

Quarterly Financial Update

3rd Quarter 2020

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 2019 Annual Report is available online at www.edocumentview.com/sebc.

	Quarterly Results					Year-to-Date Results	
	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Sep. 30, 2020	Sep. 30, 2019
As of and for the periods ended:							
<i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,265	\$ 4,275	\$ 4,457	\$ 4,406	\$ 4,551	\$12,997	\$13,365
Interest expense	145	166	229	256	256	540	732
Net interest income	4,120	4,109	4,228	4,150	4,295	12,457	12,633
Provision for (recovery of) loan losses	150	600	-	-	(375)	750	(375)
Other noninterest income	941	823	836	951	885	2,600	2,717
Other noninterest expense	3,105	3,073	3,091	3,146	3,120	9,269	9,356
Net income before tax	1,806	1,259	1,973	1,955	2,435	5,038	6,369
Income tax	346	238	388	400	487	972	1,270
Net income	\$ 1,460	\$ 1,021	\$ 1,585	\$ 1,555	\$ 1,948	\$ 4,066	\$ 5,099
Core Operating Earnings¹:							
Net income before tax	\$ 1,806	\$ 1,259	\$ 1,973	\$ 1,955	\$ 2,435	\$ 5,038	\$ 6,369
+ Provision for (recovery of) loan losses	150	600	-	-	(375)	750	(375)
- Net gain (loss) on investments	-	-	1	(23)	-	1	(25)
- Net gain on sales of bank-owned properties	33	4	11	99	44	48	233
+ Valuation write-downs on bank-owned properties	-	13	50	37	-	63	57
+ Net noninterest expense for bank-owned properties	19	17	21	2	17	57	64
= Core operating earnings ¹	\$ 1,942	\$ 1,885	\$ 2,032	\$ 1,918	\$ 2,033	\$ 5,859	\$ 5,907
Per Share Ratios:							
Diluted earnings	\$ 0.46	\$ 0.32	\$ 0.50	\$ 0.49	\$ 0.62	\$ 1.29	\$ 1.62
Dividends	0.15	0.15	0.15	1.13	0.13	0.45	0.39
Book value at end of period	20.45	20.09	19.36	18.89	19.66	20.45	19.66
Profitability Ratios:							
Return on average assets	1.15%	0.84%	1.43%	1.43%	1.83%	1.13%	1.61%
Return on average equity	9.06%	6.57%	10.46%	10.29%	12.66%	8.69%	11.66%
Net interest margin	3.50%	3.65%	4.13%	4.14%	4.38%	3.74%	4.33%
Selected Quarter-End Balances:							
Total assets	\$505,611	\$508,991	\$447,354	\$460,307	\$421,602		
Loans, net of unearned income	270,885	270,999	239,990	238,698	231,162		
Allowance for loan losses	6,054	5,961	5,178	4,436	4,500		
Investment securities, at amortized cost	117,397	116,791	121,953	113,815	119,321		
Deposits	434,083	431,926	384,862	399,482	358,173		
Shareholders' equity	64,448	63,291	61,002	59,509	61,960		
Nonperforming assets:							
Nonperforming loans	\$ 1,104	\$ 1,030	\$ 1,081	\$ 2,060	\$ 1,619		
Bank-owned properties	1,365	1,550	1,568	1,671	1,787		
Total nonperforming assets	\$ 2,469	\$ 2,580	\$ 2,649	\$ 3,731	\$ 3,406		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	0.08%	-0.28%	-1.24%	0.11%	-0.85%		
Nonperforming assets to total assets	0.49%	0.51%	0.59%	0.81%	0.81%		
Allowance for loan losses to net loans	2.23%	2.20%	2.16%	1.86%	1.95%		
Allowance to nonperforming loans	548.30%	578.93%	479.09%	215.30%	278.03%		
Liquidity and Capital Ratios:							
Liquid assets to total assets	18.64%	19.23%	14.10%	18.45%	11.20%		
Loans, net to total deposits	62.40%	62.74%	62.36%	59.75%	64.54%		
Average loans to average earning assets (quarterly)	56.74%	57.78%	58.22%	59.01%	58.31%		
Noninterest-bearing deposits to total deposits	30.35%	30.43%	26.45%	23.55%	26.76%		
Tier 1 leverage capital ratio	12.25%	12.45%	13.44%	13.64%	14.41%		



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.