

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2026

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission File No. 000-56790

Seneca Bancorp, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

39-4029114

(I.R.S. Employer Identification Number)

35 Oswego Street, Baldwinsville, New York

(Address of Principal Executive Offices)

13027

(Zip Code)

(315) 638-0233

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
None

Trading symbol(s)
None

Name of Each Exchange on Which Registered
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐

Non-accelerated filer ☒

Accelerated filer ☐

Smaller reporting company ☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

There were 1,800,435 shares of the registrant's common stock, par value \$0.01 per share, outstanding as of August 11, 2026.

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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

SENECA BANCORP, INC. CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

<i>(In thousands, except share data)</i>		At June 30, 2026 (Unaudited)	At December 31, 2025
ASSETS			
Cash and due from banks	\$	1,740	\$ 2,456
Interest-earning deposits		6,410	2,872
Cash and cash equivalents		8,150	5,328
Securities, available-for-sale, net of allowance for credit losses of \$666 and \$518		35,116	48,635
Loans, net of allowance for credit losses of \$1,847 and \$1,915		236,710	226,030
Federal Home Loan Bank of New York stock, at cost		3,354	3,272
Federal Reserve Bank stock, at cost		270	131
Premises and equipment, net		13,281	13,190
Bank-owned life insurance		2,846	2,793
Pension assets		8,005	8,005
Accrued interest receivable		1,512	1,479
Intangible assets		350	428
Goodwill		412	412
Other assets		2,371	2,411
Total assets	\$	312,377	\$ 312,114
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Deposits:			
Noninterest bearing	\$	32,436	\$ 32,221
Interest-bearing		202,549	202,205
Total deposits		234,985	234,426
Federal Home Loan Bank advances		34,629	35,567
Advances from borrowers for taxes and insurance		3,220	2,389
Other liabilities		6,767	6,981
Total liabilities		279,601	279,363
STOCKHOLDERS' EQUITY			
Preferred stock, \$0.01 par value, 1,000,000 shares authorized and unissued			
Common stock, \$0.01 par value, 19,000,000 shares authorized, 1,800,435 and 1,800,141 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively		18	18
Additional paid-in capital		15,260	15,187
Retained earnings		22,592	22,549
Unearned ESOP shares, at cost		(1,327)	(1,357)
Accumulated other comprehensive loss		(3,767)	(3,646)
Total stockholders' equity		32,776	32,751
Total liabilities and stockholders' equity	\$	312,377	\$ 312,114

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

<i>(In thousands, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
INTEREST INCOME				
Loans, including fees	\$ 3,492	\$ 3,099	\$ 6,818	\$ 6,028
Securities	440	460	912	917
Other	34	36	64	87
Total interest income	3,966	3,595	7,794	7,032
INTEREST EXPENSE				
Deposits	1,047	994	2,141	1,922
Advances and borrowings	311	370	601	751
Total interest expense	1,358	1,364	2,742	2,673
Net interest income	2,608	2,231	5,052	4,359
Provision for credit losses available-for-sale securities	148	—	148	—
(Benefit) Provision for credit losses loans receivable	(28)	511	92	621
Net interest income after provision for credit losses	2,488	1,720	4,812	3,738
NONINTEREST INCOME				
Service fees	39	33	74	65
Income from financial services	245	240	507	464
Fee income	282	200	526	371
Earnings on deferred compensation plan assets	35	26	68	52
Gain on sale of fixed assets	—	—	6	—
Net gains on sale of residential mortgage loans	25	32	49	65
Total noninterest income	626	531	1,230	1,017
NONINTEREST EXPENSE				
Compensation and employee benefits	1,571	1,387	3,150	2,673
Core processing	479	376	942	711
Premises and equipment	261	222	571	445
Professional fees	249	106	423	163
Postage and office supplies	25	15	49	58
FDIC premiums	59	34	114	67
Advertising	64	85	156	183
Director fees	55	37	101	85
Intangible asset amortization	39	40	78	79
Other	233	180	422	345
Total noninterest expense	3,035	2,482	6,006	4,809
Income (Loss) before benefit for income taxes	79	(231)	36	(54)
BENEFIT FOR INCOME TAXES	(14)	(35)	(7)	(6)
Net income (loss)	\$ 93	\$ (196)	\$ 43	\$ (48)
Net income (loss) per common shares - basic				
	\$ 0.06	\$ (0.12)	\$ 0.03	\$ (0.03)
Net income (loss) per common shares - diluted				
	\$ 0.06	\$ (0.12)	\$ 0.03	\$ (0.03)

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

<i>(In thousands)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
NET INCOME (LOSS)	\$ 93	\$ (196)	\$ 43	\$ (48)
OTHER COMPREHENSIVE INCOME (LOSS), BEFORE TAX				
Available-for-sale securities:				
Unrealized holding gains (losses) arising during period	95	(55)	(153)	(122)
Net unrealized gains (losses) on available-for-sale securities	95	(55)	(153)	(122)
OTHER COMPREHENSIVE INCOME (LOSS), BEFORE TAX	95	(55)	(153)	(122)
Tax effect	(20)	12	32	26
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	75	(43)	(121)	(96)
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 168</u>	<u>\$ (239)</u>	<u>\$ (78)</u>	<u>\$ (144)</u>

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

Three Months Ended June 30, 2026

<i>(In thousands)</i>	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Equity
BALANCE, MARCH 31, 2026	\$ 18	\$ 15,225	\$ —	\$ 22,499	\$ (1,342)	\$ (3,842)	\$ 32,558
Net income	—	—	—	93	—	—	93
Other comprehensive income	—	—	—	—	—	75	75
ESOP shares committed to be released	—	—	—	—	15	—	15
Stock-based compensation	—	35	—	—	—	—	35
BALANCE, JUNE 30, 2026	<u>\$ 18</u>	<u>\$ 15,260</u>	<u>\$ —</u>	<u>\$ 22,592</u>	<u>\$ (1,327)</u>	<u>\$ (3,767)</u>	<u>\$ 32,776</u>

Three Months Ended June 30, 2025

<i>(In thousands)</i>	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Equity
BALANCE, MARCH 31, 2025	\$ 9	\$ 8,134	\$ (1,557)	\$ 22,525	\$ (600)	\$ (4,537)	\$ 23,974
Net loss	—	—	—	(196)	—	—	(196)
Other comprehensive loss	—	—	—	—	—	(43)	(43)
ESOP shares committed to be released	—	—	—	—	4	—	4
Stock-based compensation	—	16	—	—	—	—	16
BALANCE, JUNE 30, 2025	<u>\$ 9</u>	<u>\$ 8,150</u>	<u>\$ (1,557)</u>	<u>\$ 22,329</u>	<u>\$ (596)</u>	<u>\$ (4,580)</u>	<u>\$ 23,755</u>

Six Months Ended June 30, 2026

<i>(In thousands)</i>	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Equity
BALANCE, DECEMBER 31, 2025	\$ 18	\$ 15,187	\$ —	\$ 22,549	\$ (1,357)	\$ (3,646)	\$ 32,751
Net income	—	—	—	43	—	—	43
Other comprehensive loss	—	—	—	—	—	(121)	(121)
ESOP shares committed to be released	—	—	—	—	30	—	30
Stock-based compensation	—	73	—	—	—	—	73
BALANCE, JUNE 30, 2026	<u>\$ 18</u>	<u>\$ 15,260</u>	<u>\$ —</u>	<u>\$ 22,592</u>	<u>\$ (1,327)</u>	<u>\$ (3,767)</u>	<u>\$ 32,776</u>

Six Months Ended June 30, 2025

<i>(In thousands)</i>	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Equity
BALANCE, DECEMBER 31, 2024	\$ 9	\$ 8,118	\$ (1,557)	\$ 22,377	\$ (605)	\$ (4,484)	\$ 23,858
Net loss	—	—	—	(48)	—	—	(48)
Other comprehensive loss	—	—	—	—	—	(96)	(96)
ESOP shares committed to be released	—	—	—	—	9	—	9
Stock-based compensation	—	32	—	—	—	—	32
BALANCE, JUNE 30, 2025	<u>\$ 9</u>	<u>\$ 8,150</u>	<u>\$ (1,557)</u>	<u>\$ 22,329</u>	<u>\$ (596)</u>	<u>\$ (4,580)</u>	<u>\$ 23,755</u>

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

<i>(In thousands)</i>	Six Months Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 43	\$ (48)
Adjustments to reconcile net income to net cash flow from operating activities:		
Depreciation and amortization	367	265
Provision for credit losses	240	621
Net amortization of premiums and discounts on securities	91	(52)
Gain on sale of residential mortgage loans	(49)	(65)
Proceeds from sale of residential mortgage loans	3,481	4,618
Loans originated and sold	(3,432)	(4,554)
Deferred income tax expense (benefit)	117	(47)
Gain on sale of premises and equipment	(6)	—
Proceeds from sale of premises and equipment	20	—
Amortization of deferred loan fees	87	41
ESOP compensation expense	30	9
Stock-based compensation expense	73	32
Earnings on investment in bank-owned life insurance	(53)	(52)
Net change in accrued interest receivable	(33)	(123)
Net change in other assets	40	(837)
Net change in other liabilities	(299)	233
Net cash flow provided by operating activities	<u>717</u>	<u>41</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Activity in securities available-for-sale:		
Proceeds from calls and maturities	11,606	10,230
Principal repayments	1,521	312
Purchases	—	(12,725)
Purchase of Federal Home Loan Bank of New York stock	(1,163)	(855)
Redemption of Federal Home Loan Bank of New York stock	1,081	763
Purchase of Federal Reserve Bank stock	(139)	—
Loan originations and principal collections, net	(10,859)	(7,829)
Purchases of premises and equipment	(394)	(1,958)
Net cash flow provided by (used in) investing activities	<u>1,653</u>	<u>(12,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in deposits	559	18,246
Change in advances from borrowers for taxes and insurance	831	659
Payments on acquisition contingent consideration	—	(156)
Repayment of long-term FHLB advances	(5,814)	(14,500)
Proceeds from long-term FHLB advances	5,876	13,814
Change in short-term FHLB advances	(1,000)	—
Net cash flow provided by financing activities	<u>452</u>	<u>18,063</u>
Net change in cash and cash equivalents	2,822	6,042
CASH AND CASH EQUIVALENTS - beginning of the period	5,328	6,788
CASH AND CASH EQUIVALENTS - end of the period	<u>\$ 8,150</u>	<u>\$ 12,830</u>

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (cont.) (Unaudited)

<i>(In thousands)</i>	Six Months Ended June 30,	
	2026	2025
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest on deposits and borrowed funds	\$ 2,723	\$ 2,715
Income taxes	\$ 54	\$ 7

The accompanying notes are an integral part of these consolidated financial statements.

SENECA BANCORP, INC.
Notes to the Consolidated Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION

Seneca Bancorp, Inc. (the “Company”) is a Maryland corporation that was incorporated in June 2025 to become the registered bank holding company for Seneca Savings Bank, National Association (“Seneca Savings” or the “Bank”) upon the conversion of Seneca Financial MHC (the “Mutual Holding Company”), a federally chartered mutual holding company, from the mutual-to-stock form of organization, which occurred on October 15, 2025 (the “Conversion”). In connection with the Conversion, the Mutual Holding Company ceased to exist. The Company sold 1,044,858 shares of its common stock, which included 83,588 shares issued to the Employee Stock Ownership Plan (“ESOP”) at a price of \$10.00 per share, for gross proceeds of approximately \$10.4 million. Offering expenses in connection with the Conversion were \$1.9 million which were netted against the gross proceeds. Shares of the Company’s common stock began being quoted on the OTCQX Market on October 16, 2025 under the trading symbol “SNNF.”

The Company is the successor corporation to Seneca Financial Corp., the former federally chartered mid-tier stock holding company, which was formed in connection with the conversion of Seneca Savings Bank into the mutual holding company form of organization in October 2017, which in turn was a subsidiary of the Mutual Holding Company, which owned a majority of Seneca Financial Corp.’s outstanding common stock.

Upon completion of the Conversion, the outstanding shares of Seneca Financial Corp.’s common stock owned by stockholders other than the Mutual Holding Company were converted into shares of the Company’s common stock based on an exchange ratio of 0.9684 of a share of Company common stock for each share of Seneca Financial Corp.’s common stock, so that Seneca Financial Corp.’s existing stockholders owned approximately the same percentage of the Company’s common stock upon the completion of the Conversion as they owned of Seneca Financial Corp.’s common stock immediately prior to the Conversion.

In connection with the Conversion, the Company provided a term loan to the ESOP to finance the ESOP’s purchase of the 83,588 shares noted above. The Company combined its existing outstanding ESOP loan in the amount of \$688,000 with this new loan resulting in a new term loan to the ESOP of \$1.5 million which will be repaid in annual installments over 25 years.

Finally, as a result of the Conversion, all existing stock options and restricted stock awards outstanding on October 15, 2025, were adjusted based on the exchange ratio of 0.9684-to-1 including those described in Note 9 to the accompanying consolidated financial statements. All historical share and per share information also has been restated to reflect the 0.9684-to-1 exchange ratio.

Seneca Savings maintains its executive offices and main branch in Baldwinsville, New York, with branches in Liverpool, North Syracuse, Manlius, and Bridgeport, New York. The Bank is a community-oriented national bank whose business primarily consists of accepting deposits from customers within its market area and investing those funds primarily in residential mortgage and commercial loans.

The interim condensed consolidated financial statements as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025, are unaudited and reflect all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Such adjustments are the only adjustments contained in these unaudited consolidated financial statements. The unaudited condensed financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission, and therefore certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) have been omitted. The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results to be achieved for the remainder of the year ending December 31, 2026, or any other period.

The Company’s significant accounting policies followed in the preparation of the unaudited consolidated financial statements are disclosed in Note 2 of the audited financial statements and notes for the year ended December 31, 2025 and are contained in the Company’s Annual Report on Form 10-K. There have been no significant changes to the application of significant accounting policies since December 31, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standards

None.

Impact of Recent Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03 Income Statement - Reporting Comprehensive Income- Expense Disaggregation Disclosures, to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The amendments in this ASU require disclosure, in the notes to the consolidated financial statements, of specified information about certain costs and expenses. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact this will have on the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the Bank and the Bank's wholly-owned subsidiary, Seneca Savings Insurance Agency, Inc. dba Financial Quest ("Quest"). Quest offers financial planning and investment advisory services and sells various insurance and investment products through broker networks. All significant intercompany transactions and balances have been eliminated in consolidation. The Company, as used in the consolidated financial statements, refers to the consolidated group.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates, and such differences may be significant.

Material estimates that are particularly susceptible to significant changes in the near term relate to the determination of the allowance for credit losses, deferred tax assets, the assumptions used in the actuarial valuation and the estimation of fair values for accounting and disclosure purposes.

The Company is subject to the regulations of various governmental agencies. The Company also undergoes periodic examinations by the regulatory agencies which may subject it to further changes with respect to asset valuations, amounts of required loss allowances, and operating restrictions resulting from the regulators' judgements based on information available to them at the time of their examinations.

Reclassifications

Certain amounts in the 2025 consolidated financial statements have been reclassified to conform with the 2026 presentation format. These classifications are immaterial and had no effect on net income or stockholders' equity for the periods presented herein.

3. Securities

The amortized cost and fair values of securities, with gross unrealized gains and losses are as follows:

<i>(In thousands)</i>	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Allowance for Credit Losses</u>	<u>Fair Value</u>
Available-for-sale securities:					
June 30, 2026:					
U.S. Treasury securities	\$ 6,006	\$ —	\$ (46)	\$ —	\$ 5,960
U.S. Government Agency securities	1,000	—	(107)	—	893
Municipal securities	16,335	—	(2,381)	(666)	13,288
Mortgage-backed securities and collateralized mortgage obligations	10,263	—	(990)	—	9,273
Corporate securities	5,763	9	(70)	—	5,702
	<u>\$ 39,367</u>	<u>\$ 9</u>	<u>\$ (3,594)</u>	<u>\$ (666)</u>	<u>\$ 35,116</u>
December 31, 2025:					
U.S. Treasury securities	\$ 14,775	\$ 36	\$ (16)	\$ —	\$ 14,795
U.S. Government Agency securities	1,000	—	(100)	—	900
Municipal securities	16,406	3	(2,364)	(518)	13,527
Mortgage-backed securities and collateralized mortgage obligations	11,796	10	(891)	—	10,915
Corporate securities	8,608	12	(122)	—	8,498
	<u>\$ 52,585</u>	<u>\$ 61</u>	<u>\$ (3,493)</u>	<u>\$ (518)</u>	<u>\$ 48,635</u>

Government agency and U.S. Treasury securities include notes and bonds with fixed rates. Mortgage-backed securities and collateralized mortgage obligations consist of securities that are issued by Fannie Mae (“FNMA”), Freddie Mac (“FHLMC”), Ginnie Mae (“GNMA”), and Small Business Administration (“SBIC”) and are collateralized by residential mortgages. Municipal securities consist of government obligation and revenue bonds. Corporate securities consist of fixed and variable rate bonds with large financial institutions.

Investment securities with market values of \$17.8 million and \$27.8 million were pledged to secure deposits and for other purposes required or permitted by law at June 30, 2026 and December 31, 2025, respectively. The Company pledged securities with a book value of \$11.3 million and a market value of \$10.6 million at June 30, 2026, and a book value of \$5.2 million and a market value of \$4.7 million at December 31, 2025, to local municipalities collateralizing their deposits. The Company had pledged New York municipal bonds with a book value of \$1.9 million and a market value of \$1.7 million at June 30, 2026, and a book value of \$1.4 million and a market value of \$1.2 million at December 31, 2025, respectively, to the New York State Linked Deposit Program.

The amortized cost and fair value of debt securities based on the contractual maturity are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations.

<i>(In thousands)</i>	June 30, 2026		December 31, 2025	
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$ 4,767	\$ 4,098	\$ 14,434	\$ 13,868
Due after one year through five years	12,899	12,076	13,866	13,185
Due after five years through ten years	8,469	7,350	9,056	7,986
Due after ten years	2,969	2,319	3,433	2,681
Mortgage-backed securities and collateralized mortgage obligations	10,263	9,273	11,796	10,915
	<u>\$ 39,367</u>	<u>\$ 35,116</u>	<u>\$ 52,585</u>	<u>\$ 48,635</u>

The Company did not sell any available-for-sale securities during the three or six months ended June 30, 2026 and 2025.

Management has reviewed its loan, mortgage-backed securities and collateralized mortgage obligations portfolios and determined that, to the best of its knowledge, little or no exposure exists to sub-prime or other high-risk residential mortgages. The Company is not in the practice of investing in, or originating, these types of investments or loans.

Information pertaining to securities with gross unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position follows:

	Less than Twelve Months		Twelve Months and Greater	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
<i>(In thousands)</i>				
June 30, 2026:				
U.S. Treasury securities	\$ (46)	\$ 5,960	\$ —	—
U.S. Government Agency securities	—	—	(107)	893
Municipal securities	(5)	1,133	(2,376)	11,214
Mortgage-backed securities and collateralized mortgage obligations	(83)	4,895	(907)	4,378
Corporate securities	—	—	(70)	2,745
	<u>\$ (134)</u>	<u>\$ 11,988</u>	<u>\$ (3,460)</u>	<u>\$ 19,230</u>
December 31, 2025:				
U.S. Treasury securities	\$ (1)	\$ 996	\$ (15)	\$ 2,984
U.S. Government Agency securities	—	—	(100)	900
Municipal securities	(1)	1,025	(2,363)	11,300
Mortgage-backed securities and collateralized mortgage obligations	(32)	3,871	(859)	5,359
Corporate securities	—	—	(122)	5,718
	<u>\$ (34)</u>	<u>\$ 5,892</u>	<u>\$ (3,459)</u>	<u>\$ 26,261</u>

Unrealized losses on U.S. treasury securities, government agency securities, mortgage-backed securities, collateral mortgage obligations, corporate securities, and municipal securities, have not been recognized into income because these losses are attributable to changes in interest rates, not credit quality, and because management does not intend to sell and will not be required to sell these securities prior to recovery or maturity.

At June 30, 2026, five U.S. Treasury, four collateralized mortgage obligations, and three municipal securities were in a loss position for less than twelve months. At June 30, 2026, thirty-one municipal securities, nine collateralized mortgage obligations, four corporate securities, four mortgage-backed securities, and one government agency were in a continuous loss position for more than twelve months.

At December 31, 2025, one U.S. Treasury, two municipal, and two collateralized mortgage obligation securities were in a loss position for less than twelve months. At December 31, 2025, one government agency, one U.S. Treasury, thirty-one municipal, four mortgage-backed, ten collateralized mortgage obligations, and eight corporate securities were in a continuous loss position for more than twelve months.

Allowance for Credit Losses for Debt Securities:

The following table presents the allowance for credit losses on available-for-sale debt securities:

<i>(In thousands)</i>		Municipal Securities
June 30, 2026:		
Balance, beginning of period	\$	518
Provision for credit losses, not previously recorded		148
Balance, end of period	\$	666
June 30, 2025:		
Balance, beginning of period	\$	498
Provision for credit losses, not previously recorded		—
Balance, end of period	\$	498

At June 30, 2026 and 2025, the fair value of available-for-sale securities in an unrealized loss position for which an allowance for credit losses has been recorded was \$0 and \$451,000, respectively. This is comprised of the Madison County Capital Resource Corp. (Cazenovia College) bond that was in default at June 30, 2026 and 2025. The bond is collateralized with all the assets and real estate of the issuer which will be monetized to satisfy bondholders. At June 30, 2026, this bond was fully reserved due to the length of time in default and doubts on return of investment back to bondholders in the near future.

4. LOANS

Net loans at June 30, 2026 and December 31, 2025 were as follows:

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Mortgage loans on real estate:		
One-to four-family first lien residential	\$ 88,596	\$ 93,006
Residential construction	3,909	3,196
Home equity loans and lines of credit	18,866	15,921
Commercial	97,296	87,954
Total mortgage loans on real estate	208,667	200,077
Commercial and industrial	24,968	22,243
Consumer loans	3,733	4,349
Total loans	237,368	226,669
Allowance for credit losses	(1,847)	(1,915)
Net deferred loan costs	1,189	1,276
Net loans	\$ 236,710	\$ 226,030

Residential real estate loans serviced for others, by the Company, not included in net loans totaled \$35.5 million and \$33.4 million at June 30, 2026 and December 31, 2025, respectively.

Loan Origination/Risk Management

The Company has lending policies and procedures in place that are designed to maximize loan income within an acceptable level of risk. Management reviews and approves these policies and procedures on a regular basis. A reporting system supplements the review process by frequently providing management with reports related to loan production, loan quality, loan delinquencies, non-performing and potential problem loans. Diversification in the loan portfolio is a means of managing risk associated with fluctuations in economic conditions.

Risk Characteristics of Portfolio Segments

The risk characteristics within the loan portfolio vary depending on the loan segment. Consumer loans generally are repaid from personal sources of income. Risks associated with consumer loans primarily include general economic risks such as declines in the local economy creating higher rates of unemployment. Those conditions may also lead to a decline in collateral values should the Company be required to repossess the collateral securing consumer loans. These economic risks also impact the commercial loan segment, however commercial loans are considered to have greater risk than consumer loans as the primary source of repayment is from the cash flow of the business customer. Real estate loans, including residential mortgages, manufactured housing, commercial and home equity loans, comprised approximately 87.9% and 88.3% of the portfolio at June 30, 2026 and December 31, 2025, respectively. Loans secured by real estate provide the best collateral protection and thus significantly reduce the inherent risk in the portfolio.

Management has reviewed its loan portfolio and determined that, to the best of its knowledge, little or no exposure exists to sub-prime or other high-risk residential mortgages. The Company is not in the practice of originating these types of loans.

Description of Credit Quality Indicators

Commercial real estate and commercial and industrial loans are assigned a “Pass” rating unless the loan has demonstrated signs of weakness as indicated by the ratings below:

- **Special Mention:** The relationship is protected but is potentially weak. These assets may constitute an undue and unwarranted credit risk but not to the point of justifying a substandard rating. The loan is not upgraded until a correction of weakness has occurred and there has been a period of sustained performance under reasonable repayment terms.
- **Substandard:** The relationship is inadequately protected by the current sound worth and paying capacity of the obligor or the collateral pledged, if any. Assets so classified have a well-defined weakness or a weakness that jeopardizes the liquidation of the debt. All loans 90 days past-due are classified Substandard. A loan is not upgraded until a correction of weakness has occurred and there has been a period of sustained performance under reasonable repayment terms.
- **Doubtful/Loss:** Loans are considered uncollectible and of such little value that continuance as bankable assets are not warranted. It is not practicable or desirable to defer writing off this basically worthless asset even though partial recovery may be possible in the future.

The risk ratings are evaluated at least annually or when credit deficiencies arise, such as delinquent loan payments.

All other loans are assigned a “Pass” rating until the loan becomes 90 days past due at which time it is either downgraded to “Non-Performing” status or charged off.

The following tables present the loans to customers as of June 30, 2026 and December 31, 2025, based on year of origination within each credit quality indicator:

At June 30, 2026									
(In thousands)	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
Mortgage loans on real estate:									
One-to-four-family first lien residential:									
Pass	\$ 1,942	\$ 1,304	\$ 3,429	\$ 8,461	\$ 15,546	\$ 56,991	\$ —	\$ —	\$ 87,673
Non-Performing	—	—	—	398	172	353	—	—	923
Total	1,942	1,304	3,429	8,859	15,718	57,344	—	—	88,596
Current period gross write-offs	\$ —	\$ —	\$ —	\$ (90)	\$ (19)	\$ —	\$ —	\$ —	\$ (109)
Current period recoveries	—	—	—	1	—	—	—	—	1
Current period net write-offs	\$ —	\$ —	\$ —	\$ (89)	\$ (19)	\$ —	\$ —	\$ —	\$ (108)
Residential construction:									
Pass	\$ 1,487	\$ 2,180	\$ —	\$ —	\$ 110	\$ 132	\$ —	\$ —	\$ 3,909
Total	1,487	2,180	—	—	110	132	—	—	3,909
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Home equity loans and lines of credit:									
Pass	\$ 256	\$ 254	\$ 522	\$ —	\$ —	\$ 56	\$ 17,389	\$ 267	\$ 18,744
Non-Performing	—	—	—	—	—	—	—	122	122
Total	256	254	522	—	—	56	17,389	389	18,866
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial:									
Pass	\$ 10,823	\$ 31,194	\$ 10,210	\$ 12,707	\$ 6,262	\$ 22,144	\$ —	\$ —	\$ 93,340
Special Mention	—	—	—	—	—	573	—	—	573
Substandard	333	—	1,215	735	115	985	—	—	3,383
Total	11,156	31,194	11,425	13,442	6,377	23,702	—	—	97,296
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial and industrial:									
Pass	\$ 3,494	\$ 8,312	\$ 4,343	\$ 3,222	\$ 1,318	\$ 4,132	\$ —	\$ —	\$ 24,821
Substandard	—	—	147	—	—	—	—	—	147
Total	3,494	8,312	4,490	3,222	1,318	4,132	—	—	24,968
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	1	—	—	1
Current period net write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ 1
Consumer:									
Pass	\$ 291	\$ 559	\$ 1,534	\$ 467	\$ 745	\$ 70	\$ 57	\$ 10	\$ 3,733
Total	291	559	1,534	467	745	70	57	10	3,733
Current period gross write-offs	\$ (9)	\$ (33)	\$ (8)	\$ —	\$ —	\$ (9)	\$ —	\$ —	\$ (59)
Current period recoveries	—	3	2	1	—	—	—	—	6
Current period net write-offs	\$ (9)	\$ (30)	\$ (6)	\$ 1	\$ —	\$ (9)	\$ —	\$ —	\$ (53)

At December 31, 2025

<i>(In thousands)</i>	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
Mortgage loans on real estate:									
One-to-four-family first lien residential:									
Pass	\$ 2,384	\$ 2,712	\$ 9,936	\$ 16,704	\$ 10,643	\$ 49,857	\$ —	\$ —	\$ 92,236
Non-Performing	45	—	287	68	—	370	—	—	770
Total	<u>2,429</u>	<u>2,712</u>	<u>10,223</u>	<u>16,772</u>	<u>10,643</u>	<u>50,227</u>	<u>—</u>	<u>—</u>	<u>93,006</u>
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Residential construction:									
Pass	\$ 2,190	\$ 750	\$ —	\$ 113	\$ —	\$ 143	\$ —	\$ —	\$ 3,196
Total	<u>2,190</u>	<u>750</u>	<u>—</u>	<u>113</u>	<u>—</u>	<u>143</u>	<u>—</u>	<u>—</u>	<u>3,196</u>
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Home equity loans and lines of credit:									
Pass	\$ 278	\$ 636	\$ —	\$ —	\$ —	\$ 60	\$ 14,682	\$ 233	\$ 15,889
Non-Performing	—	—	—	—	—	—	—	32	32
Total	<u>278</u>	<u>636</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60</u>	<u>14,682</u>	<u>265</u>	<u>15,921</u>
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Commercial:									
Pass	\$ 31,612	\$ 8,687	\$ 12,995	\$ 7,331	\$ 6,581	\$ 16,919	\$ —	\$ —	\$ 84,125
Special Mention	—	576	—	—	—	—	—	—	576
Substandard	—	1,221	735	—	—	1,297	—	—	3,253
Total	<u>31,612</u>	<u>10,484</u>	<u>13,730</u>	<u>7,331</u>	<u>6,581</u>	<u>18,216</u>	<u>—</u>	<u>—</u>	<u>87,954</u>
Current period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current period recoveries	—	—	—	—	—	—	—	—	—
Current period net write-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Commercial and industrial:									
Pass	\$ 8,179	\$ 4,619	\$ 3,260	\$ 1,827	\$ 1,554	\$ 2,298	\$ —	\$ —	\$ 21,737
Special Mention	31	288	94	93	—	—	—	—	506
Total	<u>8,210</u>	<u>4,907</u>	<u>3,354</u>	<u>1,920</u>	<u>1,554</u>	<u>2,298</u>	<u>—</u>	<u>—</u>	<u>22,243</u>
Current period gross write-offs	\$ —	\$ —	\$ (652)	\$ (7)	\$ (4)	\$ (16)	\$ —	\$ —	\$ (679)
Current period recoveries	—	—	—	—	—	2	—	—	2
Current period net write-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (652)</u>	<u>\$ (7)</u>	<u>\$ (4)</u>	<u>\$ (14)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (677)</u>
Consumer:									
Pass	\$ 711	\$ 1,788	\$ 731	\$ 909	\$ 1	\$ 116	\$ 92	\$ 1	\$ 4,349
Total	<u>711</u>	<u>1,788</u>	<u>731</u>	<u>909</u>	<u>1</u>	<u>116</u>	<u>92</u>	<u>1</u>	<u>4,349</u>
Current period gross write-offs	\$ —	\$ (28)	\$ (9)	\$ —	\$ —	\$ (2)	\$ —	\$ —	\$ (39)
Current period recoveries	—	—	5	—	—	1	—	—	6
Current period net write-offs	<u>\$ —</u>	<u>\$ (28)</u>	<u>\$ (4)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (33)</u>

At June 30, 2026, a loan relationship consisting of one commercial real estate loan totaling \$576,000 and seven commercial and industrial loans totaling \$506,000 were upgraded from special mention to pass, offset by two newly classified special mention loans that were downgraded from pass during the six months ended June 30, 2026, as compared to December 31, 2025. One commercial and industrial loan totaling \$147,000 and one commercial real estate loan totaling \$115,000 were downgraded to substandard from pass during the six months ended June 30, 2026 as compared to December 31, 2025. One-to-four-family residential mortgage loans classified as non-performing increased \$153,000 at June 30, 2026 as compared to December 31, 2025. One home equity loan totaling \$90,000 was downgraded from pass to non-performing in the six months ended June 30, 2026 as compared to December 31, 2025.

Loans are considered past-due if the required principal and interest payments have not been received within thirty days of the payment due date. An age analysis of past-due loans, segregated by class of loans, is as follows:

(In thousands)	At June 30, 2026					
	30-59 Days Past-Due	60-89 Days Past-Due	90 Days Past-Due	Total Past- Due	Current	Total Loans Receivable
Mortgage loans on real estate:						
One-to four-family first lien residential	\$ 2,598	\$ 817	\$ 923	\$ 4,338	\$ 84,258	\$ 88,596
Residential construction	—	—	—	—	3,909	3,909
Home equity loans and lines of credit	—	—	122	122	18,744	18,866
Commercial	—	573	1,578	2,151	95,145	97,296
Total mortgage loans on real estate	2,598	1,390	2,623	6,611	202,056	208,667
Commercial and industrial	26	147	—	173	24,795	24,968
Consumer loans	10	42	—	52	3,681	3,733
Total loans	<u>\$ 2,634</u>	<u>\$ 1,579</u>	<u>\$ 2,623</u>	<u>\$ 6,836</u>	<u>\$ 230,532</u>	<u>\$ 237,368</u>

(In thousands)	At December 31, 2025					
	30-59 Days Past-Due	60-89 Days Past-Due	90 Days Past-Due	Total Past- Due	Current	Total Loans Receivable
Mortgage loans on real estate:						
One-to four-family first lien residential	\$ 2,310	\$ 297	\$ 770	\$ 3,377	\$ 89,629	\$ 93,006
Residential construction	—	—	—	—	3,196	3,196
Home equity loans and lines of credit	139	53	32	224	15,697	15,921
Commercial	314	735	843	1,892	86,062	87,954
Total mortgage loans on real estate	2,763	1,085	1,645	5,493	194,584	200,077
Commercial and industrial	33	—	—	33	22,210	22,243
Consumer loans	42	3	—	45	4,304	4,349
Total loans	<u>\$ 2,838</u>	<u>\$ 1,088</u>	<u>\$ 1,645</u>	<u>\$ 5,571</u>	<u>\$ 221,098</u>	<u>\$ 226,669</u>

At June 30, 2026 and December 31, 2025 we had \$122,000 and \$32,000 of home equity loans and lines of credit past-due 90 days and still accruing, respectively. Nonaccrual loans, segregated by class of loan as of June 30, 2026 and December 31, 2025 are as follows:

(In thousands)	At June 30, 2026		
	Nonaccrual loans	Nonaccrual loans without related allowance for credit losses	Recognized interest income
Mortgage loans on real estate:			
One-to four-family first lien residential	\$ 978	\$ 55	\$ —
Residential construction	—	—	—
Home equity loans and lines of credit	—	—	—
Commercial	1,578	1,578	—
Commercial and industrial	—	—	—
Consumer loans	—	—	—
Total nonaccrual loans	<u>\$ 2,556</u>	<u>\$ 1,633</u>	<u>\$ —</u>

	At December 31, 2025		
	Nonaccrual loans	Nonaccrual loans without related allowance for credit losses	Recognized interest income
<i>(In thousands)</i>			
Mortgage loans on real estate:			
One-to four-family first lien residential	\$ 1,455	\$ 1,054	\$ —
Residential construction	—	—	—
Home equity loans and lines of credit	—	—	—
Commercial	1,578	1,578	6
Commercial and industrial	41	41	—
Consumer loans	—	—	—
Total nonaccrual loans	<u>\$ 3,074</u>	<u>\$ 2,673</u>	<u>\$ 6</u>

Collateral-dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the operation or sale of the collateral. Loans considered collateral-dependent were as follows:

	At June 30, 2026	
	Amortized cost	Collateral type
<i>(In thousands)</i>		
Real estate:		
Residential one-to four-family	\$ 923	Residential real estate property
Home equity line of credit	122	Residential real estate property
Commercial real estate	3,956	Commercial real estate property
Total real estate	<u>\$ 5,001</u>	
Commercial and industrial loans	\$ 147	Commercial business assets
Total commercial and industrial	<u>\$ 147</u>	
	At December 31, 2025	
	Amortized cost	Collateral type
<i>(In thousands)</i>		
Real estate:		
Residential one-to four-family	\$ 725	Residential real estate property
Home equity line of credit	32	Residential real estate property
Commercial real estate	1,590	Commercial real estate property
Total real estate	<u>\$ 2,347</u>	
Commercial and industrial loans	\$ 41	Commercial business assets
Total commercial and industrial	<u>\$ 41</u>	

During the three months ended June 30, 2026, individually evaluated loans were expanded to include commercial loans that were risk rated special mention along with loans risk rated substandard. As a result of this change in approach, six additional commercial

real estate loans totaling \$2.3 million and one commercial and industrial loan totaling \$147,000 were individually evaluated for credit losses.

There were no loans modified to borrowers experiencing financial difficulty during the three or six months ended June 30, 2026 or during the year ended December 31, 2025.

Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Loans modified to borrowers experiencing financial difficulty did not have payment default during the six months ended June 30, 2026 or the year ended December 31, 2025.

Changes in the allowance for credit losses for the three months ended June 30, 2026 and 2025 are as follows:

<i>(In thousands)</i>	June 30, 2026				
	Mortgage Loans on Real Estate	Commercial and Industrial Loans	Consumer Loans	Unallocated	Total
Allowance for credit losses:					
Beginning balance	\$ 1,161	\$ 549	\$ 249	\$ 42	\$ 2,001
Charge-offs	(109)	—	(21)	—	(130)
Recoveries	1	1	2	—	4
(Benefit) Provision	(88)	69	(17)	8	(28)
Ending balance	<u>\$ 965</u>	<u>\$ 619</u>	<u>213</u>	<u>\$ 50</u>	<u>\$ 1,847</u>
<i>(In thousands)</i>	June 30, 2025				
	Mortgage Loans on Real Estate	Commercial and Industrial Loans	Consumer Loans	Unallocated	Total
Allowance for credit losses:					
Beginning balance	\$ 1,175	\$ 548	\$ 121	\$ (2)	\$ 1,842
Charge-offs	—	(601)	(1)	—	(602)
Recoveries	—	—	—	—	—
Provision (Benefit)	38	490	—	(17)	511
Ending balance	<u>\$ 1,213</u>	<u>\$ 437</u>	<u>120</u>	<u>\$ (19)</u>	<u>\$ 1,751</u>

Changes in the allowance for credit losses for the six months ended June 30, 2026 and 2025 are as follows:

<i>(In thousands)</i>	June 30, 2026				
	Mortgage Loans on Real Estate	Commercial and Industrial Loans	Consumer Loans	Unallocated	Total
Allowance for credit losses:					
Beginning balance	\$ 1,169	\$ 455	\$ 188	\$ 103	\$ 1,915
Charge-offs	(109)	—	(59)	—	(168)
Recoveries	1	1	6	—	8
(Benefit) Provision	(96)	163	78	(53)	92
Ending balance	<u>\$ 965</u>	<u>\$ 619</u>	<u>\$ 213</u>	<u>\$ 50</u>	<u>\$ 1,847</u>
<i>(In thousands)</i>	June 30, 2025				
	Mortgage Loans on Real Estate	Commercial and Industrial Loans	Consumer Loans	Unallocated	Total
Allowance for credit losses:					
Beginning balance	\$ 1,088	\$ 355	\$ 144	\$ 217	\$ 1,804
Charge-offs	—	(655)	(23)	—	(678)
Recoveries	—	2	2	—	4
Provision (Benefit)	125	735	(3)	(236)	621
Ending balance	<u>\$ 1,213</u>	<u>\$ 437</u>	<u>\$ 120</u>	<u>\$ (19)</u>	<u>\$ 1,751</u>

In the ordinary course of business, the Company makes loans to its directors and officers, including their families and companies in which certain directors are principal owners. All such loans were made on substantially the same terms including interest rates and collateral, as those prevailing at the same time for comparable transactions with unrelated persons. Loans to directors and officers are listed below and are included in loans on the consolidated statements of financial condition.

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Balance, beginning of period	\$ 851	\$ 780
Proceeds	30	300
Payments	(120)	(229)
Balance, end of period	<u>\$ 761</u>	<u>\$ 851</u>

5. PREMISES AND EQUIPMENT

Premises and equipment at June 30, 2026 and December 31, 2025 are summarized as follows:

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Building and building improvements	\$ 11,006	\$ 9,976
Construction in progress	3,840	4,604
Furniture, fixtures and equipment	3,309	3,231
	18,155	17,811
Accumulated depreciation	(4,874)	(4,621)
Total	<u>\$ 13,281</u>	<u>\$ 13,190</u>

6. DEPOSITS

Deposits, by deposit type, are summarized as follows:

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Demand deposits	\$ 32,436	\$ 32,221
NOW accounts	28,021	27,801
Regular savings and demand clubs	24,325	25,662
Money markets	84,847	86,420
Certificates of deposit and retirement accounts	65,356	62,322
	<u>\$ 234,985</u>	<u>\$ 234,426</u>

Scheduled maturities of certificates of deposit and retirement accounts are summarized as follows:

<i>(In thousands)</i>	At June 30, 2026
2026	\$ 27,771
2027	30,551
2028	4,456
2029	1,466
2030	775
Thereafter	337
	<u>\$ 65,356</u>

The aggregate amount of time deposits in denominations of \$250,000 or more were \$40.7 million and \$38.1 million including brokered deposits of \$19.2 million and \$16.7 million at June 30, 2026 and December 31, 2025, respectively. The FDIC generally provides federal deposit insurance per account owner of \$250,000.

Interest expense on deposits for the three months ended June 30, 2026 and 2025 was as follows:

<i>(In thousands)</i>	Three Months Ended June 30,	
	2026	2025
NOW accounts	\$ 6	\$ 6
Regular savings and demand clubs	14	33
Money markets	581	443
Certificates of deposit and retirement accounts	446	512
	<u>\$ 1,047</u>	<u>\$ 994</u>

Interest expense on deposits for the six months ended June 30, 2026 and 2025 was as follows:

<i>(In thousands)</i>	Six Months Ended June 30,	
	2026	2025
NOW accounts	\$ 12	\$ 12
Regular savings and demand clubs	36	51
Money markets	1,180	839
Certificates of deposit and retirement accounts	913	1,020
	<u>\$ 2,141</u>	<u>\$ 1,922</u>

Related party deposits were \$1.8 million and \$1.5 million at June 30, 2026 and December 31, 2025, respectively.

7. BORROWINGS

Advances from the Federal Home Loan Bank of New York (“FHLBNY”) reflect advances borrowed from the FHLBNY. The FHLBNY charges a substantial prepayment penalty for early payoff of an advance. The unamortized balances on advances at June 30, 2026 and December 31, 2025 are summarized as follows:

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Term Advances:		
FHLB fixed-rate advances	\$ 34,629	\$ 34,567
Repurchase Advances:		
FHLB fixed-rate repurchase advances	—	1,000
Total Advances	\$ 34,629	\$ 35,567

The contractual maturities and weighted average rates of advances from FHLBNY at June 30, 2026 are as follows (dollars in thousands):

2026	\$ 4,000	4.52 %
2027	12,253	2.97 %
2028	15,376	3.74 %
2029	2,000	4.61 %
2030	1,000	4.33 %
	<u>\$ 34,629</u>	<u>3.62 %</u>

The Company has access to FHLBNY advances, under which it can borrow at various terms and interest rates. At June 30, 2026, we had the ability to borrow approximately \$73.0 million under our credit facilities with FHLBNY, of which \$46.8 million was advanced. Residential and commercial mortgage loans of \$69.1 million and \$69.5 million at June 30, 2026 and December 31, 2025, respectively, and investment securities of \$3.8 million and \$16.6 million at June 30, 2026 and December 31, 2025, respectively, have been pledged by the Company under a blanket collateral agreement to secure the Company’s borrowings. The total outstanding indebtedness under borrowing facilities with the FHLBNY cannot exceed the total value of the assets pledged under the blanket collateral agreement. The Company had a municipal letter of credit (“MULOC”) with the FHLBNY collateralizing a \$10.0 million certificate of deposit with the State of New York Banking Development District at June 30, 2026 and December 31, 2025. The New York State certificate was deposited after the Company opened its fourth location in Bridgeport, New York. The Company also has a \$9.0 million line of credit with two correspondent banks that is available on an unsecured basis and had no draws at June 30, 2026 or December 31, 2025. At June 30, 2026 and December 31, 2025, the Company had the ability to borrow \$1.5 million and \$4.5 million, respectively, through the Federal Reserve Discount Window.

8. COMPREHENSIVE LOSS

The balances and changes in the components of accumulated other comprehensive loss, net of tax, are as follows:

<i>(In thousands)</i>	For the three months ended June 30, 2026		
	Unrealized Losses on Available- for-Sale Securities	Net Loss on Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	\$ (2,906)	\$ (936)	\$ (3,842)
Other comprehensive income	75	—	75
Ending balance	<u>\$ (2,831)</u>	<u>\$ (936)</u>	<u>\$ (3,767)</u>

<i>(In thousands)</i>	For the three months ended June 30, 2025		
	Unrealized Losses on Available- for-Sale Securities	Net Loss on Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	\$ (3,296)	\$ (1,241)	\$ (4,537)
Other comprehensive loss	(43)	—	(43)
Ending balance	<u>\$ (3,339)</u>	<u>\$ (1,241)</u>	<u>\$ (4,580)</u>

<i>(In thousands)</i>	Six Months Ended June 30, 2026		
	Unrealized Losses on Available- for-Sale Securities	Net Loss on Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	\$ (2,710)	\$ (936)	\$ (3,646)
Other comprehensive loss	(121)	—	(121)
Ending balance	<u>\$ (2,831)</u>	<u>\$ (936)</u>	<u>\$ (3,767)</u>

<i>(In thousands)</i>	Six Months Ended June 30, 2025		
	Unrealized Losses on Available- for-Sale Securities	Net Loss on Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	\$ (3,243)	\$ (1,241)	\$ (4,484)
Other comprehensive loss	(96)	—	(96)
Ending balance	<u>\$ (3,339)</u>	<u>\$ (1,241)</u>	<u>\$ (4,580)</u>

9. EMPLOYEE BENEFIT PLANS

Supplemental Executive Retirement Plan (SERP)

Beginning in 2016, the Company instituted a SERP for its executive officers. All benefits provided under the SERP are unfunded and, as the executive officers retire, the Company will make a payment to the participant. At June 30, 2026 and December 31, 2025, the Company recorded \$284,000 and \$219,000, respectively, for the SERP in other liabilities on the consolidated statements of financial condition. Expenses for the SERP are included in compensation and employee benefits on the consolidated statements of income and were approximately \$37,000 and \$7,000, respectively, for the three months ended June 30, 2026 and 2025 and \$65,000 and \$13,000, respectively, for the six months ended June 30, 2026 and 2025.

Defined Benefit Plan

The Company provides pension benefits for eligible employees through a noncontributory defined benefit pension plan (the “Pension Plan”). Substantially all employees participate in the retirement plan on a noncontributing basis and are fully vested after five years of service.

On October 13, 2017, the Compensation Committee elected to soft-freeze the defined benefit pension plan effective January 1, 2018. All employees hired after that date will not be eligible to participate in the defined benefit pension plan; they will, however, be able to participate in a 401(k) plan that the Company will match up to 50% of the employee elected contribution amount capped at 5% of the employee’s earnings. Expense for the 401(k) is included in compensation and employee benefits on the consolidated statements of income and was \$27,000 and \$22,000, respectively, for the three months ended June 30, 2026 and 2025 and \$54,000 and \$41,000, respectively, for the six months ended June 30, 2026 and 2025.

Employee Stock Ownership Plan (“ESOP”)

Effective upon the completion of the Company’s initial public stock offering in October 2017, the Bank established an Employee Stock Ownership Plan (“ESOP”) for all eligible employees. The ESOP used \$775,740 in proceeds from a term loan obtained from the Company to purchase 77,574 shares of common stock on the open market at an average price of \$10.00 per share. Also, as part of the recent Conversion, the Company sold 83,588 shares of its common stock to the ESOP at a price of \$10.00 per share. The outstanding balance of the October 2017 ESOP loan (\$687,687) and the new ESOP loan (\$835,880) were combined as of the date of the recent Conversion. The new ESOP loan will be repaid principally from the Bank’s contribution to the ESOP in annual payments through 2049 at a fixed interest rate of 7.25%. Shares are released to participants on a straight-line basis over the loan term and allocated based on participant compensation. The Bank recognizes the compensation benefit expense as shares are committed for release at their current market price. The difference between the market price and the cost of shares committed to be released is recorded as an adjustment to additional paid-in capital. Dividends on allocated shares, if applicable, are recorded as a reduction of retained earnings and dividends on unallocated shares are recorded as a reduction of debt. Compensation costs related to the employee stock ownership plan are dependent upon the average stock price and the shares committed to be released to the plan participants through the period in which income is reported. The Company recognized approximately \$15,000 and \$4,000 of compensation expense related to this plan for the three months ended June 30, 2026 and 2025, respectively and \$30,000 and \$9,000 of compensation expense related to this plan for the six months ended June 30, 2026 and 2025, respectively.

The number of shares committed to be released annually is 5,625 shares through the year 2049. Participant vesting provisions for the ESOP are 20% per year and will be fully vested upon completion of six years of credited service. Eligible employees who were employed with the Bank shall receive credit for vesting purposes for each year of continuous employment prior to adoption of the ESOP.

Stock-Based Compensation

A summary of the Company's stock option activity and related information for its equity incentive plan for the three months ended June 30, 2026 and 2025 is as follows:

	For the three months ended June 30,			
	2026		2025	
	Options	Weighted Average Exercise Price Per Share	Options	Weighted Average Exercise Price Per Share
Outstanding at the beginning of the period	61,186	\$ 9.32	59,034	\$ 9.27
Grants:	—	—	—	—
Exercised	(3,389)	(8.90)	—	—
Forfeitures	—	—	—	—
Outstanding at period end	57,797	\$ 9.35	59,034	\$ 9.27
Vested at end of period	54,831	\$ 9.22	54,056	\$ 9.27
Exercisable	54,831	\$ 9.22	54,056	\$ 9.27

A summary of the Company's stock option activity and related information for its equity incentive plan for the six months ended June 30, 2026 and 2025 is as follows:

	For the six months ended June 30,			
	2026		2025	
	Options	Weighted Average Exercise Price Per Share	Options	Weighted Average Exercise Price Per Share
Outstanding at the beginning of the period	61,186	\$ 9.32	59,034	\$ 9.27
Grants	—	—	—	—
Exercised	(3,389)	(8.90)	—	—
Forfeitures	—	\$ —	—	—
Outstanding at period end	57,797	\$ 9.35	59,034	\$ 9.27
Vested at end of period	54,831	\$ 9.22	54,056	\$ 9.27
Exercisable	54,831	\$ 9.22	54,056	\$ 9.27

The intrinsic value of options outstanding at June 30, 2026 and December 31, 2025 was \$157,000 and \$76,000, respectively.

The grants to senior management and directors generally vest over a five-year period in equal installments, with the first installment vesting on the anniversary date of the grant and succeeding installments on each anniversary thereafter, through 2030.

The Company recorded compensation expense in the amount of \$3,000 and \$5,000 for the three months ended June 30, 2026 and 2025, respectively and \$8,000 and \$9,000 for the six months ended June 30, 2026 and 2025, respectively. The Company had \$18,000 of compensation expense remaining to be recognized at June 30, 2026.

Compensation costs related to share-based payments transactions are recognized based on the grant-date fair value of the stock-based compensation issued. Compensation costs are recognized over the period that an employee provides service in exchange for the award.

In May 2023 and 2022, the Company awarded 12,000 original shares of restricted stock to senior management. The restricted stock vests 20% per year on the specified vesting date, until 100% vested on the specified vesting date of the fifth year after the restricted stock was granted. In November 2025, the Company awarded 10,000 shares of restricted stock to senior management. Of the total

restricted shares, 5,000 will become 100% vested on the first anniversary of the grant date and the remaining 5,000 shares will become 50% vested on the first anniversary of the grant date and fully vested on the second anniversary of the grant date. The Company recorded compensation expense in the amount of \$32,000 and \$11,000 for the three months ended June 30, 2026 and 2025, respectively and \$65,000 and \$23,000 for the six months ended June 30, 2026 and 2025, respectively. The Company has \$107,000 of compensation expenses remaining to be recognized at June 30, 2026.

The Company did not grant any awards during the three or six months ended June 30, 2026 and 2025. The Company had 387 awards forfeited during the three and six months ended June 30, 2026 and no awards forfeited during the same periods in 2025.

10. FAIR VALUE MEASUREMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Management uses its best judgment in estimating the fair value of the Company's assets and liabilities; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all assets and liabilities, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective year-ends and have not been re-evaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of assets and liabilities subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used are as follows:

There were no securities transferred out of Level 2 securities available-for-sale during the six months ended June 30, 2026. During the six months ended June 30, 2025, the Company transferred an investment security from Level 2 to Level 3 as a result of the lack of observable market inputs, which required the use of significant unobservable inputs to determine fair value.

<i>(In thousands)</i>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Available-for-sale Securities:				
June 30, 2026:				
U.S. Treasury securities	\$ 5,960	\$ —	\$ 5,960	\$ —
U.S. Government Agency securities	893	—	893	—
Municipal securities	13,288	—	13,288	—
Mortgage-backed securities and collateralized mortgage obligations	9,273	—	9,273	—
Corporate securities	5,702	—	5,702	—
	<u>\$ 35,116</u>	<u>\$ —</u>	<u>\$ 35,116</u>	<u>\$ —</u>
December 31, 2025:				
U.S. Treasury securities	\$ 14,795	\$ —	\$ 14,795	\$ —
U.S. Government Agency securities	900	—	900	—
Municipal securities	13,527	—	13,379	148
Mortgage-backed securities and collateralized mortgage obligations	10,915	—	10,915	—
Corporate securities	8,498	—	8,498	—
	<u>\$ 48,635</u>	<u>\$ —</u>	<u>\$ 48,487</u>	<u>\$ 148</u>

The table below presents a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30:

<i>(In thousands)</i>	<u>Municipal Securities</u>	
	<u>2026</u>	<u>2025</u>
Balance of recurring Level 3 assets at January 1	\$ 148	\$ —
Transfers into Level 3	—	451
Change in fair value	(148)	—
Balance of recurring Level 3 assets at June 30	<u>\$ —</u>	<u>\$ 451</u>

Fair values are calculated using discounted cash flows. The valuation model utilizes the estimated future cash flows from the underlying creditor discounted using the original bond interest rate.

Required disclosures include fair value information about financial instruments, whether or not recognized in the consolidated balance sheets, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate, and estimates of future cash flows. In that regard, the fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. Certain financial instruments and all non-financial instruments are excluded from the disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful. The following methods and assumptions were used to estimate the fair values of certain of the Company's assets and liabilities at June 30, 2026 and December 31, 2025.

Cash and Cash Equivalents

The carrying amounts of these assets approximate their fair values.

Securities Available-For-Sale

The fair value of securities available-for-sale (carried at fair value) are determined by matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather relying on the securities' relationship to other benchmark quoted prices and is a Level 2 measurement. For those available-for-sale debt securities where market prices of similar securities are not available because of the lack of observable market data, they are valued on a quarterly basis by measuring the present value of estimated future cash flows and, therefore, are classified as Level 3 within the valuation hierarchy.

Investment in FHLBNY Stock

The carrying value of FHLBNY stock approximates its fair value based on the redemption provisions of the FHLBNY stock, resulting in a Level 2 classification.

Investment in Federal Reserve Stock

The carrying value of Federal Reserve Bank stock approximates its fair value based on the redemption provisions of the Federal Reserve Bank stock, resulting in a Level 2 classification.

Loans, Net

The fair values of loans held in portfolio are estimated using discounted cash flow analyses, using market rates at the balance sheet date that reflect the credit and interest rate risk inherent in the loans, resulting in a Level 3 classification. Projected future cash flows are calculated based upon contractual maturity or call dates, projected repayments, and prepayments of principal. Generally, for variable rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values.

Accrued Interest Receivable and Payable and Advances from Borrowers for Taxes and Insurance

The carrying amount approximates fair value.

Deposits

The fair values disclosed for demand deposits (e.g., NOW accounts, non-interest checking, regular savings and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts), resulting in a Level 1 classification. The carrying amounts for variable-rate certificates of deposit approximate their fair values at the reporting date, resulting in a Level 1 classification. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies market interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits, resulting in a Level 2 classification.

Advances and Borrowings from FHLB

The fair values of FHLB long-term borrowings are estimated using discounted cash flow analyses, based on the quoted rates for new FHLB advances with similar credit risk characteristics, terms and remaining maturity, resulting in a Level 2 classification.

The carrying amounts and estimated fair values of the Company's financial instruments at June 30, 2026 and December 31, 2025 were as follows:

<i>(In thousands)</i>	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
June 30, 2026:					
Financial assets:					
Cash and cash equivalents	\$ 8,150	\$ 8,150	\$ —	\$ —	\$ 8,150
Securities available-for-sale, net of allowance for credit losses of \$666	35,116	—	35,116	—	35,116
Federal Home Loan Bank of New York stock, at cost	3,354	—	3,354	—	3,354
Federal Reserve Bank stock, at cost	270	—	270	—	270
Loans, net of allowance for credit losses of \$1,847	236,710	—	—	234,535	234,535
Accrued interest receivable	1,512	1,512	—	—	1,512
Financial liabilities:					
Deposits	234,985	84,781	149,232	—	234,013
Federal Home Loan Bank advances	34,629	—	36,049	—	36,049
Accrued interest payable	95	95	—	—	95
Advances from borrowers for taxes and insurance	3,220	3,220	—	—	3,220
December 31, 2025:					
Financial assets:					
Cash and cash equivalents	\$ 5,328	\$ 5,328	\$ —	\$ —	\$ 5,328
Securities available-for-sale, net of allowance for credit losses of \$518	48,635	—	48,487	148	48,635
Federal Home Loan Bank of New York stock, at cost	3,272	—	3,272	—	3,272
Federal Reserve Bank stock, at cost	131	—	131	—	131
Loans, net of allowance for credit losses of \$1,915	226,030	—	—	213,685	213,685
Accrued interest receivable	1,479	1,479	—	—	1,479
Financial liabilities:					
Deposits	234,426	85,684	140,079	—	225,763
Federal Home Loan Bank advances	35,567	—	36,987	—	36,987
Accrued interest payable	120	120	—	—	120
Advances from borrowers for taxes and insurance	2,389	2,389	—	—	2,389

Assets Measured at Fair Value on a Nonrecurring Basis

In addition to disclosure of the fair value of assets on a recurring basis, ASC Topic 820 requires disclosures for assets and liabilities measured at fair value on a nonrecurring basis, such as impaired assets and foreclosed real estate. Loans are generally not recorded at fair value on a recurring basis. Periodically, the Company records nonrecurring adjustments to the carrying value of loans based on fair value measurements for partial charge-offs of the uncollectible portions of these loans. Nonrecurring adjustments also include certain impairment amounts for collateral-dependent loans calculated as required by ASC Topic 310, *"Receivables — Loan Impairment"* when establishing the allowance for credit losses. Impaired loans are those in which the Company has measured impairment generally based on the fair value of the loan's collateral less estimated selling costs.

Fair value of real estate collateral is generally determined based upon independent third-party appraisals of the properties, which consider sales prices of similar properties in the proximate vicinity or by discounting expected cash flows from the properties by an appropriate risk adjusted discount rate. Management may adjust the appraised values as deemed appropriate. Fair values of collateral other than real estate is based on an estimate of the liquidation proceeds. Impaired loans and foreclosed real estate are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements. The fair value consists of the asset balances net of a valuation allowance.

Assets taken in foreclosure of defaulted loans are generally measured at the lower of cost or fair value less costs to sell. The fair value of the real property is generally determined using appraisals or other indications of value based on recent comparable sales of similar properties or assumptions generally observable in the marketplace, and the related nonrecurring fair value measurement adjustments have generally been classified as Level 3.

For assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at June 30, 2026 and December 31, 2025 were as follows:

<i>(In thousands)</i>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2026:				
Collateral-dependent loans	\$ 4,902	\$ —	\$ —	\$ 4,902
	<u>\$ 4,902</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,902</u>
December 31, 2025:				
Collateral-dependent loans	\$ 2,259	\$ —	\$ —	\$ 2,259
	<u>\$ 2,259</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,259</u>

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which Level 3 inputs were used to determine fair value:

	<u>Quantitative Information about Level 3 Fair Value Measurements</u>			
	<u>Valuation Techniques</u>	<u>Unobservable Input</u>	<u>Adjustment</u>	
			<u>Range</u>	<u>(Weighted-average)</u>
Collateral-dependent loans	Lower of appraisal of collateral or asking price less selling costs	Appraisal adjustments	10%-56%	(13%) 2026
			10%-55%	(26%) 2025
		Selling costs	7%-19%	(11%) 2026
			7%-14%	(10%) 2025

At June 30, 2026 and December 31, 2025, the fair value of collateral-dependent loans consisted of loan balances of \$5,148,000 and \$2,394,000, respectively, net of a valuation allowance of \$246,000 and \$135,000, respectively.

11. COMMITMENTS AND CONTINGENCIES

The Company is at times, and in the ordinary course of business, subject to legal actions. Management believes that losses, if any, resulting from current legal actions will not have a material adverse effect on the Company's consolidated financial condition or results of operations.

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and involve, to varying degrees, elements of credit, market, and interest rate risk more than the amounts recognized in the consolidated statements of financial condition.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for loan commitments is represented by the contractual amount of these instruments. The Company uses the same credit policies in making commitments as it does for on-balance sheet instruments.

As of the dates indicated, the following financial instruments were outstanding whose contract amounts represent credit risk:

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Commitments to Grant Loans	\$ 1,838	\$ 1,298
Performance Standby Letters of Credit	\$ 371	\$ 96
Unfunded Commitments Under Lines of Credit	\$ 30,862	\$ 27,858

Commitments to extend credit are agreements to lend to a customer if there is no violation of any conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit are uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed. Allowance for credit losses on unfunded loan commitments was immaterial at June 30, 2026 and December 31, 2025.

12. REGULATORY CAPITAL REQUIREMENTS

The Bank is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators, which if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices.

As a result of the Economic Growth, Regulatory Relief, and Consumer Protection Act, the federal banking agencies were required to develop a "Community Bank Leverage Ratio" (the ratio of a Bank's Tier 1 capital to average total consolidated assets) for financial institutions with assets of less than \$10 billion. A "qualifying community bank" that exceeds this ratio will be deemed to be in compliance with all other capital and leverage requirements, including the capital requirements to be considered "well capitalized" under Prompt Corrective Action statutes. The federal banking agencies may consider a financial institution's risk profile when evaluating whether it qualifies as a community bank for purposes of the capital ratio requirement. A financial institution can elect to be subject to this new definition. The federal banking agencies set the minimum capital for the Community Bank Leverage Ratio at 9.00%. The Bank elected to adopt the Community Bank Leverage Ratio as of June 30, 2020. Effective July 1, 2026, the federal banking agencies set the minimum capital for the Community Bank Leverage Ratio at 8.00% and extended the grace period from two quarters to four quarters, subject to a limit of eight quarters over a five-year period.

As of June 30, 2026, the most recent notification from the Office of the Comptroller of the Currency categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain a minimum Tier 1 leverage ratio (Community Bank Leverage Ratio) as set forth in the table below, including applicable grace periods. There are no conditions or events since that notification that management believes have changed the Bank's category. The Bank's actual capital amounts and ratios as of June 30, 2026 and December 31, 2025, are as follows:

<i>(In thousands)</i>	Actual		Capital Adequacy Purposes		To be Well Capitalized Under Prompt and Corrective Action Provisions		Minimum Capital Adequacy with Buffer	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2026								
Tier 1 capital to assets	\$ 30,891	9.84 %	\$ 25,108	8.00 %	\$ 28,246	9.00 %	N/A	N/A
As of December 31, 2025:								
Tier 1 capital to assets	\$ 30,487	9.68 %	\$ 25,208	8.00 %	\$ 28,359	9.00 %	N/A	N/A

13. EARNINGS PER SHARE COMMON

Basic earnings per share is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding during the period. Net income available to common stockholders is net income to the Company. During the three months ended June 30, 2026 and 2025, the Company had 19,484 and 12,617 potentially dilutive common stock equivalents. During the six months ended June 30, 2026 and 2025, the Company had 16,017 and 11,457 potentially dilutive common stock equivalents. Unallocated common shares held by the ESOP are not included in the weighted-average number of common shares outstanding for purposes of calculating earnings per common share until they are committed to be released. Antidilutive shares are not included in the weighted-average number of common shares outstanding for purposes of calculating earnings per common share until they become dilutive.

The following tables set forth the calculation of basic and diluted earnings (loss) per share:

<i>(Dollars in thousands, except per share data)</i>	Three months ended June 30,	
	2026	2025
Basic earnings (loss) per common share:		
Net income (loss) available to common stockholders	\$ 93	\$ (196)
Weighted average common shares outstanding basic	1,646,749	1,700,535
Weighted average common shares outstanding dilutive	1,666,233	1,700,535
Earnings (Loss) per share basic	<u>\$ 0.06</u>	<u>\$ (0.12)</u>
Earnings (Loss) per share dilutive	<u>\$ 0.06</u>	<u>\$ (0.12)</u>

<i>(Dollars in thousands, except per share data)</i>	Six months ended June 30,	
	2026	2025
Basic earnings (loss) per common share:		
Net income (loss) available to common stockholders	\$ 43	\$ (48)
Weighted average common shares outstanding basic	1,645,030	1,705,039
Weighted average common shares outstanding dilutive	1,661,047	1,705,039
Earnings (Loss) per share basic	<u>\$ 0.03</u>	<u>\$ (0.03)</u>
Earnings (Loss) per share dilutive	<u>\$ 0.03</u>	<u>\$ (0.03)</u>

14. NON-INTEREST INCOME

The Company has included the following tables regarding the Company's non-interest income for the periods presented:

<i>(In thousands)</i>	Three months ended June 30,	
	2026	2025
Service fees		
Deposit related fees	\$ 13	\$ 10
Loan servicing income	26	23
Total service fees	39	33
Income from financial services		
Securities commission income	243	238
Insurance commission income	2	2
Total insurance and securities commission income	245	240
Card income		
Debit card interchange fee income	102	81
ATM fees	10	8
Insufficient fund fees	105	69
Total card and insufficient funds income	217	158
Realized gain on sales of residential mortgage loans	25	32
Deferred compensation plan assets	35	26
Other miscellaneous income	65	42
Total non-interest income	\$ 626	\$ 531

<i>(In thousands)</i>	Six months ended June 30,	
	2026	2025
Service fees		
Deposit related fees	\$ 25	\$ 19
Loan servicing income	49	46
Total service fees	74	65
Income from financial services		
Securities commission income	504	460
Insurance commission income	3	4
Total insurance and securities commission income	507	464
Card income		
Debit card interchange fee income	187	150
ATM fees	18	15
Insufficient fund fees	196	134
Total card and insufficient funds income	401	299
Realized gain on sales of residential mortgage loans	49	65
Deferred compensation plan assets	68	52
Other miscellaneous income	131	72
Total non-interest income	\$ 1,230	\$ 1,017

The following is a discussion of key revenues within the scope of the new revenue guidance:

- Service fees — Revenue from fees on deposit accounts is earned at the time that the charge is assessed to the customer's account. Fee waivers are discretionary and usually reversed within the same reporting period as assessed.
- Fee income — Fee income is earned through commissions and is satisfied over the time which the fee has been assessed.

- Card income and insufficient funds fees — Card income consists of interchange fees from consumer debit card networks and other card related services. Interchange rates are set by the card networks. Interchange fees are based on purchase volumes and other factors and are recognized as transactions occur. Insufficient funds fees are satisfied at the time the charge is assessed to the customer's account.

15. SEGMENT INFORMATION

The Company has two primary business segments, its community banking segment, and its wealth management segment.

The community banking segment provides financial services to consumers and businesses principally in the Greater Syracuse Area and Onondaga County of New York State. These services include providing various types of loans to customers, accepting deposits, mortgage banking, and other traditional banking services. Parent company income is included in the community banking segment, as the majority of effort for these functions is related to this segment. Major revenue sources include net interest income and service fees on deposit accounts. Expenses include personnel and branch-network support charges. The wealth management agency segment offers individual investment management for individuals in the Greater Syracuse Area. The primary revenue source is commissions from 401(k) management and brokered accounts.

The Company's Chief Financial Officer is the chief operating decision maker ("CODM"). The CODM evaluates the financial performance of the Company's components such as evaluating revenue streams, significant expenses, and budget to actual results in assessing the performance of the Company's segments in the determination of allocating resources. Financial information regarding each significant segment expense outlined below is regularly provided (at least monthly) to the CODM. For the community banking segment, interest expense is a significant segment expense. Additionally, for each of the two reportable segments, compensation and employee benefits are significant segment expenses.

Information about the segments is presented in the following table as of and for the periods indicated:

<i>(In thousands)</i>	<u>At June 30, 2026</u>	<u>At December 31, 2025</u>
Total assets for Seneca Savings	\$ 311,658	\$ 312,487
Total assets for Financial Quest	1,351	1,236
Elimination of intercompany receivables	(632)	(1,609)
Total consolidated assets	<u>\$ 312,377</u>	<u>\$ 312,114</u>

Three Months Ended June 30,

(In thousands)

	2026			2025		
	Seneca Savings	Financial Quest	Total	Seneca Savings	Financial Quest	Total
INTEREST INCOME						
Total interest income	\$ 3,966	\$ —	\$ 3,966	\$ 3,595	\$ —	\$ 3,595
INTEREST EXPENSE						
Total interest expense	1,358	—	1,358	1,364	—	1,364
Net interest income	2,608	—	2,608	2,231	—	2,231
Provision for credit losses available-for-sale securities	148	—	148	—	—	—
Provision for credit losses loans receivable	(28)	—	(28)	511	—	511
Net interest income after provision for credit losses	2,488	—	2,488	1,720	—	1,720
NONINTEREST INCOME						
Service fees	39	—	39	33	—	33
Income from financial services	—	245	245	—	240	240
Fee income	274	8	282	192	8	200
Earnings on deferred compensation plan assets	35	—	35	26	—	26
Net gains on sale of residential mortgage loans	25	—	25	32	—	32
Total noninterest income	373	253	626	283	248	531
NONINTEREST EXPENSE						
Compensation and employee benefits	1,431	140	1,571	1,268	119	1,387
Core processing	479	—	479	376	—	376
Premises and equipment	255	6	261	216	6	222
Professional fees	244	5	249	106	—	106
Postage and office supplies	24	1	25	14	1	15
FDIC premiums	59	—	59	34	—	34
Advertising	63	1	64	82	3	85
Director fees	54	1	55	37	—	37
Intangible asset amortization	—	39	39	—	40	40
Other	223	10	233	167	13	180
Total noninterest expense	2,832	203	3,035	2,300	182	2,482
Income (loss) before benefit for income taxes	29	50	79	(297)	66	(231)
BENEFIT FOR INCOME TAXES	(14)	—	(14)	(35)	—	(35)
Net income (loss)	\$ 43	\$ 50	\$ 93	\$ (262)	\$ 66	\$ (196)

(In thousands)	Six Months Ended June 30,					
	2026			2025		
	Seneca Savings	Financial Quest	Total	Seneca Savings	Financial Quest	Total
INTEREST INCOME						
Total interest income	\$ 7,794	\$ —	\$ 7,794	\$ 7,032	\$ —	\$ 7,032
INTEREST EXPENSE						
Total interest expense	2,742	—	2,742	2,673	—	2,673
Net interest income	5,052	—	5,052	4,359	—	4,359
Provision for credit losses available-for-sale securities	148	—	148	—	—	—
Provision for credit losses loans receivable	92	—	92	621	—	621
Net interest income after provision for credit losses	4,812	—	4,812	3,738	—	3,738
NONINTEREST INCOME						
Service fees	74	—	74	65	—	65
Income from financial services	—	507	507	—	464	464
Fee income	510	16	526	355	16	371
Gain on sale of fixed assets	6	—	6	—	—	—
Earnings on deferred compensation plan assets	68	—	68	52	—	52
Net gains on sale of residential mortgage loans	49	—	49	65	—	65
Total noninterest income	707	523	1,230	537	480	1,017
NONINTEREST EXPENSE						
Compensation and employee benefits	2,870	280	3,150	2,438	235	2,673
Core processing	942	—	942	711	—	711
Premises and equipment	559	12	571	433	12	445
Professional fees	403	20	423	163	—	163
Postage and office supplies	48	1	49	57	1	58
FDIC premiums	114	—	114	67	—	67
Advertising	154	2	156	179	4	183
Director fees	100	1	101	84	1	85
Intangible asset amortization	—	78	78	1	78	79
Other	395	27	422	321	24	345
Total noninterest expense	5,585	421	6,006	4,454	355	4,809
(Loss) Income before benefit for income taxes	(66)	102	36	(179)	125	(54)
BENEFIT FOR INCOME TAXES	(7)	—	(7)	(6)	—	(6)
Net (loss) income	\$ (59)	\$ 102	\$ 43	\$ (173)	\$ 125	\$ (48)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Management's discussion and analysis of the financial condition and results of operations at and for the three and six months ended June 30, 2026 and 2025 is intended to assist in understanding the financial condition and results of operations of the Company. The information in this section should be read in conjunction with the unaudited financial statements and the notes thereto, appearing in Part 1, Item 1 of this quarterly report on Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained herein are "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). These forward-looking statements can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "believe," "contemplate," "continue," "target" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- inflation, tariffs and changes in the interest rate environment that reduce our margins and yields, the fair value of financial instruments or our level of loan originations, or increase the level of defaults, losses and prepayments on loans we have made and make;
- general economic conditions, either nationally or in our market areas, that are worse than expected;
- events involving the failure of financial institutions may adversely affect our business, and the market price of our common stock;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- our ability to access cost-effective funding;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- demand for loans and deposits in our market area;
- our ability to implement and change our business strategies;
- competition among depository and other financial institutions;

- adverse changes in the securities or secondary mortgage markets, including our ability to sell loans in the secondary market;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- changes in the quality or composition of our loan or investment portfolios;
- technological changes that may be more difficult or expensive than expected;
- the inability of third-party providers to perform as expected;
- a failure or breach of our operational or security systems or infrastructure, including cyberattacks;
- our ability to manage market risk, credit risk and operational risk in the current economic environment;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to successfully integrate into our operations any assets, liabilities, customers, systems and management personnel we may acquire and our ability to realize related revenue synergies and cost savings within expected time frames, and any goodwill charges related thereto;
- changes in consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- our ability to retain key employees;
- any future FDIC insurance premium increases or special assessments may adversely affect our earnings;
- our ability to prevent or mitigate fraudulent activity;
- our ability to evaluate the amount and timing of recognition of future tax assets and liabilities;
- political instability or civil unrest;
- acts of war or terrorism or public health emergencies such as the COVID-19 pandemic;
- our ability to control operating costs and expenses, including compensation expense associated with equity allocated or awarded to our employees;
- changes in the financial condition, results of operations or future prospects of issuers of securities that we own; and
- our inability to sell our foreclosed assets, net at an amount equal to or greater than the carrying amount.

Because of these and a wide variety of other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. Except as required by applicable law or regulation, we do not undertake, and we specifically disclaim any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

Overview

Our results of operations depend primarily on our net interest income, which is the difference between the interest income we earn on our interest-earning assets, consisting primarily of loans, investment securities and other interest-earning assets (cash and cash equivalents), and the interest we pay on our interest-bearing liabilities, consisting primarily of demand accounts, NOW accounts, savings accounts, money market accounts, certificate of deposit accounts and borrowings.

Our results of operations also are affected by non-interest income, our provision for credit losses and non-interest expense. Non-interest income consists primarily of fee income and service fees, income from our financial services division, earnings on deferred compensation plan assets, realized gains on sales of loans and securities and other income. Non-interest expenses consist primarily of compensation and employee benefits, core processing, premises and equipment, professional fees, postage and office supplies, FDIC premiums, advertising and other expenses.

Financial institutions like us, in general, are significantly affected by economic conditions, competition, and the monetary and fiscal policies of the federal government. Lending activities are influenced by the demand for and supply of housing and commercial real estate, competition among lenders, interest rate conditions, and funds availability. Our operations and lending are principally concentrated in Onondaga and Madison Counties and the greater Syracuse, New York area, and our operations and earnings are influenced by local economic conditions. Deposit balances and cost of funds are influenced by prevailing market rates on competing investments, customer preferences, and levels of personal income and savings in our primary market area. Operations are also significantly impacted by government policies and actions of regulatory authorities. Future changes in applicable law, regulations or government policies, as well as regulatory actions, may materially impact our financial performance.

Summary of Critical Accounting Policies and Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. As a result, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available at that time. Critical accounting estimates include the areas where we have made what we consider to be particularly difficult, subjective, or complex judgments concerning estimates, and where these estimates can significantly affect our financial results under different assumptions and conditions. These estimates, judgments, and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. Actual results could be different from these estimates. We evaluate our critical accounting estimates and assumptions on an ongoing basis and update them as needed. Significant accounting policies are presented in Note 2. Summary of Significant Accounting Policies of the notes to the consolidated financial statements included within this Quarterly Report on Form 10-Q.

Allowance for Credit Losses

The allowance for credit losses on loans represents management's current estimate of expected credit losses over the contractual term of loans, and is recorded at an amount that, in management's judgment, reduces the recorded investment in loans to the net amount expected to be collected. Management considers the allowance for credit losses to be a critical accounting estimate, given the uncertainty in estimating lifetime credit losses attributable to our portfolios of assets exhibiting credit risk, particularly in our loan portfolio, and the material effect that such judgments can have on our results of operations. Determining the amount requires significant judgment on the part of management, is multi-faceted, and can be imprecise. The level of the allowance for credit losses on loans is based on management's ongoing review of all relevant information, from internal and external sources, relating to past events, current conditions, and expectations of the future based on reasonable and supportable forecasts.

The allowance is established through a provision for credit losses in our consolidated statements of income, and evaluation of the adequacy of the allowance for credit losses is performed by management on a quarterly basis. While management uses available information to anticipate credit losses, future additions to the allowance may be necessary based on changes in economic conditions or the composition of our portfolios. In addition, various regulatory agencies, as an integral part of their examination process, periodically review our allowance for credit losses. At June 30, 2026, and December 31, 2025, the allowance for credit losses on loans totaled \$1.8 million and \$1.9 million, respectively

Our methodology for maintaining our allowance for credit losses is based on historical experience and data, current economic information, and reasonable and supportable forecasts. Accordingly, the estimation of the allowance for credit losses is impacted by the

economic forecasts utilized, which require the use of significant judgment. Deterioration in forecasted economic conditions may lead to further required increases to the allowance for credit losses. Conversely, improvements in forecasted economic conditions may warrant further reductions to the allowance for credit losses. In estimating the allowance for credit losses, management considers the sensitivity of the model and significant judgments and assumptions that could result in an amount that is materially different from management's estimate.

Loans that have similar risk characteristics are evaluated on a collective basis for the purposes of establishing the allowance for credit losses. Qualitative risk factors evaluated include:

- changes in the local economy and economic forecasts;
- changes in the nature and volume of the portfolio and in the terms of loans;
- concentration of credit exposure;
- changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses;
- digital lending risk; and
- changes in the experience, ability, and depth of lending management and other relevant staff.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. During the three months ended June 30, 2026, individually evaluated loans were also expanded to include commercial loans that were risk rated special mention along with loans risk rated substandard. A collateral-dependent asset is a financial asset for which the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower, based on management's assessment, is experiencing financial difficulty. The allowance for credit loss for a collateral-dependent financial asset is measured using the fair value of collateral. When management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

The allowance for credit losses is sensitive to various forecasted macroeconomic drivers, including the Federal Open Market Committee's ("FOMC") median forecasted U.S. civilian unemployment rate and the year-over-year change in U.S. Gross Domestic Product ("GDP"). While it is difficult to estimate how potential changes to various factors may impact the allowance for credit losses because such changes to factors may not occur at the same rate or in the same direction, management compared the modeled allowance for credit losses on loans to a hypothetical model using a downside economic forecast. Using an immediate "shock" or increase of 20 basis points in the FOMC's projected rate of U.S. civilian unemployment, and a decrease of 100 basis points in the FOMC's projected rate of U.S. GDP growth, this would increase the model's total calculated allowance for credit losses on loans by \$1.2 million or 71.9%, representing a 53 basis points increase to the coverage ratio of the allowance for credit losses as a percentage of loans at amortized cost, assuming all other quantitative and qualitative factors are kept at current levels, as of June 30, 2026. This example is only one of the numerous possible economic scenarios that could be utilized in assessing the sensitivity of the allowance for credit losses and does not represent management's assumptions or judgment of factors as of June 30, 2026.

Unexpected changes in economic growth could adversely affect our results of operations, including causing increases in delinquencies and default rates on loans, which would adversely impact our charge-offs, allowance for credit losses, and provision for credit losses. Deterioration in real estate values, employment data and household incomes may also result in higher credit losses for us. Also, in the ordinary course of business, we may be subject to a concentration of credit risk to a particular industry, counterparty, borrower or issuer. A deterioration in the financial condition or prospects of a particular industry or a failure or downgrade of, or default by, any particular entity or group of entities could negatively impact our business, perhaps materially, and the systems by which we set limits and monitor the level of our credit exposure to individual entities and industries, may not function as we have anticipated.

Comparison of Financial Condition at June 30, 2026 and December 31, 2025

Total Assets. Total assets were \$312.4 million as of June 30, 2026 and \$312.1 million as of December 31, 2025, an increase of \$263,000, or 0.1%. The increase in assets was primarily due to a \$10.7 million increase in net loans, and a \$2.8 million increase in cash and cash equivalents, offset by a \$13.5 million decrease in available-for-sale securities.

Cash and Cash Equivalents. Cash and cash equivalents increased \$2.8 million, or 53.0%, to \$8.2 million at June 30, 2026 from \$5.3 million at December 31, 2025. The increase primarily resulted from a \$13.5 million decrease in available-for-sale securities, partially offset by a \$10.7 million increase in net loans.

Available-for-Sale Securities. Available-for-sale securities decreased by \$13.5 million, or 27.8%, to \$35.1 million at June 30, 2026 from \$48.6 million at December 31, 2025. This decrease was primarily due to maturities of \$11.6 million and \$1.5 million in principal repayments during the first six months of 2026.

Net Loans. Loans receivable, net of the allowance for credit losses, increased \$10.7 million, or 4.7%, to \$236.7 million at June 30, 2026 from \$226.0 million at December 31, 2025. The increase in net loans was primarily driven by the origination of \$24.1 million of loans, partially offset by \$13.3 million of paydowns and \$3.4 million of loan sales during the six months ended June 30, 2026. Commercial real estate loans increased to \$97.3 million at June 30, 2026 from \$88.0 million at December 31, 2025 and commercial and industrial loans increased to \$25.0 million at June 30, 2026 as compared to \$22.2 million at December 31, 2025 as we continue to focus on growth in these portfolios. Home equity loans and lines of credit increased to \$18.9 million at June 30, 2026 from \$15.9 million at December 31, 2025. Residential construction loans increased to \$3.9 million at June 30, 2026 from \$3.2 million at December 31, 2025. One- to four-family residential mortgage loans decreased to \$88.6 million at June 30, 2026 from \$93.0 million at December 31, 2025 due to payoffs and amortization. Consumer and other loans decreased to \$3.7 million at June 30, 2026 from \$4.3 million at December 31, 2025.

Deposits. Total deposits increased by \$559,000, or 0.2%, to \$235.0 million at June 30, 2026 from \$234.4 million at December 31, 2025. Core deposits (which we define as all deposits other than certificates of deposit and brokered deposits) decreased \$2.5 million, or 1.4% to \$169.6 million at June 30, 2026 from \$172.1 million at December 31, 2025 primarily due to decreases in money market accounts and savings accounts. As of June 30, 2026, money market deposits decreased by \$1.6 million and savings account deposits decreased by \$1.3 million, partially offset by an increase in time deposits of \$3.0 million and NOW and demand deposits of \$435,000 as compared to December 31, 2025. There were \$19.2 million and \$16.7 million of brokered deposits included in time deposits at June 30, 2026 and December 31, 2025, respectively.

FHLB Advances. Total FHLB advances were \$34.6 million at June 30, 2026 as compared to \$35.6 million at December 31, 2025, a decrease of \$938,000, or 2.6%. FHLB advances were paid down using funds obtained through maturities and principal repayments in the available-for-sale securities portfolio.

Stockholders' Equity. Stockholders' equity increased by \$25,000, or 0.1%, to \$32.8 million at June 30, 2026. The increase in stockholders' equity was attributable in part to net income of \$43,000 recorded during the six months ended June 30, 2026.

Analysis of Net Interest Income

Net interest income represents the difference between the interest we earn on our interest-earning assets, such as commercial and residential mortgage loans and investment securities, and the expense we pay on interest-bearing liabilities, such as deposits and borrowings. Net interest income depends on both the volume of our interest-earning assets and interest-bearing liabilities and the interest rates we earn or pay on them.

Average Balances and Yields. The following tables set forth average balance sheets, average yields and costs, and certain other information for the periods indicated. No tax-equivalent yield adjustments were made, as the effect thereof was not material. All average balances are daily average balances. Non-accrual loans were included in the computation of average balances but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees, discounts and premiums that are amortized or accreted to interest income or interest expense.

	For the Three Months Ended June 30,					
	2026			2025		
	Average Outstanding Balance	Interest	Yield/ Rate ⁽⁴⁾ (Dollars in thousands)	Average Outstanding Balance	Interest	Yield/ Rate ⁽⁴⁾
Interest-earning assets:						
Loans	\$ 234,802	\$ 3,492	5.95 %	\$ 210,036	\$ 3,099	5.90 %
Available-for-sale securities	45,451	372	3.27	48,386	386	3.19
FHLB/FRB stock	3,723	68	7.31	3,275	74	9.04
Other interest-earning assets	5,726	34	2.38	5,392	36	2.67
Total interest-earning assets	289,702	3,966	5.48	267,089	3,595	5.38
Non-interest-earning assets	23,983			17,933		
Total assets	<u>\$ 313,685</u>			<u>\$ 285,022</u>		
Interest-bearing liabilities:						
NOW accounts	\$ 27,589	6	0.09	\$ 26,469	6	0.09
Regular savings and demand club accounts	25,210	14	0.22	25,515	33	0.52
Money market accounts	89,673	581	2.59	69,738	443	2.54
Certificates of deposit and retirement accounts	60,954	446	2.93	65,164	512	3.14
Total interest-bearing deposits	203,426	1,047	2.06	186,886	994	2.13
FHLB borrowings	36,823	311	3.38	37,230	370	3.98
Total interest-bearing liabilities	240,249	1,358	2.26	224,116	1,364	2.43
Non-interest-bearing deposits	33,079			32,367		
Other non-interest-bearing liabilities	7,689			4,886		
Total liabilities	281,017			261,369		
Stockholders' equity	32,668			23,653		
Total liabilities and stockholders' equity	<u>\$ 313,685</u>			<u>\$ 285,022</u>		
Net interest income		<u>\$ 2,608</u>			<u>\$ 2,231</u>	
Net interest rate spread ⁽¹⁾			<u>3.21 %</u>			<u>2.95 %</u>
Net interest-earning assets ⁽²⁾	<u>\$ 49,453</u>			<u>\$ 42,973</u>		
Net interest margin ⁽³⁾			<u>3.60 %</u>			<u>3.34 %</u>
Average interest-earning assets to average interest-bearing liabilities		<u>120.58%</u>			<u>119.17%</u>	

(1) Interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(2) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by total interest-earning assets.

(4) Annualized.

For the Six Months Ended June 30,

	2026			2025		
	Average Outstanding Balance	Interest	Yield/ Rate ⁽⁴⁾ (Dollars in thousands)	Average Outstanding Balance	Interest	Yield/ Rate ⁽⁴⁾
Interest-earning assets:						
Loans	\$ 232,284	\$ 6,818	5.87 %	\$ 207,272	\$ 6,028	5.82 %
Available-for-sale securities	48,135	777	3.23	47,943	767	3.20
FHLB/FRB stock	3,628	135	7.44	3,306	150	9.07
Other interest-earning assets	5,688	64	2.25	6,032	87	2.88
Total interest-earning assets	289,735	7,794	5.38	264,553	7,032	5.32
Non-interest-earning assets	24,128			17,617		
Total assets	<u>\$ 313,863</u>			<u>\$ 282,170</u>		
Interest-bearing liabilities:						
NOW accounts	\$ 27,760	12	0.09	\$ 26,251	12	0.09
Regular savings and demand club accounts	25,076	36	0.29	24,438	51	0.42
Money market accounts	89,341	1,180	2.64	67,719	839	2.48
Certificates of deposit and retirement accounts	61,263	913	2.98	65,089	1,020	3.13
Total interest-bearing deposits	203,440	2,141	2.10	183,497	1,922	2.09
FHLB borrowings	36,727	601	3.27	38,629	751	3.89
Total interest-bearing liabilities	240,167	2,742	2.28	222,126	2,673	2.41
Non-interest-bearing deposits	33,223			31,936		
Other non-interest-bearing liabilities	7,709			4,394		
Total liabilities	281,099			258,456		
Stockholders' equity	32,764			23,714		
Total liabilities and stockholders' equity	<u>\$ 313,863</u>			<u>\$ 282,170</u>		
Net interest income		<u>\$ 5,052</u>			<u>\$ 4,359</u>	
Net interest rate spread ⁽¹⁾			<u>3.10 %</u>			<u>2.91 %</u>
Net interest-earning assets ⁽²⁾	<u>\$ 49,568</u>			<u>\$ 42,427</u>		
Net interest margin ⁽³⁾			<u>3.49 %</u>			<u>3.30 %</u>
Average interest-earning assets to average interest-bearing liabilities	<u>120.64 %</u>			<u>119.10 %</u>		

(1) Interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(2) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by total interest-earning assets.

(4) Annualized.

Rate/Volume Analysis. The following table presents the effects of changing rates and volumes on our net interest income for the periods indicated. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately, based on the changes due to rate and the changes due to volume. There were no out-of-period items or adjustments required to be excluded from the table below.

	Three Months Ended June 30, 2026 vs. 2025			Six Months Ended June 30, 2026 vs. 2025		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
(In thousands)	Volume	Rate		Volume	Rate	
Interest-earning assets:						
Loans	\$ 365	\$ 28	\$ 393	\$ 727	\$ 63	\$ 790
Available-for-sale securities	(23)	9	(14)	3	7	10
FHLB/FRB stock	10	(16)	(6)	15	(30)	(15)
Other interest-earning assets	2	(4)	(2)	(5)	(18)	(23)
Total interest-earning assets	354	17	371	740	22	762
Interest-bearing liabilities:						
NOW accounts	—	—	—	1	(1)	—
Regular savings and demand club accounts	—	(19)	(19)	1	(16)	(15)
Money market accounts	127	11	138	268	73	341
Certificates of deposit and retirement accounts	(33)	(33)	(66)	(60)	(47)	(107)
Total deposits	94	(41)	53	210	9	219
FHLB borrowings	(4)	(55)	(59)	(37)	(113)	(150)
Total interest-bearing liabilities	90	(96)	(6)	173	(104)	69
Change in net interest income	\$ 264	\$ 113	\$ 377	\$ 567	\$ 126	\$ 693

Comparison of Results of Operations for the Three Months Ended June 30, 2026 and 2025

Net Income. Net income of \$93,000 was recorded for the three months ended June 30, 2026, an increase of \$289,000, or 147.4%, as compared to a net loss of \$196,000 for the three months ended June 30, 2025. The increase in net income was attributable to a \$377,000 increase in net interest income, a \$95,000 increase in non-interest income, and a \$391,000 decrease in provision for credit losses, partially offset by a \$553,000 increase in non-interest expense and a \$21,000 decrease in income tax benefit during the three months ended June 30, 2026.

Interest Income. Interest income increased \$371,000, or 10.3%, to \$4.0 million for the three months ended June 30, 2026, as compared to \$3.6 million for the three months ended June 30, 2025 due to an increase in loan interest income.

Interest income on loans increased by \$393,000, or 12.7%, to \$3.5 million for the three months ended June 30, 2026 as compared to \$3.1 million for the three months ended June 30, 2025. The increase was due to a \$24.8 million, or 11.8%, increase in the average balance of the loan portfolio to \$234.8 million for the three months ended June 30, 2026 from \$210.0 million for the three months ended June 30, 2025. The increase in the average balance of the loan portfolio was primarily due to an increase in the average balance of commercial real estate loans, partially offset by loan repayments and one- to four-family residential real estate loan sales. The average yield earned on the loan portfolio increased by five basis points to 5.95% for the three months ended June 30, 2026 from 5.90% for the three months ended June 30, 2025.

Interest income earned on the available-for-sale securities portfolio decreased by \$14,000, or 3.6%, to \$372,000 for the three months ended June 30, 2026 as compared to \$386,000 for the three months ended June 30, 2025. The decrease was primarily attributable to a \$2.9 million, or 6.1%, decrease in the average balance of the available-for-sale securities portfolio to \$45.5 million for the three months ended June 30, 2026 as compared to \$48.4 million for the three months ended June 30, 2025. The average yield earned on the available-for-sale securities portfolio increased by eight basis points to 3.27% for the three months ended June 30, 2026 from 3.19% for the three months ended June 30, 2025, due to an increase in interest rates earned on the portfolio, resulting from purchases of higher-yielding securities.

Interest Expense. Interest expense decreased \$6,000, or 0.4%, to \$1.4 million for the three months ended June 30, 2026 due to a decrease in interest expense on FHLB and other borrowings.

Interest expense on deposits increased \$53,000, or 5.3%, to \$1.0 million for the three months ended June 30, 2026 from \$994,000 for the three months ended June 30, 2025. The average balance of deposits increased by \$16.5 million, or 8.9%, to \$203.4 million for the three months ended June 30, 2026 from \$186.9 million for the three months ended June 30, 2025. The increase in the average balance of deposits was primarily attributable to a \$19.9 million increase in money market accounts and a \$1.1 million increase in NOW accounts, partially offset by a \$4.2 million decrease in certificate of deposit and retirement accounts. The average interest rate paid on deposit accounts decreased seven basis points to 2.06% for the three months ended June 30, 2026 from 2.13% for the three months ended June 30, 2025, primarily due to a 30 basis points decrease in interest paid on regular savings and demand club accounts in addition to a 22 basis points decrease in interest paid on certificate of deposit and retirement accounts.

Interest expense paid on FHLB and other borrowings decreased \$59,000, or 15.9%, to \$311,000 for the three months ended June 30, 2026 from \$370,000 for the three months ended June 30, 2025. The decrease in the interest paid on borrowings was due to a 60 basis points decrease in the average interest rate paid on FHLB borrowings to 3.38% for the three months ended June 30, 2026 from 3.98% for the three months ended June 30, 2025. The average balance of FHLB borrowings decreased \$407,000, or 1.1%, to \$36.8 million for the three months ended June 30, 2026 as compared to \$37.2 million for the three months ended June 30, 2025 due to an increase in funding from deposits.

Net Interest Income. Net interest income increased by \$377,000, or 16.9%, to \$2.6 million for the three months ended June 30, 2026 from \$2.2 million for the three months ended June 30, 2025. Net interest rate spread increased 26 basis points to 3.21% for the three months ended June 30, 2026 as compared to 2.95% for the three months ended June 30, 2025, reflecting a nine basis points increase in the average yield on interest-earning assets in addition to a 17 basis points decrease in the average cost of interest-bearing liabilities. The net interest margin increased by 26 basis points to 3.60% for the three months ended June 30, 2026 from 3.34% for the three months ended June 30, 2025.

Provision for Credit Losses. Based on management's analysis of the allowance for credit losses described under "Summary of Critical Accounting Policies and Critical Accounting Estimates" and in Note 2. Summary of Significant Accounting Policies of notes to the consolidated financial statements included within this Quarterly Report on Form 10-Q, we recorded a \$148,000 provision for credit losses related to the available-for-sale securities portfolio and reduced our provision for credit losses on loans by \$28,000 for the three months ended June 30, 2026 as compared to a \$511,000 provision for credit losses on loans for the three months ended June 30, 2025. During the three months ended June 30, 2026, we also made several changes to our CECL model assumptions which included the individual evaluation of all special mention and substandard risk rated loans, adding an additional qualitative factor for loans delinquent 15-29 days, and removing a minimum loss rate relative to historical losses. Prior to June 30, 2026, we used the highest of the minimum loss rate, peer loss rate, and the Bank's historical loss rate for each loan pool and now use only our own historical loss rates. The \$148,000 provision for credit losses on the available-for-sale securities portfolio for the three months ended June 30, 2026 was due to the Madison County Capital Resource Corp. (Cazenovia College) bond that was in default. The allowance for credit losses on loans was \$1.8 million at June 30, 2026, or 0.78%, of total loans outstanding, and \$1.9 million, or 0.84% of total loans outstanding at December 31, 2025.

Non-Interest Income. Non-interest income increased by \$95,000, or 17.9%, to \$626,000 for the three months ended June 30, 2026 from \$531,000 for the three months ended June 30, 2025. The increase was attributable to an \$82,000 increase in fee income, specifically debit card interchange fee income and insufficient fund fees, primarily due to our increased focus on core deposit growth.

Non-Interest Expense. Non-interest expense increased by \$553,000, or 22.3%, to \$3.0 million for the three months ended June 30, 2026 from \$2.5 million for the three months ended June 30, 2025. Compensation and benefits increased by \$184,000, or 13.3%, to

\$1.6 million for the three months ended June 30, 2026 from \$1.4 million for the three months ended June 30, 2025 due to an increase in the number of employees as a result of opening a new branch office in Manlius, New York in June 2025 as well as annual salary increases and increases in benefit expenses. Professional fees increased \$143,000, or 134.9%, to \$249,000 for the three months ended June 30, 2026 from \$106,000 for the three months ended June 30, 2025 primarily due to increases in consulting, legal, and audit and accounting services in connection with becoming a public company. Core processing expense increased \$103,000, or 27.4%, to \$479,000 for the three months ended June 30, 2026 from \$376,000 for the three months ended June 30, 2025 as a result of IT managed services.

Income Tax Benefit. Income tax benefit decreased \$21,000, or 60.0%, to \$14,000 for the three months ended June 30, 2026 as compared to an income tax benefit of \$35,000 for the three months ended June 30, 2025. The decrease in income tax benefit resulted from an increase in income before taxes.

Comparison of Results of Operations for the Six Months Ended June 30, 2026 and 2025

Net Income. Net income of \$43,000 was recorded for the six months ended June 30, 2026, an increase of \$91,000, or 189.6%, as compared to a net loss of \$48,000 for the six months ended June 30, 2025. The increase in net income was attributable to a \$693,000 increase in net interest income, a \$213,000 increase in non-interest income, a \$1,000 increase in income tax benefit, and a \$381,000 decrease in provision for credit losses, partially offset by a \$1.2 million increase in non-interest expense.

Interest Income. Interest income increased \$762,000, or 10.8%, to \$7.8 million for the six months ended June 30, 2026 as compared to \$7.0 million for the six months ended June 30, 2025 due primarily to an increase in loan interest income.

Interest income on loans increased by \$790,000, or 13.1%, to \$6.8 million for the six months ended June 30, 2026 as compared to \$6.0 million for the six months ended June 30, 2025. The increase was due to a \$25.0 million, or 12.1%, increase in the average balance of the loan portfolio to \$232.3 million for the six months ended June 30, 2026 from \$207.3 million for the six months ended June 30, 2025. The increase in the average balance of the loan portfolio was primarily due to an increase in the average balance of commercial real estate loans, partially offset by loan repayments and one- to four-family residential real estate loan sales. The average yield earned on the loan portfolio increased by five basis points to 5.87% for the six months ended June 30, 2026 from 5.82% for the six months ended June 30, 2025.

Interest income earned on the available-for-sale securities portfolio increased by \$10,000, or 1.3%, to \$777,000 for the six months ended June 30, 2026 as compared to \$767,000 for the six months ended June 30, 2025. The increase was primarily attributable to an increase in the average yield earned on the available-for-sale securities portfolio by three basis points to 3.23% for the six months ended June 30, 2026 from 3.20% for the six months ended June 30, 2025 due to an increase in interest rates earned on the portfolio, resulting from purchases of higher-yielding securities. The average balance of the available-for-sale securities portfolio increased \$192,000, or 0.4%, to \$48.1 million for the six months ended June 30, 2026 as compared to \$47.9 million for the six months ended June 30, 2025.

Interest Expense. Interest expense increased \$69,000, or 2.6%, to \$2.7 million for the six months ended June 30, 2026 due to an increase in interest expense on deposits.

Interest expense on deposits increased \$219,000, or 11.4%, to \$2.1 million for the six months ended June 30, 2026 from \$1.9 million for the six months ended June 30, 2025. The average balance of deposits increased by \$19.9 million, or 10.9%, to \$203.4 million for the six months ended June 30, 2026 from \$183.5 million for the six months ended June 30, 2025. The increase in the average balance of deposits was primarily attributable to a \$21.6 million increase in money market accounts and a \$1.5 million increase in NOW accounts, partially offset by a \$3.8 million decrease in certificate of deposit and retirement accounts. The average interest rate paid on deposit accounts increased one basis point to 2.10% for the six months ended June 30, 2026 from 2.09% for the six months ended June 30, 2025.

Interest expense paid on FHLB and other borrowings decreased \$150,000, or 20.0%, to \$601,000 for the six months ended June 30, 2026 from \$751,000 for the six months ended June 30, 2025. The decrease in the interest paid on borrowings was due to a 62 basis points decrease in the average interest rate paid on FHLB borrowings to 3.27% for the six months ended June 30, 2026 from 3.89% for the six months ended June 30, 2025. The average balance of FHLB borrowings decreased \$1.9 million, or 4.9%, to \$36.7 million for the six months ended June 30, 2026 as compared to \$38.6 million for the six months ended June 30, 2025 due to an increase in funding from deposits.

Net Interest Income. Net interest income increased by \$693,000, or 15.9%, to \$5.1 million for the six months ended June 30, 2026 from \$4.4 million for the six months ended June 30, 2025. Net interest rate spread increased 19 basis points to 3.10% for the six months ended June 30, 2026 as compared to 2.91% for the six months ended June 30, 2025, reflecting a six basis points increase in the average yield on interest-earning assets in addition to a 13 basis points decrease in the average cost of interest-bearing liabilities. The net interest margin increased by 19 basis points to 3.49% for the six months ended June 30, 2026 from 3.30% for the six months ended June 30, 2025.

Provision for Credit Losses. Based on management's analysis of the allowance for credit losses described under "Summary of Critical Accounting Policies and Critical Accounting Estimates" and in Note 2. Summary of Significant Accounting Policies of notes to the consolidated financial statements included within this Quarterly Report on Form 10-Q, we recorded a \$148,000 provision for credit losses related to the available-for-sale securities portfolio and a \$92,000 provision for credit losses on loans for the six months ended June 30, 2026 as compared to a \$621,000 provision for credit losses on loans for the six months ended June 30, 2025. The \$148,000 provision for credit losses on the available-for-sale securities portfolio for the six months ended June 30, 2026 was due to the Madison County Capital Resource Corp. (Cazenovia College) bond that was in default. The decreased provision for credit losses on loans for the six months ended June 30, 2025 was the result of two commercial and industrial loans totaling \$599,000 being fully charged off. During the six months ended June 30, 2026, we also made several changes to our CECL model assumptions which included the individual evaluation of all special mention and substandard risk rated loans, adding an additional qualitative factor for loans delinquent 15-29 days, and removing a minimum loss rate relative to historical losses. Prior to June 30, 2026, we used the highest of the minimum loss rate, peer loss rate, and the Bank's historical loss rate for each loan pool and now use only our own historical loss rates. The allowance for credit losses on loans was \$1.8 million at June 30, 2026, or 0.78%, of total loans outstanding, and \$1.9 million, or 0.84% of total loans outstanding at December 31, 2025.

Non-Interest Income. Non-interest income increased by \$213,000, or 20.9%, to \$1.2 million for the six months ended June 30, 2026 from \$1.0 million for the six months ended June 30, 2025. The increase was attributable to a \$155,000 increase in fee income, specifically debit card interchange fee income and insufficient fund fees, primarily due to our increased focus on core deposit growth and a \$43,000 increase in income earned from financial services and retirement planning income generated by our subsidiary, Financial Quest.

Non-Interest Expense. Non-interest expense increased by \$1.2 million, or 24.9%, to \$6.0 million for the six months ended June 30, 2026 from \$4.8 million for the six months ended June 30, 2025. Compensation and benefits increased by \$477,000, or 17.8%, to \$3.2 million for the six months ended June 30, 2026 from \$2.7 million for the six months ended June 30, 2025 due to an increase in the number of employees as a result of opening a new branch office in Manlius, New York in June 2025 as well as annual salary increases and increases in benefit expenses. Professional fees increased \$260,000, or 159.5%, to \$423,000 for the six months ended June 30, 2026 from \$163,000 for the six months ended June 30, 2025 primarily due to increases in consulting, legal, and audit and accounting services in connection with becoming a public company. Core processing expense increased \$231,000, or 32.5%, to \$942,000 for the six months ended June 30, 2026 from \$711,000 for the six months ended June 30, 2025 as a result of IT managed services. Premises and equipment expense increased by \$126,000, or 28.3%, to \$571,000 for the six months ended June 30, 2026 from \$445,000 for the six months ended June 30, 2025 primarily due to the opening of the new Manlius branch office and the renovation of the Liverpool branch office.

Income Tax Benefit. Income tax benefit increased \$1,000, or 16.7%, to \$7,000 for the six months ended June 30, 2026 as compared to an income tax benefit of \$6,000 for the six months ended June 30, 2025.

Financial Position and Results of Operations of Our Wealth Management Business Segment

We conduct our business through two business segments: (1) our banking business segment, which primarily involves the delivery of loan and deposit products to our customers through Seneca Savings Bank, National Association (the "Bank") and generates net interest income and service fees, and (2) our wealth management business segment, which includes investment management services for individuals and institutions offered through Financial Quest and provides commission income from 401(k) plan management and brokered accounts.

The following tables present the statements of income and total assets for our reportable business segments at or for the periods indicated:

(In thousands)	At or for the Three Months Ended June 30,					
	2026			2025		
	Banking	Wealth Management	Total Segments ⁽²⁾	Banking	Wealth Management	Total Segments ⁽²⁾
Net interest income	\$ 2,608	\$ —	\$ 2,608	\$ 2,231	\$ —	\$ 2,231
Non-interest income	373	253	626	283	248	531
Provision for credit losses on loans	(28)	—	(28)	511	—	511
Provision for credit losses on available-for-sale securities	148	—	148	—	—	—
Non-interest expense	2,832	203	3,035	2,300	182	2,482
Benefit for income taxes	(14)	—	(14)	(35)	—	(35)
Net income (loss)	\$ 43	\$ 50	\$ 93	\$ (262)	\$ 66	\$ (196)
Assets under management (AUM) (market value) ⁽¹⁾	\$ —	\$ 238,520	\$ 238,520	\$ —	\$ 249,940	\$ 249,940
Total assets	\$ 311,658	\$ 1,351	\$ 312,377	\$ 298,210	\$ 1,123	\$ 299,060

⁽¹⁾ Assets under management represents customer assets managed by Financial Quest, and not assets of Financial Quest or the Bank.

⁽²⁾ Reflects intercompany eliminations. See Footnote 15, Segment Information, for more information.

(In thousands)	At or for the Six Months Ended June 30,					
	2026			2025		
	Banking	Wealth Management	Total Segments ⁽²⁾	Banking	Wealth Management	Total Segments
Net interest income	\$ 5,052	\$ —	\$ 5,052	\$ 4,359	\$ —	\$ 4,359
Non-interest income	707	523	1,230	537	480	1,017
Provision for credit losses on loans	92	—	92	621	—	621
Provision for credit losses on available-for-sale securities	148	—	148	—	—	—
Non-interest expense	5,585	421	6,006	4,454	355	4,809
Benefit for income taxes	(7)	—	(7)	(6)	—	(6)
Net (loss) income	\$ (59)	\$ 102	\$ 43	\$ (173)	\$ 125	\$ (48)
Assets under management (AUM) (market value) ⁽¹⁾	\$ —	\$ 238,520	\$ 238,520	\$ —	\$ 249,940	\$ 249,940
Total assets	\$ 311,658	\$ 1,351	\$ 312,377	\$ 298,210	\$ 1,123	\$ 299,060

⁽¹⁾ Assets under management represents customer assets managed by Financial Quest, and not assets of Financial Quest or the Bank.

⁽²⁾ Reflects intercompany eliminations. See Footnote 15, Segment Information, for more information.

Comparison at or for the three months ended June 30, 2026 and 2025. The market value of assets under management was \$238.5 million at June 30, 2026 as compared to \$249.9 million at June 30, 2025. The decrease in assets under management was primarily attributable to the withdrawal of approximately \$38.0 million of client assets following the termination of a client relationship during the three months ended June 30, 2026.

Income related to our wealth management business segment, which we record as non-interest income, increased \$5,000, or 2.0%, to \$253,000 for the three months ended June 30, 2026 as compared to \$248,000 for the three months ended June 30, 2025. The increase was mainly due to the impact of changes in equity markets and the interest rate environment during the three months ended June 30, 2026 as compared to the same prior year period.

Expenses related to our wealth management business segment, which we record as non-interest expense, increased \$21,000, or 11.5%, to \$203,000 for the three months ended June 30, 2026 as compared to \$182,000 for the three months ended June 30, 2025. The increase was due to an increase in compensation expense.

Comparison at or for the six months ended June 30, 2026 and 2025. The market value of assets under management was \$238.5 million at June 30, 2026 as compared to \$249.9 million at June 30, 2025. The decrease in assets under management was primarily attributable to the withdrawal of approximately \$38.0 million of client assets following the termination of a client relationship during the six months ended June 30, 2026.

Income related to our wealth management business segment, which we record as non-interest income, increased \$43,000, or 9.0%, to \$523,000 for the six months ended June 30, 2026 as compared to \$480,000 for the six months ended June 30, 2025. The increase was mainly due to the impact of changes in equity markets and the interest rate environment during the six months ended June 30, 2026 as compared to the same prior year period.

Expenses related to our wealth management business segment, which we record as non-interest expense, increased \$66,000, or 18.6%, to \$421,000 for the six months ended June 30, 2026 as compared to \$355,000 for the six months ended June 30, 2025. The increase was primarily due to increases in compensation expense and professional services.

Delinquencies and Asset Quality

Loans Past Due and Non-Performing Assets. Loans are reviewed on a regular basis. Non-accrual loans are loans for which collectability is questionable and, therefore, interest on such loans will no longer be recognized on an accrual basis. All loans that become 90 days or more delinquent are placed on non-accrual status unless the loan is well secured and in the process of collection. When loans are placed on non-accrual status, unpaid accrued interest is fully reversed, and further income is recognized only to the extent received on a cash basis or cost recovery method.

When we acquire real estate as a result of foreclosure, the real estate is classified as real estate owned. The real estate owned is recorded at the lower of carrying amount or fair value, less estimated costs to sell. Any excess of the recorded value of the loan satisfied over the market value of the property is charged against the allowance for credit losses, or, if the existing allowance is inadequate, charged to expense of the current period. After acquisition, all costs incurred in maintaining the property are expensed. Costs relating to the development and improvement of the property, however, are capitalized to the extent of estimated fair value less estimated costs to sell.

Loans modified for borrowers experiencing financial difficulties occur when we grant borrowers favorable loan modifications that we would not consider but for economic or legal reasons pertaining to the borrower's financial difficulties. These concessions typically include a modification of loan terms such as a reduction of the interest rate to below market terms, capitalizing past due interest or extending the maturity date, or possibly a partial forgiveness of the principal amount due. We identify loans for potential modifications related to borrowers experiencing financial difficulty primarily through direct communication with the borrower and evaluation of the borrower's financial statements, revenue projections, tax returns and credit reports. Even if the borrower is not presently in default, management will consider the likelihood that cash flow shortages, adverse economic conditions, and negative trends may result in a payment default in the near future. Interest income on restructured loans is accrued after the borrower demonstrates the ability to pay under the restructured terms through a sustained period of repayment performance, which is generally six consecutive months. We did not modify any loans to borrowers experiencing financial difficulty during the three or six months ended June 30, 2026. We closely monitor the performance of loans that are modified for borrowers experiencing financial difficulty to understand the effectiveness of our modification efforts. Loans modified to borrowers experiencing financial difficulty did not have payment default during the three or six months ended June 30, 2026 and all such loans were current as of June 30, 2026.

Non-Performing Assets. The table below sets forth the amounts and categories of our non-performing assets at the dates indicated.

<i>(Dollars in thousands)</i>	At June 30, 2026	At December 31, 2025
Non-accrual loans:		
Residential:		
One- to four-family	\$ 978	\$ 1,455
Construction	—	—
Home equity loans and lines of credit	—	—
Commercial real estate	1,578	1,578
Commercial and industrial	—	41
Consumer and other	—	—
Total non-accrual loans	2,556	3,074
Accruing loans 90 days or more past due:		
Residential:		
One- to four-family	—	—
Construction	—	—
Home equity loans and lines of credit	122	32
Commercial real estate	—	—
Commercial and industrial	—	—
Consumer and other	—	—
Total accruing loans 90 days or more past due	122	32
Total non-performing loans	2,678	3,106
Real estate owned	—	—
Other non-performing assets	—	148
Total non-performing assets	\$ 2,678	\$ 3,254
Ratios:		
Total non-performing loans to total loans	1.13 %	1.37 %
Total non-performing loans to total assets	0.86 %	1.00 %
Total non-performing assets to total assets	0.86 %	1.04 %

Non-accrual loans decreased by \$518,000, or 16.9%, to \$2.6 million at June 30, 2026 as compared to \$3.1 million at December 31, 2025, primarily due to a decrease in one- to four family residential loans as three loans transitioned to accrual status and two loans were charged off during the six months ended June 30, 2026.

Classified Assets. Federal regulations provide for the classification of loans and other assets, such as debt and equity securities considered by the OCC to be of lesser quality, as “substandard,” “doubtful” or “loss.” An asset is considered “substandard” if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. “Substandard” assets include those characterized by the “distinct possibility” that the insured institution will sustain “some loss” if the deficiencies are not corrected. Assets classified as “doubtful” have all of the weaknesses inherent in those classified “substandard,” with the added characteristic that the weaknesses present make “collection or liquidation in full,” on the basis of currently existing facts, conditions, and values, “highly questionable and improbable.” Assets classified as “loss” are those considered “uncollectible” and of such little value that their continuance as assets without the establishment of a specific loss allowance is not warranted. Assets which do not currently expose the insured institution to sufficient risk to warrant classification in one of the aforementioned categories but possess weaknesses are designated as “special mention” by our management.

When an insured institution classifies problem assets as either substandard or doubtful, it may establish general allowances in an amount deemed prudent by management to cover probable accrued losses. General allowances represent loss allowances which have been established to cover probable accrued losses associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. When an insured institution classifies problem assets as “loss,” it is required either to establish a specific allowance for losses equal to 100% of that portion of the asset so classified or to charge-off such amount. An institution’s determination as to the classification of its assets and the amount of its valuation allowances is subject to review by the regulatory authorities, which may require the establishment of additional general or specific loss allowances.

In connection with the filing of our periodic reports with the OCC and in accordance with our classification of assets policy, we regularly review the problem loans in our portfolio to determine whether any loans require classification in accordance with applicable regulations.

The following table sets forth our amounts of classified loans and loans designated as special mention as of June 30, 2026 and December 31, 2025 in our commercial real estate and commercial and industrial loan portfolios. All other loans are assigned a “pass” rating until the loan becomes 90 days past due at which time it is either downgraded to “non-performing” status or charged off. Generally loans 90 days or more past due are placed on non-accrual status.

<i>(In thousands)</i>	At June 30, 2026	At December 31, 2025
Substandard	\$ 3,530	\$ 3,253
Doubtful	—	—
Loss	—	—
Total Classified Assets	\$ 3,530	\$ 3,253
Special Mention	\$ 573	\$ 1,082

At June 30, 2026, a loan relationship consisting of one commercial real estate loan totaling \$576,000 and seven commercial and industrial loans totaling \$506,000 were upgraded from special mention to pass, offset by two newly criticized special mention loans that were downgraded from pass during the six months ended June 30, 2026 as compared to December 31, 2025. A commercial real estate loan totaling \$115,000 and a commercial and industrial loan totaling \$147,000 were downgraded to substandard from pass during the six months ended June 30, 2026 as compared to December 31, 2025.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans represents management’s current estimate of expected credit losses over the contractual term of loans, and is recorded at an amount that, in management’s judgment, reduces the recorded investment in loans to the net amount expected to be collected. Management considers the allowance for credit losses to be a critical accounting estimate, given the uncertainty in estimating lifetime credit losses attributable to our portfolios of assets exhibiting credit risk, particularly in our loan portfolio, and the material effect that such judgments can have on our results of operations. Determining the amount requires significant judgment on the part of management, is multi-faceted, and can be imprecise. The level of the allowance for credit losses on loans is based on management’s ongoing review of all relevant information, from internal and external sources, relating to past events, current conditions, and expectations of the future based on reasonable and supportable forecasts.

The allowance is established through a provision for credit losses in our consolidated statements of income, and evaluation of the adequacy of the allowance for credit losses is performed by management on a quarterly basis. While management uses available information to anticipate credit losses, future additions to the allowance may be necessary based on changes in economic conditions or the composition of our portfolios. In addition, various regulatory agencies, as an integral part of their examination process, periodically review our allowance for credit losses.

Our methodology for maintaining our allowance for credit losses is based on historical experience and data, current economic information, and reasonable and supportable forecasts. Accordingly, the estimation of the allowance for credit losses is impacted by the economic forecasts utilized, which require the use of significant judgment. Deterioration in forecasted economic conditions may lead to further required increases to the allowance for credit losses. Conversely, improvements in forecasted economic conditions may warrant further reductions to the allowance for credit losses. In estimating the allowance for credit losses, management considers the sensitivity

of the model and significant judgments and assumptions that could result in an amount that is materially different from management's estimate.

Loans that have similar risk characteristics are evaluated on a collective basis for the purposes of establishing the allowance for credit losses. Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. During the three months ended June 30, 2026, individually evaluated loans were also expanded to include commercial loans that were risk rated special mention along with loans risk rated substandard. A collateral-dependent asset is a financial asset for which the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower, based on management's assessment, is experiencing financial difficulty. The allowance for credit loss for a collateral-dependent financial asset is measured using the fair value of collateral. When management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

For additional information on the allowance for credit losses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Critical Accounting Policies and Critical Accounting Estimates—Allowance for Credit Losses."

The following table sets forth activity in our allowance for credit losses on loans for the periods indicated.

<i>(Dollars in thousands)</i>	For the Six Months Ended June 30,	
	2026	2025
Balance at beginning of period	\$ 1,915	\$ 1,804
Charge-offs:		
Residential:		
One- to four-family	(109)	—
Home equity loans and lines of credit	—	—
Construction	—	—
Commercial real estate	—	—
Commercial and industrial	—	(655)
Consumer and other	(59)	(23)
Total charge-offs	(168)	(678)
Recoveries:		
Residential:		
One- to four-family	1	—
Home equity loans and lines of credit	—	—
Construction	—	—
Commercial real estate	—	—
Commercial and industrial	1	2
Consumer and other	6	2
Total recoveries	8	4
Net charge-offs	(160)	(674)
Provision for credit losses on loans	92	621
Balance of allowance at end of period	\$ 1,847	\$ 1,751
Net (charge-offs) recoveries to average loans outstanding during period (annualized)	(0.14)%	(0.65)%
Allowance for credit losses on loans to non-accrual loans at end of period	72.26 %	425.00 %
Non-accrual loans to total loans outstanding at end of period	1.08 %	0.20 %
Allowance for credit losses on loans to total loans outstanding at end of period	0.78 %	0.84 %

The following table sets forth additional information with respect to charge-offs by category for the periods indicated.

	For the Six Months Ended June 30,	
	2026	2025
Net (charge-offs) recoveries to average loans outstanding during the period by loan type (annualized):		
Residential:		
One- to four-family	(0.09)%	0.00 %
Home equity loans and lines of credit	0.00 %	0.00 %
Construction	0.00 %	0.00 %
Commercial real estate	0.00 %	0.00 %
Commercial and industrial	0.00 %	(0.63)%
Consumer and other	(0.05)%	(0.02)%

Liquidity and Capital Resources

Liquidity describes our ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, proceeds from the sale of loans, and proceeds from calls, maturities and sales of securities. We also are able to borrow from the FHLB of New York. At June 30, 2026, we had a \$73.0 million line of credit with the FHLB of New York, a \$5.0 million line of credit with Pacific Coast Bankers Bank ("PCBB"), and a \$4.0 million line of credit with Zions Bank. At June 30, 2026, we had outstanding borrowings of \$34.6 million from the FHLB of New York. We did not borrow against the line of credit with Zions Bank or PCBB during the three or six months ended June 30, 2026. We also have the ability to borrow from the Federal Reserve Bank of New York through the discount window lending program.

The Board of Directors is responsible for establishing and monitoring our liquidity targets and strategies in order to ensure that sufficient liquidity exists to meet the borrowing needs and deposit withdrawals of our customers as well as unanticipated contingencies. We believe that we had sufficient sources of liquidity to satisfy our short and long-term liquidity needs as of June 30, 2026.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and cash equivalents, which includes cash and due from banks. The levels of these assets are dependent on our operating, financing, lending and investing activities during any given period. At June 30, 2026, cash and cash equivalents totaled \$8.2 million. Securities classified as available-for-sale, which provide additional sources of liquidity, had a total market value of \$35.1 million at June 30, 2026.

We have loan commitments to borrowers and borrowers have unused overdraft lines of protection, unused home equity lines of credit and unused commercial lines of credit that may require funding at a future date. We believe we have sufficient funds to fulfill these commitments, including sources of funds available through the use of FHLB of New York advances and other liquidity sources. We are committed to maintaining a strong liquidity position. We monitor our liquidity position on a daily basis. Certificates of deposit due within twelve months of June 30, 2026 totaled \$49.3 million, or 21.0% of total deposits. If these deposits do not remain with us, we will be required to seek other sources of funds, including other deposits and FHLB of New York advances. Depending on market conditions, we may be required to pay higher rates on such deposits or borrowings than we currently pay. We believe, however, based on past experience that a significant portion of such deposits will remain with us. We have the ability to attract and retain deposits by adjusting the interest rates offered.

We have obtained an irrevocable letter of credit with the FHLB of New York to collateralize New York state deposits for the New York Banking Development District program. The Banking Development District program through incentives encourages banks to open branches in communities that are underserved in banking services. New York State has deposited a below-market rate certificate of deposit in our Bridgeport office, located in Madison County. The Bank in turn makes loans to small businesses located in the market area with the proceeds.

We anticipate a material capital expenditure in 2026 related to the construction of our Camillus branch which we expect to open in early 2027. We do not have any balloon or other payments due on any long-term obligations, other than the borrowing agreements noted above.

At June 30, 2026, we exceeded all of our regulatory capital requirements, and we were categorized as "well capitalized" at June 30, 2026, including applicable grace periods. Management is not aware of any conditions or events since June 30, 2026 that would change our categorization. See Note 12. Regulatory Capital Requirements of the notes to our consolidated financial statements for more information.

Off-Balance Sheet Arrangements and Contractual Obligations

Our off-balance sheet items include loan commitments as described in Note 11. Commitments and Contingencies of the notes to our consolidated financial statements. At June 30, 2026, we had loan commitments to borrowers of approximately \$1.8 million and overdraft lines of credit, unused home equity lines of credit, unused commercial lines of credit, and commercial and standby letters of credit of approximately \$31.2 million. We do not have any other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or

capital resources that are material to investors. The allowance for credit losses on unfunded loan commitments was immaterial at June 30, 2026.

Impact of Inflation and Changing Price

The unaudited consolidated financial statements and related data presented elsewhere in this Quarterly Report on Form 10-Q have been prepared in accordance with GAAP which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates, generally, have a more significant impact on a financial institution's performance than does inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable, as the Company is a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of June 30, 2026. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting. During the quarter ended June 30, 2026, there were no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II — Other Information

Item 1. Legal Proceedings

At June 30, 2026, the Bank was subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Bank's or the Company's financial condition or results of operations.

Item 1A. Risk Factors

Not applicable, as the Company is a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2026, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as such term is defined in Item 408 of SEC Regulation S-K).

Item 6. Exhibits

- 3.1 Articles of Incorporation of Seneca Bancorp, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended (Commission File No. 333-288044), initially filed on June 13, 2025)
- 3.2 Bylaws of Seneca Bancorp, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended (Commission File No. 333-288044), initially filed on June 13, 2025)
- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 101 The following materials for the quarter ended June 30, 2026, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Net Income, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Changes in Capital, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SENECA BANCORP, INC.

Date: August 12, 2026

/s/ Joseph G. Vitale

Joseph G. Vitale
President and Chief Executive Officer
(Duly Authorized Representative and Principal Executive Officer)

Date: August 12, 2026

/s/ Angela M. Krezmer

Angela M. Krezmer
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)