

# Quarterly Financial Update

4<sup>th</sup> Quarter 2016

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, 2015. The Company's 2016 Annual Report will be available in April 2017. The Company's most current Annual Report can always be viewed online at [www.edocumentview.com/sebc](http://www.edocumentview.com/sebc).

	Quarterly Results					Year-To-Date Results	
	Dec. 31, 2016	Sep. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
<b>As of and for the quarter ended:</b>							
<i>(Dollars in thousands except per share data)</i>							
<b>Summary of Operations:</b>							
Interest income	\$ 3,462	\$ 3,451	\$ 3,476	\$ 3,426	\$ 3,227	\$13,815	\$12,377
Interest expense	161	159	161	162	160	643	655
Net interest income	3,301	3,292	3,315	3,264	3,067	13,172	11,722
Provision for (recovery of) loan losses	-	-	(700)	-	-	(700)	-
Net gain on investments	-	-	-	2	-	2	47
Net gain on sales of foreclosed properties	258	19	863	163	223	1,303	593
Other noninterest income	787	782	747	707	724	3,023	2,853
Valuation write-downs on foreclosed properties	75	-	1,552	83	60	1,710	187
Other noninterest expense	2,580	2,718	2,835	2,887	2,703	11,020	11,300
Net income before tax	1,691	1,375	1,238	1,166	1,251	5,470	3,728
Income tax	440	422	381	355	353	1,598	1,065
Net income	\$ 1,251	\$ 953	\$ 857	\$ 811	\$ 898	\$ 3,872	\$ 2,663
<b>Per Share Ratios:</b>							
Basic and diluted earnings	\$ 0.40	\$ 0.30	\$ 0.27	\$ 0.26	\$ 0.29	\$ 1.24	\$ 0.85
Dividends	0.10	0.08	0.08	0.08	0.08	0.34	0.16
Book value at end of period	15.60	15.76	15.49	15.18	14.76	15.60	14.76
Stock trading price:							
High	13.33	12.98	11.95	10.69	10.60	13.33	10.60
Low	11.50	11.06	10.70	10.50	9.93	10.50	8.60
<b>Profitability Ratios:</b>							
Return on average assets	1.20%	0.94%	0.83%	0.80%	0.90%	0.94%	0.67%
Return on average equity	10.05%	7.72%	7.16%	6.93%	7.63%	7.98%	5.81%
Net interest margin	3.52%	3.60%	3.59%	3.59%	3.46%	3.57%	3.34%
<b>Selected Quarter-End Balances:</b>							
Total assets	\$414,188	\$407,435	\$410,959	\$415,323	\$403,341		
Loans, net of unearned income	191,031	193,081	196,779	190,508	181,784		
Allowance for loan losses	3,624	3,466	3,582	4,127	3,992		
Investment securities, at amortized cost	114,235	112,034	113,390	114,984	111,735		
Deposits	364,379	356,832	361,404	366,951	356,204		
Shareholders' equity	48,818	49,328	48,478	47,519	46,176		
Nonperforming assets:							
Nonperforming loans	\$ 2,146	\$ 3,137	\$ 2,727	\$ 4,019	\$ 4,632		
Foreclosed and repossessed properties	6,657	6,413	6,497	8,946	9,406		
Total nonperforming assets	\$ 8,803	\$ 9,550	\$ 9,224	\$ 12,965	\$ 14,038		
<b>Asset Quality Ratios:</b>							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.33%	0.24%	-0.32%	-0.29%	-0.13%		
Nonperforming assets to total assets	2.13%	2.34%	2.24%	3.12%	3.48%		
Allowance for loan losses to net loans	1.90%	1.80%	1.82%	2.17%	2.20%		
Allowance to nonperforming loans	168.87%	110.52%	131.37%	102.69%	86.18%		
<b>Liquidity Ratios:</b>							
Liquid assets to total assets	19.49%	17.82%	17.22%	18.76%	19.22%		
Loans, net to total deposits	52.43%	54.11%	54.45%	51.92%	51.03%		
Average loans to average earning assets (quarterly)	51.02%	53.11%	51.76%	49.83%	50.35%		
Noninterest-bearing deposits to total deposits	21.50%	22.86%	22.80%	23.06%	21.08%		
<b>Capital Adequacy Ratios (consolidated):</b>							
Tier 1 risk-based capital ratio	19.11%	18.46%	17.65%	17.64%	17.70%		
Total risk-based capital ratio	20.37%	19.72%	18.91%	18.91%	18.98%		
Tier 1 leverage ratio	11.35%	11.22%	10.66%	10.49%	10.59%		

