

Quarterly Financial Update

1st Quarter 2019

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 annual audited financial statements and related notes. The Company's 2018 Annual Report is available online at www.edocumentview.com/sebc.

	Quarterly Results					Prior Annual Results	
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
As of and for the periods ended:							
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,323	\$ 4,286	\$ 4,124	\$ 4,086	\$ 3,840	\$16,336	\$14,683
Interest expense	232	219	183	171	179	752	680
Net interest income	4,091	4,067	3,941	3,915	3,661	15,584	14,003
Provision for (recovery of) loan losses	-	-	-	50	70	120	(550)
Net loss on investments	(17)	-	(2)	-	-	(2)	(7)
Net gain on sales of bank-owned properties	159	1,309	84	283	290	1,965	657
Other noninterest income	792	880	854	866	805	3,405	3,228
Valuation write-downs on bank-owned properties	-	553	-	-	68	621	382
Other noninterest expense	3,067	3,049	2,970	2,926	2,786	11,730	11,078
Net income before tax	1,958	2,654	1,907	2,088	1,832	8,481	6,971
Income tax ¹	389	484	381	415	359	1,639	4,049
Net income	\$ 1,569	\$ 2,170	\$ 1,526	\$ 1,673	\$ 1,473	\$ 6,842	\$ 2,922
Per Share Ratios:							
Diluted earnings	\$ 0.50	\$ 0.69	\$ 0.49	\$ 0.53	\$ 0.47	\$ 2.18	\$ 0.93
Dividends	0.13	0.11	0.11	0.11	0.11	0.44	0.40
Book value at end of period	18.34	17.64	16.76	16.48	16.13	17.64	16.15
Stock trading price:							
High	20.00	21.00	21.25	21.00	20.50	21.25	19.80
Low	17.50	17.50	20.00	19.86	19.75	17.50	13.30
Profitability Ratios:							
Return on average assets	1.51%	2.03%	1.44%	1.55%	1.37%	1.60%	0.70%
Return on average equity	11.34%	16.06%	11.56%	13.14%	11.82%	13.18%	5.72%
Net interest margin	4.26%	4.11%	4.02%	3.94%	3.69%	3.94%	3.66%
Selected Quarter-End Balances:							
Total assets	\$427,580	\$419,571	\$421,575	\$432,973	\$441,695		
Loans, net of unearned income	215,167	211,270	208,571	205,429	199,342		
Allowance for loan losses	4,358	3,803	3,685	3,410	3,411		
Investment securities, at amortized cost	127,151	131,679	131,553	131,066	129,480		
Deposits	368,902	363,192	367,607	380,269	390,216		
Shareholders' equity	57,413	55,217	52,455	51,565	50,485		
Nonperforming assets:							
Nonperforming loans	\$ 1,590	\$ 1,595	\$ 1,750	\$ 1,741	\$ 1,909		
Bank-owned properties	1,873	1,858	4,300	4,519	4,748		
Total nonperforming assets	\$ 3,463	\$ 3,453	\$ 6,050	\$ 6,260	\$ 6,657		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-1.06%	-0.22%	-0.53%	0.10%	-0.10%		
Nonperforming assets to total assets	0.81%	0.82%	1.44%	1.45%	1.51%		
Allowance for loan losses to net loans	2.03%	1.80%	1.77%	1.66%	1.71%		
Allowance to nonperforming loans	274.09%	238.44%	210.62%	195.85%	178.63%		
Liquidity Ratios:							
Liquid assets to total assets	14.45%	12.76%	13.63%	16.74%	20.23%		
Loans, net to total deposits	58.33%	58.17%	56.74%	54.02%	51.09%		
Average loans to average earning assets (quarterly)	54.37%	53.72%	52.79%	49.85%	48.50%		
Noninterest-bearing deposits to total deposits	25.61%	27.37%	25.08%	24.90%	25.40%		
Capital Adequacy Ratios (consolidated):							
Tier 1 risk-based capital ratio	22.64%	22.00%	21.28%	20.76%	20.65%		
Total risk-based capital ratio	23.90%	23.26%	22.53%	22.01%	21.90%		
Tier 1 leverage ratio	13.58%	13.09%	12.90%	12.27%	11.86%		



¹ Income tax expense for the 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%.