

Quarterly Financial Update

2nd Quarter 2021

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 2020 Annual Report is available online at www.edocumentview.com/sebc.

	Quarterly Results					Year-to-Date Results	
	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
As of and for the periods ended: <i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,356	\$ 4,345	\$ 4,731	\$ 4,265	\$ 4,275	\$ 8,701	\$ 8,732
Interest expense	96	103	119	145	166	199	395
Net interest income	4,260	4,242	4,612	4,120	4,109	8,502	8,337
Provision for (recovery of) loan losses	-	(850)	425	150	600	(850)	600
Other noninterest income	995	1,015	1,041	941	823	2,010	1,659
Other noninterest expense	3,189	3,095	3,143	3,105	3,073	6,284	6,164
Net income before tax	2,066	3,012	2,085	1,806	1,259	5,078	3,232
Income tax	398	595	439	346	238	993	626
Net income	\$ 1,668	\$ 2,417	\$ 1,646	\$ 1,460	\$ 1,021	\$ 4,085	\$ 2,606
Core Operating Earnings¹:							
Net income before tax	\$ 2,066	\$ 3,012	\$ 2,085	\$ 1,806	\$ 1,259	\$ 5,078	\$ 3,232
+ Provision for (recovery of) loan losses	-	(850)	425	150	600	(850)	600
- Net gain (loss) on investments	-	-	26	-	-	-	1
- Net gain on sales of bank-owned properties	7	88	62	33	4	95	15
+ Valuation write-downs on bank-owned properties	-	-	19	-	13	-	63
+ Net noninterest expense for bank-owned properties	17	14	8	19	17	31	94
= Core operating earnings ¹	\$ 2,076	\$ 2,088	\$ 2,449	\$ 1,942	\$ 1,885	\$ 4,164	\$ 3,973
Per Share Ratios:							
Diluted earnings	\$ 0.53	\$ 0.77	\$ 0.52	\$ 0.46	\$ 0.32	\$ 1.30	\$ 0.83
Dividends	0.16	0.15	0.15	0.15	0.15	0.31	0.30
Book value at end of period	21.47	21.04	20.68	20.45	20.09	21.47	20.09
Profitability Ratios:							
Return on average assets	1.15%	1.80%	1.27%	1.15%	0.84%	1.46%	1.12%
Return on average equity	9.97%	14.91%	10.11%	9.06%	6.57%	12.40%	8.49%
Net interest margin	3.15%	3.38%	3.85%	3.50%	3.65%	3.26%	3.87%
Selected Quarter-End Balances:							
Total assets	\$592,209	\$570,198	\$542,981	\$505,611	\$508,991		
Loans, net of unearned income	272,059	271,547	264,570	270,885	270,999		
Allowance for loan losses	7,314	7,301	6,683	6,054	5,961		
Investment securities, at amortized cost	154,809	142,446	128,075	117,397	116,791		
Deposits	523,644	502,417	476,725	434,083	431,926		
Shareholders' equity	67,635	66,293	65,165	64,448	63,291		
Nonperforming assets:							
Nonperforming loans	\$ 804	\$ 832	\$ 1,031	\$ 1,104	\$ 1,030		
Bank-owned properties	593	669	1,211	1,365	1,550		
Total nonperforming assets	\$ 1,397	\$ 1,501	\$ 2,242	\$ 2,469	\$ 2,580		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.02%	-2.25%	-0.30%	0.08%	-0.28%		
Nonperforming assets to total assets	0.24%	0.26%	0.41%	0.49%	0.51%		
Allowance for loan losses to net loans	2.69%	2.69%	2.53%	2.23%	2.20%		
Allowance to nonperforming loans	909.75%	878.01%	648.05%	548.30%	578.93%		
Liquidity and Capital Ratios:							
Liquid assets to total assets	24.60%	23.98%	23.69%	18.64%	19.23%		
Loans, net to total deposits	51.96%	54.05%	55.50%	62.40%	62.74%		
Average loans to average earning assets (quarterly)	49.73%	51.62%	56.04%	56.74%	57.78%		
Noninterest-bearing deposits to total deposits	30.59%	30.37%	26.82%	30.35%	30.43%		
Tier 1 leverage capital ratio	11.39%	11.92%	12.28%	12.25%	12.45%		



¹ 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 credit-related charges (e.g., provision for or recovery of loan losses, gains and losses on sales of foreclosed properties, valuation write-downs on foreclosed properties and expenses related to carrying and disposing of foreclosed properties net of any rental income received on such properties) and any gains and losses on investment securities and other assets.