Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

## Part I Reporting Issuer

| | | | |
|---|---|---|---|
| 1 Issuer's name<br>SENECA BANCORP, INC. | | 2 Issuer's employer identification number (EIN)<br>39-4029114 | |
| 3 Name of contact for additional information<br>VINCENT FAZIO | 4 Telephone No. of contact<br>315-638-0233 | 5 Email address of contact<br>VFAZIO@SENECASAVINGS.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br>35 OSWEGO STREET | | 7 City, town, or post office, state, and ZIP code of contact<br>BALDWINSVILLE, NY 13027 | |
| 8 Date of action<br>10/15/2025 | 9 Classification and description<br>SENECA BANCORP, INC. COMMON STOCK | | |
| 10 CUSIP number<br>817061104 | 11 Serial number(s) | 12 Ticker symbol<br>SNNF | 13 Account number(s) |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 15, 2025, Seneca Bancorp, Inc., a newly formed Maryland corporation ("Holding Company") completed its public offering in connection with the conversion of Seneca Financial MHC from a mutual holding company to a fully public stock holding company (the "Conversion"). As a result, the interest in Seneca Financial Corp ("Seneca Financial"), a federally chartered corporation ("the Mid-Tier Holding Company"), that were held by the public sharehodlers were converted into shares of Holding Company's common stock so that the Mid-Tier Holding Company's existing shareholders will own approximately the same percentage of Holding Company's common stock as they owned of the Mid-Tier Holding Company's stock immediately prior to the conversion, subject to certain adjustment as disclosed in the prospectus. Seneca Bancorp, Inc.'s (Holding Company) EIN is 39-4029114, the CUSIP number is 817061104 and the ticker symbol is SNNF. Holding Company stock is traded on the OTCQX Market. The Holding Company's mailing address is 35 Oswego Street, Baldwinsville, NY 13027.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ This conversion qualifies as a tax-free reorganization within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended. As such, in general, each stockholder's aggregate basis in his or her Seneca Bancorp, Inc. (Holding Company) Common Stock (including fractional share interests deemed to be received and exchanged for cash) recevied in the exchange will be the same as the aggregate basis of the Mid-Tier Holding Company common stock surrendered in exchange therefore, less any basis attributable to fractional share interests for which cash is received.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Seneca Bancorp, Inc. (Holding Company) sold 1,044,858 shares of common stock at $10.00 per share, which includes 83,588 shares to be sold to Seneca Savings Bank's (the "Bank")Employee Stock Ownership Plan.Stockholders of the Mid-Tier Holding Company received 0.9684 shares of Holding Company common stock for each share owned in the Mid-Tier Holding Company. Cash will be issued in lieu of a fractional share of Holding Company common stock based on the offering price of $10.00 per share. Upon completion of the conversion and stock offering, the Holding Company has 1,790,203 shares outstanding before adjustments for fractional shares.
See Attachment 1 for additional details.

**Part II** **Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code sections 368(a) (1) (A); 361 (a); 361 (c); 357 (a); 1032 (a); 354 (a); 362 (b); 1223 (2); 354; 356 (a); 358 (a); 1012; 1223 (1); 1223 (5).

**18** Can any resulting loss be recognized? ▶ A shareholder who received solely Seneca Bancorp Inc.("Holding Company") common stock in exchange for all of his/her Mid-Tier Holding Company common stock would not recognize loss. A shareholder who received cash in lieu of a fractional share may recognize loss, but only to the fractional share, if the amount of cash received is less than the tax basis of the fractional share.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, any adjustment to the tax basis that causes gain or loss to be recognized by Seneca Bancorp, Inc.(Holding Company) shareholders as a result of the conversion and stock offering should be reported for the taxable year which includes October 15, 2025 (i.e. - a calendar year taxpayer would report the transaction on his/her federal income tax return for the 2025 calendar year).

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Vincent A Fazio Date ▶ 11/6/25

Print your name ▶ VINCENT FAZIO Title ▶ EXECUTIVE VP & CFO

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|
| LIFANG LIN | Lifang Lin | 11/06/2025 | | P02037817 |
| Firm's name ▶ BONADIO & CO., LLP | | | Firm's EIN ▶ 16-1131146 | |
| Firm's address ▶ 171 SULLY'S TRAIL PITTSFORD, NY 14534 | | | Phone no. 315-214-2768 | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**Attachment 1**

**Seneca Bancorp, Inc.**
**Form 8937**
**Line 16**

The following example illustrates the method by which a former shareholder of Seneca Financial Corp. (Mid-Tier Holding Company) could determine his or her basis in the common stock of Seneca Bancorp, Inc. (Holding Company) received in the second-step conversion and stock offering (the "Conversion"). The example assumes that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of Mid-Tier Holding Company in one block at the same price for cash and holds such shares as capital assets. The example does not address any special rules that may apply to a particular shareholder (including shares received as compensation), nor does it address the consequences of any state, local or foreign tax laws.

***Example:***
Number of shares of Mid-Tier Holding Company held prior to the Conversion - 100

Tax basis in each share of Mid-Tier Holding Company - $10

Aggregate tax basis in Mid-Tier Holding Company shares - $1,000

Cash paid in lieu of fractional shares - $10.00 times the fractional share

Exchange ratio - 0.9684

| | |
|---|---|
| 1. Cost Basis in Mid-Tier Holding Company stock: (100 x $10) | $1,000.00 |
| 2. Shares of Seneca Bancorp, Inc. received: (100 x 0.9684) | 96.00 |
| 3. Taxable gain on fractional share: | |
| Cash paid in lieu of fractional share (0.84 x $10.00) | $8.40 |
| Less: basis attributable to fractional share | |
| -- $10.00 per share/0.9684 exchange ratio = $10.32631/share | |
| -- $10.32631 x .84 = | $8.67 |
| Taxable loss | -$0.27 |
| 4. Tax basis in Seneca Bancorp, Inc. (Holding Company) shares received in the Conversion | |
| Basis in shares received (including fractional share) | $1,000.00 |
| Less: Basis attributable to fractional share | $8.67 |
| Basis in Seneca Bancorp, Inc. shares | $991.33 |
| Per share basis ($991.33/96 shares) | $10.33 |

The calculations set forth above are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.

***********

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used for the purposes of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing, or recommending any transaction or matter addressed herein.

Posted to Seneca Bancorp, Inc.'s website on November 28, 2025.