

Quarterly Financial Update

3rd 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	
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020
As of and for the periods ended: (Dollars in thousands except per share data)							
Summary of Operations:							
Interest income	\$ 4,665	\$ 4,356	\$ 4,345	\$ 4,731	\$ 4,265	\$13,366	\$12,997
Interest expense	96	96	103	119	145	295	540
Net interest income	4,569	4,260	4,242	4,612	4,120	13,071	12,457
Provision for (recovery of) loan losses	-	-	(850)	425	150	(850)	750
Other noninterest income	972	995	1,015	1,041	941	2,982	2,600
Other noninterest expense	3,242	3,189	3,095	3,143	3,105	9,526	9,269
Net income before tax	2,299	2,066	3,012	2,085	1,806	7,377	5,038
Income tax	441	398	595	439	346	1,434	972
Net income	\$ 1,858	\$ 1,668	\$ 2,417	\$ 1,646	\$ 1,460	\$ 5,943	\$ 4,066
Core Operating Earnings¹:							
Net income before tax	\$ 2,299	\$ 2,066	\$ 3,012	\$ 2,085	\$ 1,806	\$ 7,377	\$ 5,038
+ Provision for (recovery of) loan losses	-	-	(850)	425	150	(850)	750
- Net gain (loss) on investments	-	-	-	26	-	-	1
- Net gain on sales of bank-owned properties	-	7	88	62	33	95	48
+ Valuation write-downs on bank-owned properties	-	-	-	19	-	-	63
+ Net noninterest expense for bank-owned properties	19	17	14	8	19	50	57
= Core operating earnings ¹	\$ 2,318	\$ 2,076	\$ 2,088	\$ 2,449	\$ 1,942	\$ 6,482	\$ 5,859
Per Share Ratios:							
Diluted earnings	\$ 0.59	\$ 0.53	\$ 0.77	\$ 0.52	\$ 0.46	\$ 1.89	\$ 1.29
Dividends	0.16	0.16	0.15	0.15	0.15	0.47	0.45
Book value at end of period	21.79	21.47	21.04	20.68	20.45	21.79	20.45
Profitability Ratios:							
Return on average assets	1.24%	1.15%	1.80%	1.27%	1.15%	1.39%	1.13%
Return on average equity	10.72%	9.97%	14.91%	10.11%	9.06%	11.82%	8.69%
Net interest margin	3.25%	3.15%	3.38%	3.85%	3.50%	3.26%	3.74%
Selected Quarter-End Balances:							
Total assets	\$600,303	\$592,209	\$570,198	\$542,981	\$505,611		
Loans, net of unearned income	282,183	272,059	271,547	264,570	270,885		
Allowance for loan losses	7,305	7,314	7,301	6,683	6,054		
Investment securities, at amortized cost	150,355	154,809	142,446	128,075	117,397		
Deposits	530,497	523,644	502,417	476,725	434,083		
Shareholders' equity	68,669	67,635	66,293	65,165	64,448		
Nonperforming assets:							
Nonperforming loans	\$ 826	\$ 804	\$ 832	\$ 1,031	\$ 1,104		
Bank-owned properties	592	593	669	1,211	1,365		
Total nonperforming assets	\$ 1,418	\$ 1,397	\$ 1,501	\$ 2,242	\$ 2,469		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	0.01%	-0.02%	-2.25%	-0.30%	0.08%		
Nonperforming assets to total assets	0.24%	0.24%	0.26%	0.41%	0.49%		
Allowance for loan losses to net loans	2.59%	2.69%	2.69%	2.53%	2.23%		
Allowance to nonperforming loans	884.06%	909.75%	878.01%	648.05%	548.30%		
Liquidity and Capital Ratios:							
Liquid assets to total assets	24.77%	24.60%	23.98%	23.69%	18.64%		
Loans, net to total deposits	53.19%	51.96%	54.05%	55.50%	62.40%		
Average loans to average earning assets (quarterly)	49.23%	49.73%	51.62%	56.04%	56.74%		
Noninterest-bearing deposits to total deposits	30.26%	30.59%	30.37%	26.82%	30.35%		
Tier 1 leverage capital ratio	11.33%	11.39%	11.92%	12.28%	12.25%		



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.