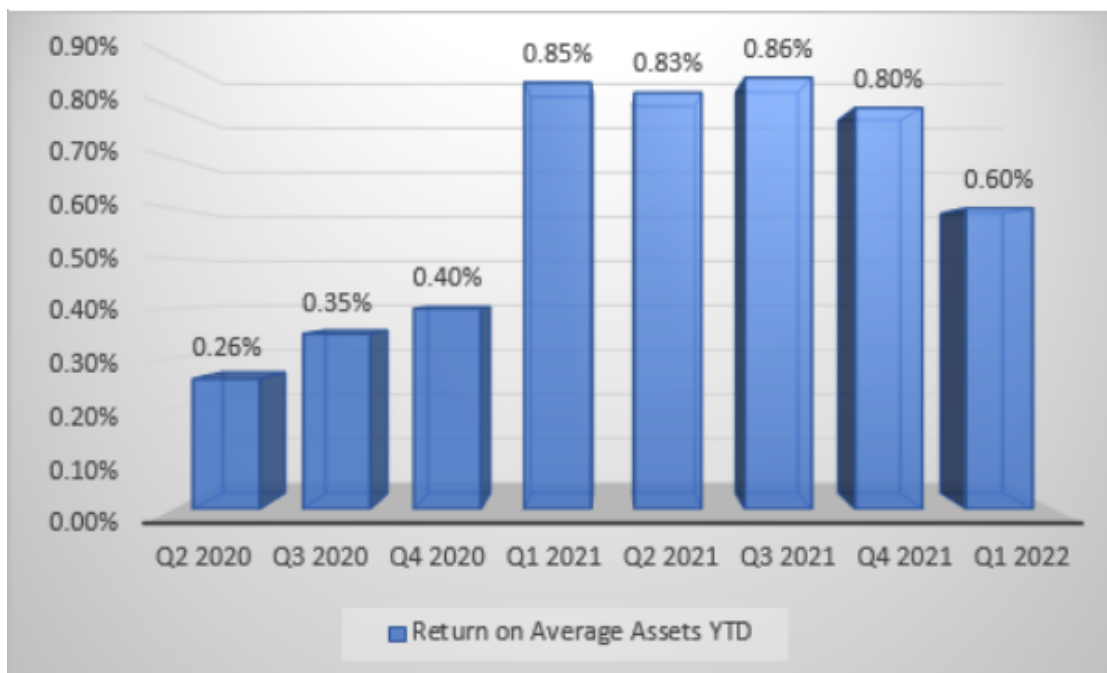


Financials | Q1 2022

COST OF FUNDS YTD



RETURN ON AVERAGE ASSETS YTD

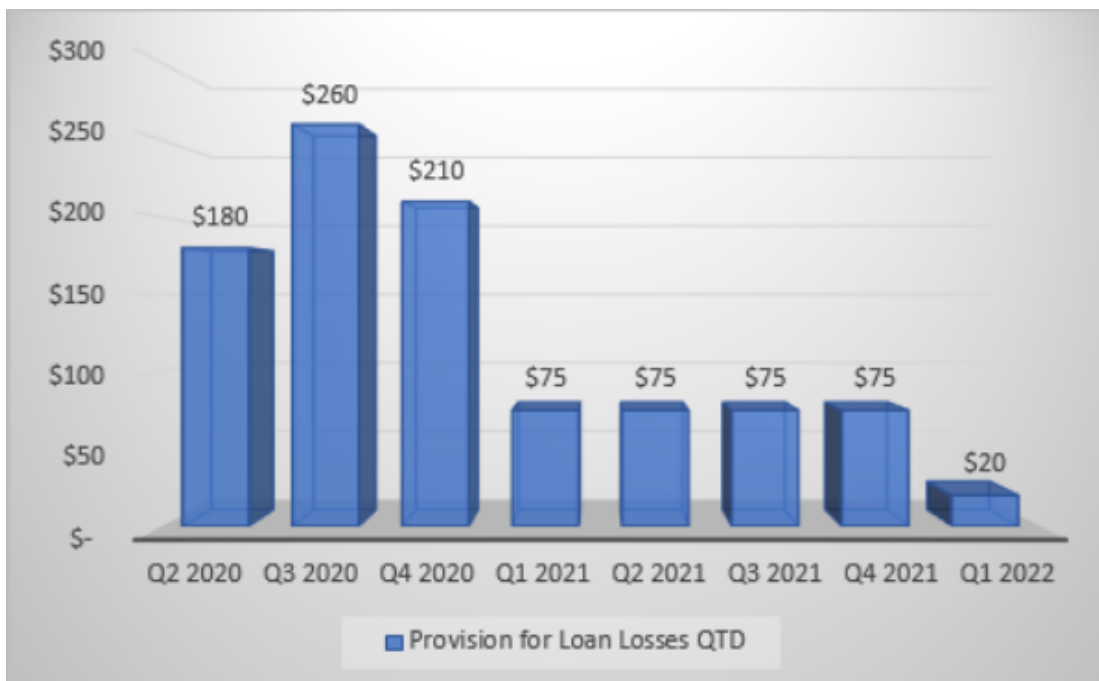


Financials | Q1 2022

TIER 1 CAPITAL RATIO

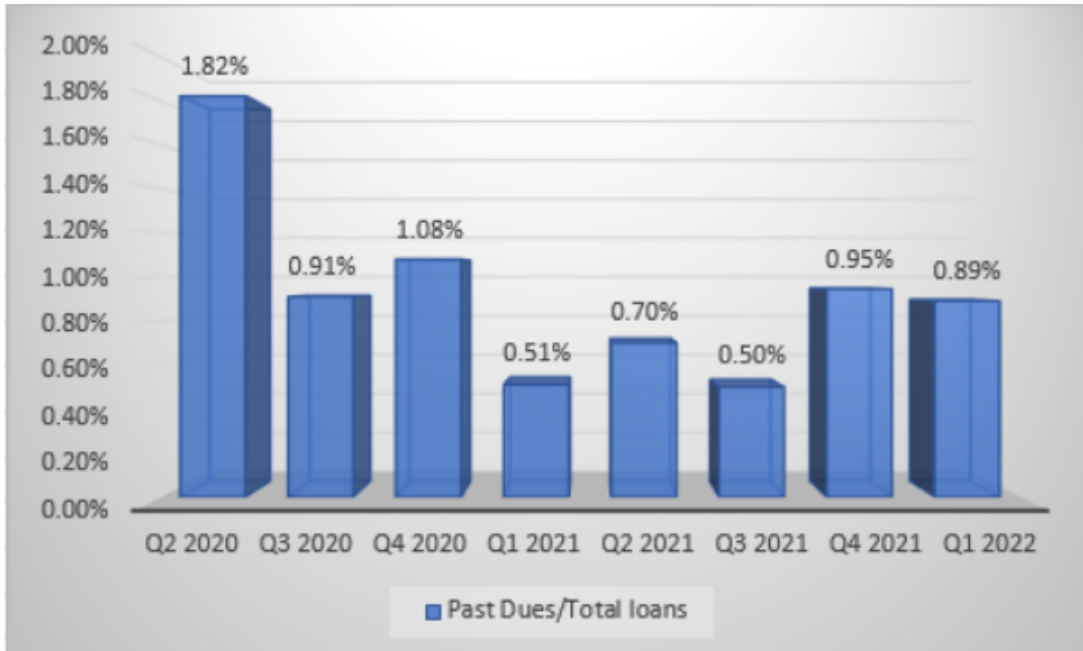


PROVISION FOR LOAN LOSSES QTD



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PAST DUES/TOTAL LOANS



EFFICIENCY RATIO YTD

