

Quarterly Financial Update

4th 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 2020 Annual Report will be available in April 2021. Until then, the Company's 2019 Annual Report is available online at www.edocumentview.com/sebc.

	Quarterly Results					Annual Results	
	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
As of and for the periods ended: <i>(Dollars in thousands except per share data)</i>							
Summary of Operations:							
Interest income	\$ 4,731	\$ 4,265	\$ 4,275	\$ 4,457	\$ 4,406	\$ 17,728	\$ 17,771
Interest expense	119	145	166	229	256	659	988
Net interest income	4,612	4,120	4,109	4,228	4,150	17,069	16,783
Provision for (recovery of) loan losses	425	150	600	-	-	1,175	(375)
Other noninterest income	1,041	941	823	836	951	3,641	3,669
Other noninterest expense	3,143	3,105	3,073	3,091	3,146	12,412	12,503
Net income before tax	2,085	1,806	1,259	1,973	1,955	7,123	8,324
Income tax	439	346	238	388	400	1,411	1,670
Net income	\$ 1,646	\$ 1,460	\$ 1,021	\$ 1,585	\$ 1,555	\$ 5,712	\$ 6,654
Core Operating Earnings¹:							
Net income before tax	\$ 2,085	\$ 1,806	\$ 1,259	\$ 1,973	\$ 1,955	\$ 7,123	\$ 8,324
+ Provision for (recovery of) loan losses	425	150	600	-	-	1,175	(375)
- Net gain (loss) on investments	26	-	-	1	(23)	27	(48)
- Net gain on sales of bank-owned properties	62	33	4	11	99	110	332
+ Valuation write-downs on bank-owned properties	19	-	13	50	37	82	94
+ Net noninterest expense for bank-owned properties	8	19	17	21	2	65	66
= Core operating earnings ¹	\$ 2,449	\$ 1,942	\$ 1,885	\$ 2,032	\$ 1,918	\$ 8,308	\$ 7,825
Per Share Ratios:							
Diluted earnings	\$ 0.52	\$ 0.46	\$ 0.32	\$ 0.50	\$ 0.49	\$ 1.81	\$ 2.12
Dividends	0.15	0.15	0.15	0.15	1.13	0.60	1.52
Book value at end of period	20.68	20.45	20.09	19.36	18.89	20.68	18.89
Profitability Ratios:							
Return on average assets	1.27%	1.15%	0.84%	1.43%	1.43%	1.17%	1.56%
Return on average equity	10.11%	9.06%	6.57%	10.46%	10.29%	9.05%	11.30%
Net interest margin	3.85%	3.50%	3.65%	4.13%	4.14%	3.77%	4.28%
Selected Quarter-End Balances:							
Total assets	\$ 542,981	\$ 505,611	\$ 508,991	\$ 447,354	\$ 460,307		
Loans, net of unearned income	264,570	270,885	270,999	239,990	238,698		
Allowance for loan losses	6,683	6,054	5,961	5,178	4,436		
Investment securities, at amortized cost	128,075	117,397	116,791	121,953	113,815		
Deposits	476,725	434,083	431,926	384,862	399,482		
Shareholders' equity	65,165	64,448	63,291	61,002	59,509		
Nonperforming assets:							
Nonperforming loans	\$ 1,031	\$ 1,104	\$ 1,030	\$ 1,081	\$ 2,060		
Bank-owned properties	1,211	1,365	1,550	1,568	1,671		
Total nonperforming assets	\$ 2,242	\$ 2,469	\$ 2,580	\$ 2,649	\$ 3,731		
Asset Quality Ratios:							
Annualized net charge-offs (recoveries) per quarter to quarterly average loans	-0.30%	0.08%	-0.28%	-1.24%	0.11%		
Nonperforming assets to total assets	0.41%	0.49%	0.51%	0.59%	0.81%		
Allowance for loan losses to net loans	2.53%	2.23%	2.20%	2.16%	1.86%		
Allowance to nonperforming loans	648.05%	548.30%	578.93%	479.09%	215.30%		
Liquidity and Capital Ratios:							
Liquid assets to total assets	23.69%	18.64%	19.23%	14.10%	18.45%		
Loans, net to total deposits	55.50%	62.40%	62.74%	62.36%	59.75%		
Average loans to average earning assets (quarterly)	56.04%	56.74%	57.78%	58.22%	59.01%		
Noninterest-bearing deposits to total deposits	26.82%	30.35%	30.43%	26.45%	23.55%		
Tier 1 leverage capital ratio	12.28%	12.25%	12.45%	13.44%	13.64%		



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.