

Quarterly Financial Update

1st Quarter 2017

The following table presents selected consolidated financial data for the Company. This data is derived from the Company's quarterly unaudited financial statements and should be read in conjunction with the Company's audited financial statements and related notes for the year ended December 31, 2016. The Company's 2016 Annual Report is available online at www.edocumentview.com/sebc.

As of and for the periods ended:	Quarterly Results					Prior Annual Results	
	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2016	Dec. 31, 2015
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 3,521	\$ 3,462	\$ 3,451	\$ 3,476	\$ 3,426	\$13,815	\$12,377
Interest expense	161	161	159	161	162	643	655
Net interest income	3,360	3,301	3,292	3,315	3,264	13,172	11,722
Provision for (recovery of) loan losses	(100)	-	-	(700)	-	(700)	-
Net gain on investments	-	-	-	-	2	2	47
Net gain on sales of foreclosed properties	304	258	19	863	163	1,303	593
Other noninterest income	757	787	782	747	707	3,023	2,853
Valuation write-downs on foreclosed properties	-	75	-	1,552	83	1,710	187
Other noninterest expense	2,710	2,580	2,718	2,835	2,887	11,020	11,300
Net income before tax	1,811	1,691	1,375	1,238	1,166	5,470	3,728
Income tax	571	440	422	381	355	1,598	1,065
Net income	\$ 1,240	\$ 1,251	\$ 953	\$ 857	\$ 811	\$ 3,872	\$ 2,663
Per Share Ratios:							
Basic and diluted earnings	\$ 0.40	\$ 0.40	\$ 0.30	\$ 0.27	\$ 0.26	\$ 1.24	\$ 0.85
Dividends	0.10	0.10	0.08	0.08	0.08	0.34	0.16
Book value at end of period	15.92	15.60	15.76	15.49	15.18	15.60	14.76
Stock trading price:							
High	16.10	13.33	12.98	11.95	10.69	13.33	10.60
Low	13.30	11.50	11.06	10.70	10.50	10.50	8.60
Profitability Ratios:							
Return on average assets	1.21%	1.20%	0.94%	0.83%	0.80%	0.94%	0.67%
Return on average equity	10.16%	10.05%	7.72%	7.16%	6.93%	7.98%	5.81%
Net interest margin	3.62%	3.52%	3.60%	3.59%	3.59%	3.57%	3.34%
Selected Quarter-End Balances:							
Total assets	\$423,030	\$414,188	\$407,435	\$410,959	\$415,323		
Loans, net of unearned income	202,425	191,031	193,081	196,779	190,508		
Allowance for loan losses	4,154	3,624	3,466	3,582	4,127		
Investment securities, at amortized cost	119,011	114,235	112,034	113,390	114,984		
Deposits	372,291	364,379	356,832	361,404	366,951		
Shareholders' equity	49,829	48,818	49,328	48,478	47,519		
Nonperforming assets:							
Nonperforming loans	\$ 1,937	\$ 2,146	\$ 3,137	\$ 2,727	\$ 4,019		
Foreclosed and repossessed properties	6,521	6,657	6,413	6,497	8,946		
Total nonperforming assets	\$ 8,458	\$ 8,803	\$ 9,550	\$ 9,224	\$ 12,965		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-1.30%	-0.33%	0.24%	-0.32%	-0.29%		
Nonperforming assets to total assets	2.00%	2.13%	2.34%	2.24%	3.12%		
Allowance for loan losses to net loans	2.05%	1.90%	1.80%	1.82%	2.17%		
Allowance to nonperforming loans	214.46%	168.87%	110.52%	131.37%	102.69%		
Liquidity Ratios:							
Liquid assets to total assets	17.58%	19.49%	17.82%	17.22%	18.76%		
Loans, net to total deposits	54.37%	52.43%	54.11%	54.45%	51.92%		
Average loans to average earning assets (quarterly)	51.59%	51.02%	53.11%	51.76%	49.83%		
Noninterest-bearing deposits to total deposits	23.96%	21.50%	22.86%	22.80%	23.06%		
Capital Adequacy Ratios (consolidated):							
Tier 1 risk-based capital ratio	18.74%	19.11%	18.46%	17.65%	17.64%		
Total risk-based capital ratio	20.00%	20.37%	19.72%	18.91%	18.91%		
Tier 1 leverage ratio	11.63%	11.35%	11.22%	10.66%	10.49%		

