

Quarterly Financial Update

3rd 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.

	Quarterly Results					Year-to-Date Results	
	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Sep. 30, 2018	Sep. 30, 2017
As of and for the periods ended:							
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,124	\$ 4,086	\$ 3,840	\$ 3,685	\$ 3,800	\$12,050	\$10,998
Interest expense	183	171	179	179	173	533	501
Net interest income	3,941	3,915	3,661	3,506	3,627	11,517	10,497
Provision for (recovery of) loan losses	-	50	70	(450)	-	120	(100)
Net loss on investments	(2)	-	-	-	(7)	(2)	(7)
Net gain on sales of bank-owned properties	84	283	290	14	218	657	643
Other noninterest income	854	866	805	825	813	2,525	2,403
Valuation write-downs on bank-owned properties	-	-	68	373	7	68	9
Other noninterest expense	2,970	2,926	2,786	2,796	2,803	8,682	8,282
Net income before tax	1,907	2,088	1,832	1,626	1,841	5,827	5,345
Income tax ¹	381	415	359	2,364	579	1,155	1,685
Net income (loss)	\$ 1,526	\$ 1,673	\$ 1,473	\$ (738)	\$ 1,262	\$ 4,672	\$ 3,660
Per Share Ratios:							
Basic and diluted earnings (loss)	\$ 0.49	\$ 0.53	\$ 0.47	\$ (0.24)	\$ 0.40	\$ 1.49	\$ 1.17
Dividends	0.11	0.11	0.11	0.10	0.10	0.33	0.30
Book value at end of period	16.76	16.48	16.13	16.15	16.62	16.76	16.62
Stock trading price:							
High	21.25	21.00	20.50	19.80	19.00	21.25	19.00
Low	20.00	19.86	19.75	18.55	15.55	19.75	13.30
Profitability Ratios:							
Return on average assets	1.44%	1.55%	1.37%	-0.69%	1.20%	1.45%	1.17%
Return on average equity	11.56%	13.14%	11.82%	-5.60%	9.66%	12.17%	9.66%
Net interest margin	4.02%	3.94%	3.69%	3.61%	3.77%	3.88%	3.68%
Selected Quarter-End Balances:							
Total assets	\$421,575	\$432,973	\$441,695	\$431,048	\$417,517		
Loans, net of unearned income	208,571	205,429	199,342	195,015	196,436		
Allowance for loan losses	3,685	3,410	3,411	3,293	3,829		
Investment securities, at amortized cost	131,553	131,066	129,480	123,785	117,040		
Deposits	367,607	380,269	390,216	379,046	363,754		
Shareholders' equity	52,455	51,565	50,485	50,543	51,997		
Nonperforming assets:							
Nonperforming loans	\$ 1,750	\$ 1,741	\$ 1,909	\$ 1,889	\$ 2,550		
Bank-owned properties	4,300	4,519	4,748	5,597	5,675		
Total nonperforming assets	\$ 6,050	\$ 6,260	\$ 6,657	\$ 7,486	\$ 8,225		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.53%	0.10%	-0.10%	0.17%	0.03%		
Nonperforming assets to total assets	1.44%	1.45%	1.51%	1.74%	1.97%		
Allowance for loan losses to net loans	1.77%	1.66%	1.71%	1.69%	1.95%		
Allowance to nonperforming loans	210.62%	195.85%	178.63%	174.33%	150.16%		
Liquidity Ratios:							
Liquid assets to total assets	13.63%	16.74%	20.23%	20.12%	18.46%		
Loans, net to total deposits	56.74%	54.02%	51.09%	51.45%	54.00%		
Average loans to average earning assets (quarterly)	52.79%	49.85%	48.50%	50.45%	52.11%		
Noninterest-bearing deposits to total deposits	25.08%	24.90%	25.40%	22.70%	24.23%		
Capital Adequacy Ratios (consolidated):							
Tier 1 risk-based capital ratio	21.28%	20.76%	20.65%	20.40%	19.98%		
Total risk-based capital ratio	22.53%	22.01%	21.90%	21.65%	21.24%		
Tier 1 leverage ratio	12.90%	12.27%	11.86%	11.96%	12.27%		



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%.