



**SENECA**  
FINANCIAL CORP.

Quarterly  
Report

Q3  
2022

———— FINANCIALS

## Financial Performance:

Net income decreased by \$103,000, or 20.2%, to \$407,000 for the three months ended September 30, 2022 from \$510,000 for the three months ended September 30, 2021 due primarily to an increase in non-interest expense. Earnings per share basic decreased \$0.06 for the three months ended September 30, 2022, to \$0.22, from \$0.28 for the three months ended September 30, 2021. The decrease in net income was partly offset by an increase in interest and fee income. Interest and fee income increased by \$115,000, or 5.4%, to \$2.3 million for the three months ended September 30, 2022 from \$2.1 million for the three months ended September 30, 2021 as a result of an increase in investment securities income.

Interest expense increased by \$40,000, or 18.3%, to \$259,000 for the three months ended September 30, 2022 from \$219,000 for the three months ended September 30, 2021. Interest expense increased due to the rising rate environment.

Non-interest income decreased \$23,000, or 6.9%, to \$310,000 for the three months ended September 30, 2022 from \$333,000 for the three months ended September 30, 2021. The decrease in non-interest income was due to a decrease in gain on sale of loans and investments. Gain on sale of loans for the three months ended September 30, 2021 was \$36,000, as compared to no gains on sale of loans for the three months ended September 30, 2022. Net gains on sale of securities decreased \$41,000, or 327.7%, from \$32,000 for the three months ended September 30, 2021 to a loss of \$9,000 for the three months ended September 30, 2022. The decrease in gains on sale of loans and investments available for sale was partially offset by an increase in fee income. Fee income increased \$44,000 for the three months ended September 30, 2022, or 38.3%, to \$159,000 for the three months ended September 30, 2022 from \$115,000 for the three months ended September 30, 2021. As we grow the number of transaction deposit accounts, customers debit card usage has increased as well as the fees associated with these accounts.

Non-interest expense increased \$237,000, or 15.0%, to \$1.8 million for the three months ended September 30, 2022 from \$1.6 million for the three months ended September 30, 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 expense increased \$102,000, or 14.5%, to \$993,000 for the three months ended September 30, 2022 from \$891,000 for the three months ended September 30, 2021. Compensation and employee benefits expense increased as we added mortgage originators, financial services, and insurance employees. Core processing expense increased \$139,000, or 78.9%, to \$315,000 for the three months ended September 30, 2022 from \$176,000 for the three months ended September 30, 2021. Core processing expense increased as we created efficiencies through adding software and enhancing our customers' digital experience.

The provision for loan losses decreased \$75,000, or 100.0% during the third quarter of 2022 as compared to the same period last year. We did not record a provision for loan losses in the third quarter of 2022 due to improvement in past due and non-performing loans.

Total assets increased \$12.3 million, or 5.7%, to \$229.6 million at September 30, 2022 from \$217.3 million at September 30, 2021. The increase in assets was mostly due to an increase in loans. Gross loans increased \$12.8 million, or 8.3%, to \$167.3 million at September 30, 2022 from \$154.4 million at September 30, 2021. The increase in our loans was due to an increase in commercial and residential real estate loans. Commercial real estate loans increased \$7.8 million, or 20.9%, to \$42.0 million at September 30, 2022, from \$37.1 million at September 30, 2021. Residential real estate loans increased \$6.5 million, or 7.5%, to \$93.5 million at September 30, 2022 from \$86.9 million at September 30, 2021.





*Financial Performance Q3 2022 continued:*

Total loans past-due over thirty days increased to \$1.0 million at September 30, 2022 from \$774,000 at September 30, 2021. Non-performing loans decreased to \$47,000 at September 30, 2022 from \$297,000 at September 30, 2021.

Interest-bearing deposits increased \$24.5 million, or 18.4%, to \$157.6 million at September 30, 2022 from \$133.1 million at September 30, 2021. The increase in interest-bearing deposits was a result of increases in MMDA, NOW, savings and certificates of deposit accounts. Total noninterest-bearing deposits decreased \$2.4 million, or 8.6%, to \$26.1 million at September 30, 2022 from \$28.5 million at September 30, 2021. A large reason for this decrease was the end of the government provided pandemic economic stimulus programs.

Total stockholders' equity decreased \$538,000, or 2.2%, to \$21.1 million at September 30, 2022 from \$21.6 million at June 30, 2022 because of the increase in accumulated other comprehensive loss due to the increase in market interest rates during the three months ended September 30, 2022.



# Financials

## Q3 2022

### Selected Income Statement Data

(Dollars in thousands except per share data, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Interest Income	\$ 2,264	\$ 2,149	\$ 6,394	\$ 6,441
Interest Expense	239	219	642	733
Net Interest Income	2,005	1,930	5,752	5,708
Provision for Loan Losses	-	75	20	225
Net Interest Income after Provision for Loan Losses	2,005	1,855	5,732	5,483
Non-Interest Income	110	333	1,062	874
Non-Interest Expense	1,819	1,582	5,418	4,668
Income before Income Taxes	496	606	1,376	1,689
Income Taxes	89	96	226	251
Net Income	\$ 407	\$ 510	\$ 1,150	\$ 1,438
Income per Common Share-Basic	\$ 0.22	\$ 0.26	\$ 0.62	\$ 0.78
Income per Common Share-Dilutive	\$ 0.22	\$ 0.26	\$ 0.62	\$ 0.78
Weighted Average Share-Basic	1,842,193	1,845,016	1,842,193	1,844,372
Weighted Average Share-Dilutive	1,843,506	1,845,735	1,843,506	1,845,208

### Selected Financial Statement Data

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Cash and Cash Equivalents	\$ 5,382	\$ 4,409	\$ 4,071	\$ 3,520	\$ 6,409
Securities, Available-for-Sale	39,655	41,705	40,141	43,800	41,721
Gross Loans	167,265	159,277	153,825	151,938	154,419
Allowance for Loan Losses	(1,891)	(1,905)	(1,943)	(1,896)	(1,821)
Other Assets	19,145	18,936	18,575	17,571	16,485
Total Assets	\$ 229,556	\$ 222,422	\$ 214,669	\$ 234,939	\$ 217,273

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Noninterest-Bearing Deposits	\$ 26,073	\$ 25,923	\$ 26,275	\$ 26,190	\$ 28,525
Interest-Bearing Deposits	157,554	144,655	137,343	133,677	133,099
Total Deposits	183,627	170,618	163,618	160,067	161,624
FHLB Advances	15,000	24,650	24,050	24,950	25,650
Other Liabilities	5,818	5,505	4,165	5,565	5,931
Total Stockholders' Equity	21,111	21,649	22,836	24,357	24,068
Total Liabilities and Stockholders' Equity	\$ 229,556	\$ 222,422	\$ 214,669	\$ 234,939	\$ 217,273

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total Loans over 30 days Past Due	\$ 1,029	\$ 1,141	\$ 1,370	\$ 1,441	\$ 774
Total Non-Performing Loans	\$ 47	\$ 242	\$ 331	\$ 248	\$ 297
Other Real Estate Owned and Repossessed Assets	\$ 184	\$ 125	\$ -	\$ 40	\$ 40
Allowance for Loan Losses to total Loans	1.13%	1.20%	1.26%	1.25%	1.26%
Total Non-Performing Loans to total Loans	0.03%	0.15%	0.22%	0.18%	0.19%
Non-Performing Assets to total Assets	0.10%	0.17%	0.15%	0.15%	0.16%

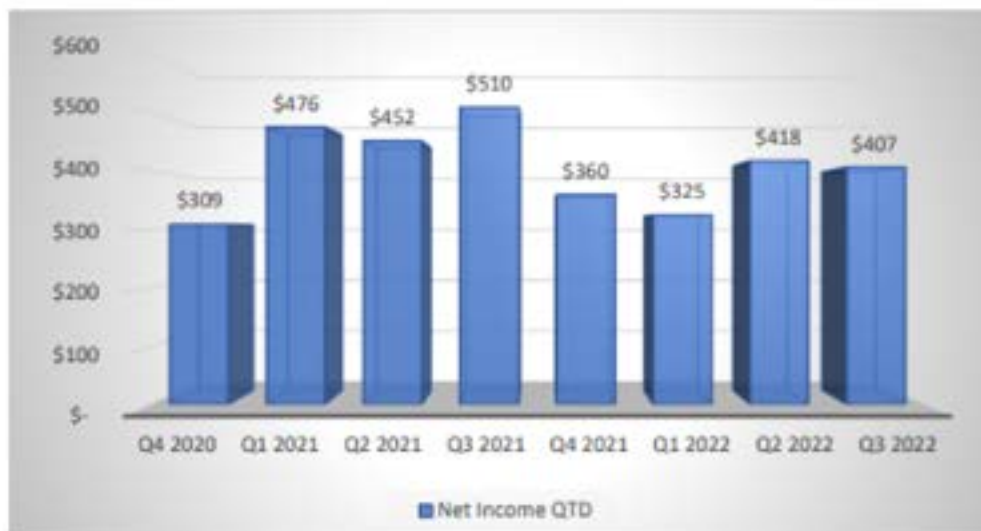
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Return on Average Assets	0.75%	0.93%	0.70%	0.66%
Return on Average Equity	7.04%	8.74%	6.81%	8.24%
Tier 1 Capital Ratio	11.17%	10.86%	11.17%	10.86%
Net Interest Margin	3.91%	3.75%	3.72%	3.63%
Efficiency Ratio	78.57%	69.91%	79.51%	70.92%



# Financials

## Q3 2022

### NET INCOME YTD



### NET INTEREST MARGIN YTD



# Financials

## Q3 2022

### COST OF FUNDS YTD



### RETURN ON AVERAGE ASSETS YTD





# Financials

## Q3 2022

### TIER 1 CAPITAL RATIO



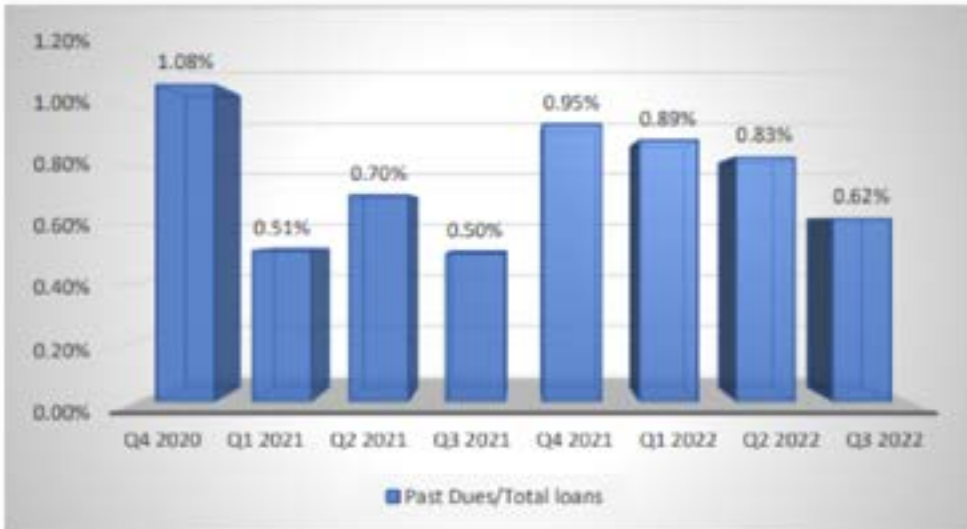
### PROVISION FOR LOAN LOSSES QTD



# Financials

## Q3 2022

### PAST DUES/TOTAL LOANS



### EFFICIENCY RATIO YTD

