

# Quarterly Financial Update

# 1st Quarter 2022

The following table presents selected consolidated financial data for Southeastern Banking Corporation. This data is derived from quarterly unaudited financial statements and should be read in conjunction with the annual audited financial statements and related notes. The 2021 Annual Report is available online at [www.edocumentview.com/sebc](http://www.edocumentview.com/sebc).

	Quarterly Results					Annual Results	
	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
<b>As of and for the periods ended:</b>							
<i>(Dollars in thousands except per share data)</i>							
<b>Summary of Operations:</b>							
Interest income	\$ 4,526	\$ 4,573	\$ 4,665	\$ 4,356	\$ 4,345	\$17,939	\$17,728
Interest expense	96	96	96	96	103	391	659
Net interest income	4,430	4,477	4,569	4,260	4,242	17,548	17,069
Provision for (recovery of) loan losses	-	-	-	-	(850)	(850)	1,175
Other noninterest income	1,002	1,302	972	995	1,015	4,284	3,641
Other noninterest expense	3,256	3,703	3,242	3,189	3,095	13,229	12,412
Net income before taxes	2,176	2,076	2,299	2,066	3,012	9,453	7,123
Income taxes	455	517	441	398	595	1,951	1,411
Net income	\$ 1,721	\$ 1,559	\$ 1,858	\$ 1,668	\$ 2,417	\$ 7,502	\$ 5,712
<b>Core Operating Earnings<sup>1</sup>:</b>							
Net income before taxes	\$ 2,176	\$ 2,076	\$ 2,299	\$ 2,066	\$ 3,012	\$ 9,453	\$ 7,123
- Paycheck Protection Program loan fees	122	238	518	237	359	1,352	888
+ Provision for (recovery of) loan losses	-	-	-	-	(850)	(850)	1,175
- Net gain on investments	-	-	-	-	-	-	27
- Net gain on sales of bank-owned properties	46	335	-	7	88	430	110
+ Valuation write-downs on bank-owned properties	-	90	-	-	-	90	82
+ Net noninterest expense for bank-owned properties	6	4	15	17	14	50	65
+ Donations to state programs included in noninterest expense that provide for a dollar-for-dollar state income tax credit to reduce income taxes	-	110	-	-	-	110	-
= Core operating earnings <sup>1</sup>	\$ 2,014	\$ 1,707	\$ 1,796	\$ 1,839	\$ 1,729	\$ 7,071	\$ 7,420
<b>Per Share Ratios:</b>							
Diluted earnings	\$ 0.55	\$ 0.49	\$ 0.59	\$ 0.53	\$ 0.77	\$ 2.38	\$ 1.81
Dividends	0.16	1.16	0.16	0.16	0.15	1.63	0.60
Book value at end of period	19.60	20.88	21.79	21.47	21.04	20.88	20.68
<b>Profitability Ratios:</b>							
Return on average assets	1.07%	1.00%	1.24%	1.15%	1.80%	1.28%	1.17%
Return on average equity	10.72%	9.18%	10.72%	9.97%	14.91%	11.17%	9.05%
Net interest margin	2.94%	3.06%	3.25%	3.15%	3.38%	3.20%	3.77%
<b>Selected Quarter-End Balances:</b>							
Total assets	\$649,883	\$642,105	\$600,303	\$592,209	\$570,198		
Loans, net of unearned income	294,165	294,439	282,183	272,059	271,547		
Allowance for loan losses	7,301	7,288	7,305	7,314	7,301		
Investment securities, at amortized cost	180,849	164,377	150,355	154,809	142,446		
Deposits	586,663	575,028	530,497	523,644	502,417		
Shareholders' equity	61,745	65,796	68,669	67,635	66,293		
Nonperforming assets:							
Nonperforming loans	\$ 856	\$ 864	\$ 826	\$ 804	\$ 832		
Bank-owned properties	531	679	592	593	669		
Total nonperforming assets	\$ 1,387	\$ 1,543	\$ 1,418	\$ 1,397	\$ 1,501		
<b>Asset Quality Ratios:</b>							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.02%	0.02%	0.01%	-0.02%	-2.25%		
Nonperforming assets to total assets	0.21%	0.24%	0.24%	0.24%	0.26%		
Allowance for loan losses to net loans	2.48%	2.48%	2.59%	2.69%	2.69%		
<b>Liquidity and Capital Ratios:</b>							
Liquid assets to total assets	24.51%	25.27%	24.77%	24.60%	23.98%		
Loans, net to total deposits	50.14%	51.20%	53.19%	51.96%	54.05%		
Average loans to average earning assets (quarterly)	47.80%	49.51%	49.23%	49.73%	51.62%		
Tier 1 leverage capital ratio	10.15%	10.56%	11.33%	11.39%	11.92%		



<sup>1</sup> Core operating earnings is a non-GAAP (generally accepted accounting principles) measure. This alternative earnings measure is presented to highlight pre-tax earnings capacity exclusive of the outlined revenues and expenditures not considered as core to the Company's daily operations.