



generations

*celebrating 150 years
of merging tradition
and innovation*



SENECA-CAYUGA BANCORP, INC.

annual report 2019

Serving Hometowns for
150th
anniversary
1870-2020
150 Years

generations bank

LETTER FROM THE PRESIDENT

Reflecting on 2019, it was a year of many changes. It was also a year in which we confirmed our values and our unique place in the markets we serve.

The assimilation of the Orleans County offices is complete! In October, we performed the system conversions that fully integrated the Orleans County locations. As a result, we can now fully realize the benefits of the merger, including expanded market opportunities without redundant system costs.

As part of our drive to greater efficiency and profitability, we closed the Waterloo - Washington Street location last summer. As customers migrate more and more toward digital banking, transactional volumes at our offices are declining. However, customers continue to visit our offices to meet with bankers, insurance representatives and business development officers.



Generations Commercial Bank completed its first full year of operation. The results have been a resounding success! In 2019, we attracted over \$46 million in municipal deposits to the Bank. We anticipate continued strong growth in 2020.

As always, we are very active in our communities. Some of the highlights from 2019 include our ongoing support of nine DARE programs throughout the Finger Lakes. This vital program combats drug use among our young people and we are excited to support it. We launched a new initiative this year, establishing the area's first Purple Heart Trail. Located here at our headquarters, the path proudly honors 63 veterans who were wounded or killed defending our nation. We were honored to be the first to lead this initiative, and we are very pleased that communities throughout our market have plans to follow suit with memorials of their own.

Generations Bank, formerly known as the Seneca Falls Savings Bank was established in May 1870, and we plan to celebrate our 150th Anniversary throughout 2020. This year is also the 100th anniversary of the States' ratification of the 19th Amendment recognizing women's voting rights. The movement for the Amendment began right here in Seneca Falls with the first women's rights convention held in 1848. Please visit 1848coin.com to support a grassroots effort for the minting of special coins commemorating the 75th Anniversary of the 1848 Convention and women's achievements since then.



In January of 2020, we lost a member of the Generations family when Bob Eberle passed away. A graduate of The Citadel Military College, he was a decorated Army veteran. Bob enjoyed a banking career that spanned 50 years, including ten years with Generations. He joined us as Senior Vice President for Operations and Compliance in 2002, and he later served as Executive Vice President until his retirement in 2012. Bob was very active in community organizations, including; Boy Scouts of America, Habitat for Humanity, Ronald McDonald House and the American Red Cross.

The spread of the COVID-19 virus and the related disruption of the economy has profoundly impacted our customers. The consequences for Generations Bank and the region as a whole is as yet unknown. We are working with our customers, government programs like the Small Business Administration and our elected officials to help the community cope with the economic uncertainty. The degree to which Generations Bank, like any institution, has been adversely impacted financially by the pandemic is impossible to estimate at this time.

Thank you for your continued investment in our company.

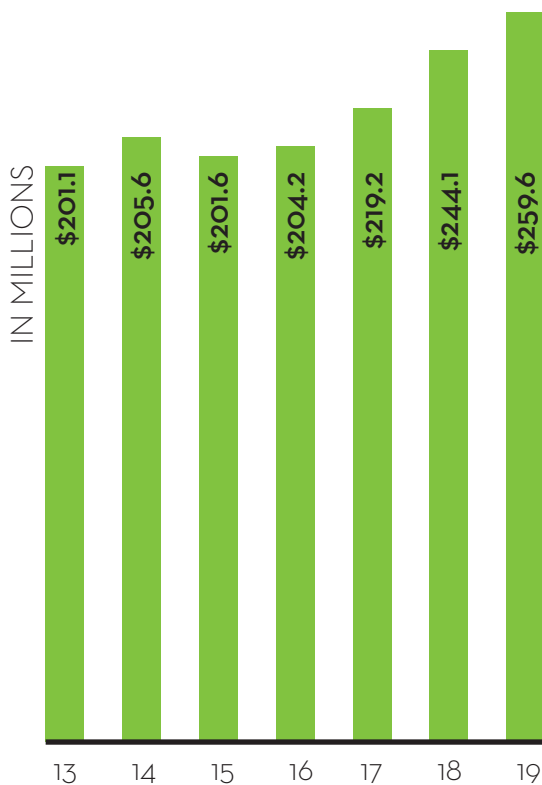
A handwritten signature in black ink, appearing to read 'M. D. Case'.

MENZO D. CASE
President & CEO

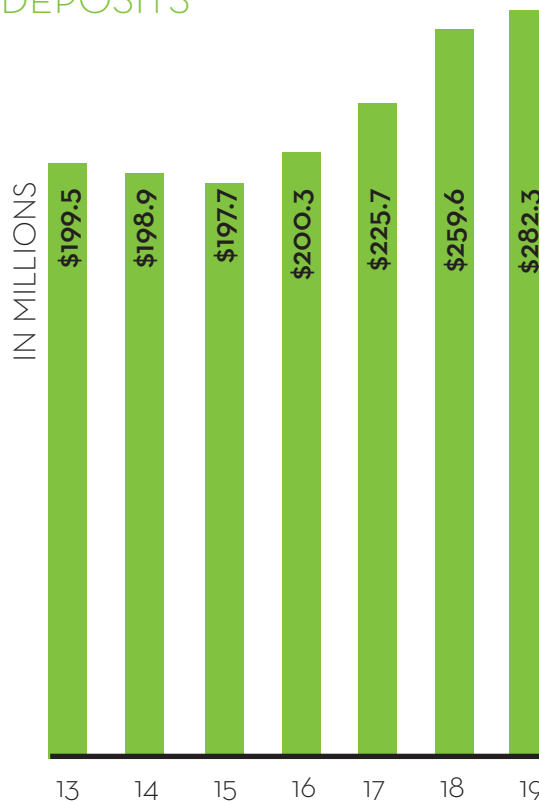
FACTS &

FIGURES

LOANS



DEPOSITS



NET INCOME

Year	Net Income (Thousands)
13	2,376.6
14	2,055.9
15	1,092.3
16	(1,196.1)
17	715.4
18	(766.0)
19	87.0

BANK'S CORE CAPITAL RATIO

Year	Core Capital Ratio (Percentage)
13	9.78
14	9.84
15	9.40
16	9.44
17	9.28
18	8.82
19	8.14

EARNINGS PER COMMON SHARE

Year	Earnings Per Common Share (Dollars)
13	1.03
14	0.88
15	0.45
16	(0.53)
17	0.31
18	(0.31)
19	0.04

COMPANY FINANCIAL SUMMARY

The summary information presented below at or for each of the years presented is derived in part from the audited consolidated financial statements of Seneca-Cayuga Bancorp, Inc. and should be read in conjunction with our consolidated financial statements and notes issued under separate cover (dollars in thousands).

SELECTED FINANCIAL CONDITION DATA:

	At December 31,		
	2019	2018	2017
Total assets	\$ 347,167	\$ 317,780	\$ 290,512
Loans receivable, net	259,620	244,100	219,238
Securities	35,284	25,392	29,344
Deposits	282,279	259,609	225,680
Borrowings	31,448	25,569	34,780
Shareholders' equity	27,848	26,986	25,772

SELECTED OPERATING DATA:

	For the year ended December 31,		
	2019	2018	2017
Interest and dividend income	\$ 12,759	\$ 11,615	\$ 11,465
Interest expense	3,167	2,628	2,375
Net interest income	9,592	8,987	9,090
Provision for loan losses	360	175	420
Net interest income after provision for loan losses	9,232	8,812	8,670
Non-interest income	3,557	2,560	2,712
Non-interest expense	12,857	12,284	10,667
Income from continuing operations before tax	(68)	(912)	715
Provision for income taxes	(155)	(146)	-
Net income	\$ 87	\$ (766)	\$ 715

PERFORMANCE RATIOS:

	At and for the year ended December 31,		
	2019	2018	2017
Return on average assets	0.03%	-0.26%	0.25%
Return on average equity	0.32%	-2.89%	2.81%
Interest rate spread ⁽¹⁾	3.38%	3.42%	3.56%
Net interest margin ⁽²⁾	3.45%	3.50%	3.63%
Efficiency ratio ⁽³⁾	97.78%	106.38%	90.38%
Operating expense to average total assets	3.96%	4.20%	3.77%
Average interest-earning assets to average interest-bearing liabilities	106.02%	108.54%	107.42%

ASSET QUALITY RATIOS:

Non-performing assets to total assets	1.63%	0.88%	0.93%
Non-performing loans to total loans	2.13%	1.10%	1.12%
Allowance for loan losses to non-performing loans	29.79%	57.40%	99.68%
Allowance for loan losses to total loans	0.64%	0.63%	1.12%

CAPITAL RATIOS:

Average equity to average assets	8.25%	9.04%	8.99%
Equity to total assets at the end of period	8.02%	8.49%	8.87%
Total bank capital to risk-weighted assets	12.90%	12.62%	13.57%
Tier 1 bank capital to risk-weighted assets	12.20%	11.97%	12.42%
Tier 1 bank capital to adjusted assets	8.14%	8.82%	9.28%

⁽¹⁾ Represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

⁽²⁾ Represents interest income as a percent of average interest-earning assets for the period.

⁽³⁾ The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income, excluding net gains or losses on sale of securities, net gain or loss on trading securities and security impairment losses.

STOCKHOLDER INFORMATION

Seneca-Cayuga Bancorp, Inc. (the “Company”) is the federally chartered mid-tier stock holding company of Generations Bank (the “Bank”). The Company owns 100% of the common stock of the Bank and has not engaged in any significant business activity other than owning the Bank’s common stock and does not intend to expand materially its business activities (other than through the Bank).

Generations Bank was chartered in 1870 to provide a safe and secure depository institution for the small community of Seneca Falls and the developing communities in the northern Finger Lakes region and Western New York. Today, with ten offices, we remain committed to meeting that mission, serving both individuals and businesses.

The Northern Finger Lakes region is located in the western portion of New York State between the cities of Rochester and Syracuse, New York. Seneca Falls is located six miles south of Interstate 90, the major east-west highway that runs through the state of New York. Our market now extends from Medina and Albion, New York, in the west to Auburn, New York, in the east. We also have offices in Union Springs, Waterloo, Phelps, Geneva and Farmington.

Generations Agency (the “Agency”) is a wholly-owned subsidiary of the Bank. The Agency services customers throughout the Finger Lakes Region and Western New York, and offers personal and commercial property insurance, life insurance, long-term-care planning, annuities and other products and services.

OUR COMMON STOCK

The Common Stock of Seneca-Cayuga Bancorp, Inc. is traded on the OTC Pink Marketplace under the symbol SCAY. At March 16, 2020, we had approximately 225 holders of record of the common stock. Certain shares of the common stock are held in “nominee” or “street” name and accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number. The following table shows the range of high and low market prices for our stock for the quarters indicated. There were no common stock dividends declared or paid in any quarter of the period presented in this report. The payment of any future cash dividends is dependent on the results of operations and financial condition of the Company, as well as tax considerations, economic and market conditions, regulatory restrictions, regulatory capital requirements and other factors.

Year ended December 31, 2019	High	Low	Cash Dividend Declared
Fourth quarter	\$ 10.76	\$ 10.32	\$ -
Third quarter	10.90	10.37	-
Second quarter	11.10	10.14	-
First quarter	11.70	10.05	-

Year ended December 31, 2018	High	Low	Cash Dividend Declared
Fourth quarter	\$ 12.50	\$ 9.01	\$ -
Third quarter	13.00	12.00	-
Second quarter	12.30	10.60	-
First quarter	12.10	9.70	-

GENERATIONS BANK
BOARD OF DIRECTORS

BRADFORD M. JONES
Chairman, Director^{1,3}

MENZO D. CASE
President/CEO, Director^{1,2,3}

VINCENT P. SINICROPI
Vice-Chairman, Director^{1,2,3}

DR. JOSE ACEVEDO
Director^{1,2,3}

CYNTHIA S. AIKMAN
Director^{2,3}

JAMES GARDNER
Director^{1,2}

GERALD MACALUSO
Director^{1,2,3}

DR. FRANK J. NICCHI
Director^{2,3}

DR. AUGUST P. SINICROPI
Director^{1,2,3}

DAVID H. SWENSON
Director^{1,3}

SHAREHOLDER
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SPECIAL COUNSEL
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Washington, D.C. 20015

¹ Also Director for Seneca-Cayuga Bancorp, Inc.

² Also Director for The Seneca Falls Savings Bank, MHC

³ Also Director for Generations Commercial Bank



*some things
change*

P2P PAYMENTS
MYGEN BANKING APP
UCHOOSE REWARDS



*the important
things don't*

INTEGRITY
COMMUNITY
PERSONALIZED SERVICE

BRINGING OLD VALUES AND NEW
TECHNOLOGY TOGETHER

