

Quarterly Financial Update

1st Quarter 2018

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, 2017. The Company's 2017 Annual Report can be viewed online at www.edocumentview.com/sebc.

As of and for the periods ended:	Quarterly Results					Prior Annual Results	
	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2017	Dec. 31, 2016
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 3,840	\$ 3,685	\$ 3,800	\$ 3,677	\$ 3,521	\$14,683	\$13,815
Interest expense	179	179	173	167	161	680	643
Net interest income	3,661	3,506	3,627	3,510	3,360	14,003	13,172
Provision for (recovery of) loan losses	70	(450)	-	-	(100)	(550)	(700)
Net gain (loss) on investments	-	-	(7)	-	-	(7)	2
Net gain on sales of bank-owned properties	290	14	218	121	304	657	1,300
Other noninterest income	805	825	813	833	757	3,228	3,026
Valuation write-downs on bank-owned properties	68	373	7	2	-	382	1,710
Other noninterest expense	2,786	2,796	2,803	2,769	2,710	11,078	11,020
Net income before tax	1,832	1,626	1,841	1,693	1,811	6,971	5,470
Income tax ¹	359	2,364	579	535	571	4,049	1,598
Net income (loss)	\$ 1,473	\$ (738)	\$ 1,262	\$ 1,158	\$ 1,240	\$ 2,922	\$ 3,872
Per Share Ratios:							
Basic and diluted earnings (loss)	\$ 0.47	\$ (0.24)	\$ 0.40	\$ 0.37	\$ 0.40	\$ 0.93	\$ 1.24
Dividends	0.11	0.10	0.10	0.10	0.10	0.40	0.34
Book value at end of period	16.13	16.15	16.62	16.36	15.92	16.15	15.60
Stock trading price:							
High	20.50	19.80	19.00	16.00	16.10	19.80	13.33
Low	19.75	18.55	15.55	15.25	13.30	13.30	10.50
Profitability Ratios:							
Return on average assets	1.37%	-0.69%	1.20%	1.10%	1.21%	0.70%	0.94%
Return on average equity	11.82%	-5.60%	9.66%	9.16%	10.16%	5.72%	7.98%
Net interest margin	3.69%	3.61%	3.77%	3.65%	3.62%	3.66%	3.57%
Selected Quarter-End Balances:							
Total assets	\$441,695	\$431,048	\$417,517	\$426,884	\$423,030		
Loans, net of unearned income	199,342	195,015	196,436	203,770	202,425		
Allowance for loan losses	3,411	3,293	3,829	3,845	4,154		
Investment securities, at amortized cost	129,480	123,785	117,040	119,410	119,011		
Deposits	390,216	379,046	363,754	374,515	372,291		
Shareholders' equity	50,485	50,543	51,997	51,185	49,829		
Nonperforming assets:							
Nonperforming loans	\$ 1,909	\$ 1,889	\$ 2,550	\$ 1,997	\$ 1,937		
Bank-owned properties	4,532	5,597	5,675	6,066	6,521		
Total nonperforming assets	\$ 6,441	\$ 7,486	\$ 8,225	\$ 8,063	\$ 8,458		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.10%	0.17%	0.03%	0.61%	-1.30%		
Nonperforming assets to total assets	1.46%	1.74%	1.97%	1.89%	2.00%		
Allowance for loan losses to net loans	1.71%	1.69%	1.95%	1.89%	2.05%		
Allowance to nonperforming loans	178.63%	174.33%	150.16%	192.52%	214.46%		
Liquidity Ratios:							
Liquid assets to total assets	20.23%	20.12%	18.46%	17.84%	17.58%		
Loans, net to total deposits	51.09%	51.45%	54.00%	54.41%	54.37%		
Average loans to average earning assets (quarterly)	48.50%	50.45%	52.11%	51.72%	51.59%		
Noninterest-bearing deposits to total deposits	25.40%	22.70%	24.23%	24.65%	23.96%		
Capital Adequacy Ratios (consolidated):							
Tier 1 risk-based capital ratio	20.65%	20.40%	19.98%	19.09%	18.74%		
Total risk-based capital ratio	21.90%	21.65%	21.24%	20.35%	20.00%		
Tier 1 leverage ratio	11.86%	11.96%	12.27%	11.76%	11.63%		



¹ Income tax expense for the fourth quarter and full year 2017 includes a \$1.87 million one-time charge for the remeasurement of the Company's deferred tax assets upon the enactment of the Tax Cuts and Jobs Act of 2017 that reduced the corporate income tax rate from 34% to 21%.