

Quarterly Financial Update

2nd 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					Year-to-Date Results	
	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Jun. 30, 2019	Jun. 30, 2018
As of and for the periods ended:							
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,491	\$ 4,323	\$ 4,286	\$ 4,124	\$ 4,086	\$ 8,814	\$ 7,926
Interest expense	244	232	219	183	171	476	350
Net interest income	4,247	4,091	4,067	3,941	3,915	8,338	7,576
Provision for loan losses	-	-	-	-	50	-	120
Net loss on investments	(8)	(17)	-	(2)	-	(25)	-
Net gain on sales of bank-owned properties	30	159	1,309	84	283	189	573
Other noninterest income	876	792	880	854	866	1,668	1,671
Valuation write-downs on bank-owned properties	57	-	553	-	-	57	68
Other noninterest expense	3,112	3,067	3,049	2,970	2,926	6,179	5,712
Net income before tax	1,976	1,958	2,654	1,907	2,088	3,934	3,920
Income tax	394	389	484	381	415	783	774
Net income	\$ 1,582	\$ 1,569	\$ 2,170	\$ 1,526	\$ 1,673	\$ 3,151	\$ 3,146
Per Share Ratios:							
Diluted earnings	\$ 0.50	\$ 0.50	\$ 0.69	\$ 0.49	\$ 0.53	\$ 1.00	\$ 1.00
Dividends	0.13	0.13	0.11	0.11	0.11	0.26	0.22
Book value at end of period	19.04	18.34	17.64	16.76	16.48	19.04	16.48
Stock trading price:							
High	21.00	20.00	21.00	21.25	21.00	21.00	21.00
Low	19.00	17.50	17.50	20.00	19.86	17.50	19.75
Profitability Ratios:							
Return on average assets	1.50%	1.51%	2.03%	1.44%	1.55%	1.50%	1.46%
Return on average equity	10.88%	11.34%	16.06%	11.56%	13.14%	11.11%	12.49%
Net interest margin	4.34%	4.26%	4.11%	4.02%	3.94%	4.30%	3.81%
Selected Quarter-End Balances:							
Total assets	\$428,819	\$427,580	\$419,571	\$421,575	\$432,973		
Loans, net of unearned income	226,259	215,167	211,270	208,571	205,429		
Allowance for loan losses	4,390	4,358	3,803	3,685	3,410		
Investment securities, at amortized cost	126,501	127,151	131,679	131,553	131,066		
Deposits	367,702	368,902	363,192	367,607	380,269		
Shareholders' equity	60,003	57,413	55,217	52,455	51,565		
Nonperforming assets:							
Nonperforming loans	\$ 1,656	\$ 1,590	\$ 1,595	\$ 1,750	\$ 1,741		
Bank-owned properties	1,828	1,873	1,858	4,300	4,519		
Total nonperforming assets	\$ 3,484	\$ 3,463	\$ 3,453	\$ 6,050	\$ 6,260		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.06%	-1.06%	-0.22%	-0.53%	0.10%		
Nonperforming assets to total assets	0.81%	0.81%	0.82%	1.44%	1.45%		
Allowance for loan losses to net loans	1.94%	2.03%	1.80%	1.77%	1.66%		
Allowance to nonperforming loans	265.05%	274.09%	238.44%	210.62%	195.85%		
Liquidity Ratios:							
Liquid assets to total assets	12.14%	14.45%	12.76%	13.63%	16.74%		
Loans, net to total deposits	61.53%	58.33%	58.17%	56.74%	54.02%		
Average loans to average earning assets (quarterly)	55.99%	54.37%	53.72%	52.79%	49.85%		
Noninterest-bearing deposits to total deposits	26.69%	25.61%	27.37%	25.08%	24.90%		
Capital Adequacy Ratios (consolidated):							
Tier 1 risk-based capital ratio	22.38%	22.64%	22.00%	21.28%	20.76%		
Total risk-based capital ratio	23.64%	23.90%	23.26%	22.53%	22.01%		
Tier 1 leverage ratio	13.93%	13.58%	13.09%	12.90%	12.27%		

