

Southeastern Banking Corporation Reports Second Quarter 2025 Results

Declares Quarterly Cash Dividend of \$0.21 Per Share



Darien, GA — August 21, 2025 – Southeastern Banking Corporation (OTCID:SEBC), the “Company”, the parent of Southeastern Bank, the “Bank”, today reported financial results for and through the second quarter of 2025. Financial highlights are shown below.

Additionally, the Board of Directors declared a quarterly dividend of \$0.21 per share, to be paid September 11, 2025, to shareholders of record on September 4, 2025.

Commenting on the Company’s results, Donald “Jay” Torbert, Jr., President and Chief Executive Officer, said, “Overall, we are pleased with the results for the second quarter and first half of 2025. Although earnings are lower than our record earnings in 2024, our performance remains consistent with expectations for the year. We have grown revenues to absorb much of the rising funding and operating costs. Operating conditions have remained favorable, but this morning’s announcement of International Paper’s decision to close their Riceboro and Savannah plants gives us cause for concern.”

Earnings

- Net income was \$2.44 million (or \$0.77 per share) for the second quarter of 2025, down slightly compared to \$2.52 million (or \$0.79 per share) for the first quarter of 2025 and \$2.52 million (or \$0.80 per share) for the second quarter of 2024. Net interest income increased 3.4% from the previous quarter due to continued loan growth and stable funding costs. Provision for credit losses in the second quarter of 2025 increased to \$120 thousand from \$40 thousand in the first quarter in response to continued loan growth. The second quarter also saw a 7.1% increase in non-interest expense driven by rising personnel and occupancy costs.
- Core operating earnings for the second quarter totaled \$3.41 million compared to \$3.32 million for the first quarter of 2025 and \$3.50 million for the second quarter of 2024.
- Our net interest margin was 4.73% in the second quarter, an increase from 4.61% for the first quarter of 2025 and 4.69% for the second quarter of 2024.
- The return on average assets for the second quarter of 2025 was 1.64%, compared to 1.71% for the first quarter of 2025 and 1.73% for the second quarter of 2024.
- The return on average equity was 12.36% versus 13.34% for the first quarter of 2025 and 14.19% for the second quarter of 2024. Capital levels continued to rise while earnings remained fairly constant.
- Year to date, net income was \$4.96 million (or \$1.56 per share), down 7.0% from \$5.34 million (or \$1.69 per share) for the first half of 2024.

Balance Sheet

- Total assets increased \$14.9 million (or 2.5%) year-over-year to end the quarter at \$610.0 million.
- Deposits grew \$23.6 million (or 4.7%) year-over-year to end at \$524.4 million. Growing deposits and overall banking relationships continue to be a key focus for us.
- Loans increased \$27.1 million (or 7.2%) year-over-year to end at \$406.0 million.
- Total loan production through commercial and retail lending activities was \$37.1 million during the second quarter, down from \$46.6 million in the second quarter of 2024 as we have seen a noticeable pause in loan activity and demand in recent months.

Capital

- Capital continues to exceed regulatory thresholds required to be considered “well-capitalized.”
- Consolidated Tier 1 leverage capital ratio was 14.52% at June 30, 2025, up 36bps during the quarter and 55bps over the last twelve months.
- Book value per share was \$25.30 as of June 30, 2025, a \$2.06 increase over the past year.

Asset Quality

- Asset quality metrics remain stable, with minimal change over the last year.
- Nonperforming assets were \$1.21 million (or 0.20% of total assets) at June 30, 2025, up slightly from \$1.16 million (or 0.19%) twelve months prior.
- The allowance for credit losses related to loans aggregated \$8.38 million (or 2.06% of total loans), at June 30, 2025, compared to \$7.95 million (or 2.10% of total loans) at June 30, 2024.

About Southeastern Banking Corporation

Southeastern Banking Corporation is the bank holding company for Southeastern Bank. Established in 1888, Southeastern Bank has a long history of serving its customers and communities through its 10 branch locations in coastal Georgia and northeast Florida, including Brunswick, Callahan (FL), Darien, Eulonia, Folkston, Hilliard (FL), Kingsland, Nahunta, Richmond Hill and St. Simons Island. In addition to these full service branches, the Bank has a loan production office in Hinesville, Georgia. The Bank is headquartered in Darien, Georgia.

Southeastern Banking Corporation's common stock is traded on the OTCID Market under the symbol "SEBC."

For more information, please visit www.southeasternbank.com.

Forward-Looking Statements

Certain statements contained in this release may not be based on historical facts and are forward-looking statements. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as "anticipate," "believe," "estimate," "expect," "outlook," "may," "might," "will," "would," "could," "should," "potential" or "intend." We caution you not to place undue reliance on the forward-looking statements contained in this news release, as actual results could differ materially from those indicated in such forward-looking statements. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this news release.

Explanation of Certain Unaudited Non-GAAP Financial Measures

The measure entitled core operating earnings is not a measure recognized under U.S. generally accepted accounting principles (GAAP) and therefore is considered to be a non-GAAP financial measure. The most comparable GAAP measure is net income before taxes. Core operating earnings exclude select revenues and expenditures not considered core to the Company's daily operations.

Management uses this non-GAAP financial measure in its analysis of the Company's performance and believes these presentations provide useful supplemental information and a clearer understanding of the Company's operating performance. These disclosures should not be considered an alternative to GAAP. The computations of core operating earnings are set forth in the Quarterly Financial Highlights table.

CONTACT: Robert M. Eidson, Jr.
Treasurer
912-437-4141
robbie.eidson@southeasternbank.com

SOUTHEASTERN BANKING CORPORATION

Quarterly Financial Highlights

The following table presents selected consolidated financial data for Southeastern Banking Corporation. This data is derived from quarterly unaudited financial statements and should be read in conjunction with the annual audited financial statements and related notes. The 2024 Annual Report is available online at www.edocumentview.com/sebc.

| | Quarterly Results | | | | | Year-To-Date Results | |
|--|-------------------|------------------|------------------|------------------|------------------|----------------------|------------------|
| | June 30, 2025 | Mar. 31, 2025 | Dec. 31, 2024 | Sep. 30, 2024 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| As of and for the periods ended: | | | | | | | |
| <i>(Dollars in thousands except per share data)</i> | | | | | | | |
| Summary of Operations: | | | | | | | |
| Interest income | \$ 7,908 | \$ 7,737 | \$ 7,833 | \$ 7,724 | \$ 7,450 | \$ 15,645 | \$ 14,807 |
| Interest expense | 1,118 | 1,168 | 1,101 | 1,095 | 840 | 2,286 | 1,425 |
| Net interest income | 6,790 | 6,569 | 6,732 | 6,629 | 6,610 | 13,359 | 13,382 |
| Provision for credit losses | 120 | 40 | - | - | 237 | 160 | 342 |
| Other noninterest income | 901 | 834 | 871 | 796 | 863 | 1,735 | 1,787 |
| Other noninterest expense | 4,373 | 4,083 | 4,236 | 4,024 | 4,083 | 8,456 | 8,070 |
| Net income before taxes | 3,198 | 3,280 | 3,367 | 3,401 | 3,153 | 6,478 | 6,757 |
| Income taxes | 755 | 762 | 779 | 690 | 637 | 1,517 | 1,421 |
| Net income | \$ 2,443 | \$ 2,518 | \$ 2,588 | \$ 2,711 | \$ 2,516 | \$ 4,961 | \$ 5,336 |
| Core Operating Earnings¹: | | | | | | | |
| Net income before taxes | \$ 3,198 | \$ 3,280 | \$ 3,367 | \$ 3,401 | \$ 3,153 | \$ 6,478 | \$ 6,757 |
| + Provision for credit losses | 120 | 40 | - | - | 237 | 160 | 342 |
| + Net loss on sales of investment securities | - | - | 125 | 30 | - | - | - |
| - Net gain on sales/disposition of assets | (6) | (5) | - | - | 2 | (11) | (8) |
| + Net noninterest expense for bank-owned properties | 2 | - | (6) | 3 | 3 | 2 | 6 |
| + Donations related to specific community support initiatives | 100 | - | 55 | 20 | 100 | 100 | 100 |
| =Core operating earnings ¹ | \$ 3,414 | \$ 3,315 | \$ 3,541 | \$ 3,454 | \$ 3,495 | \$ 6,729 | \$ 7,197 |
| Per Share Ratios: | | | | | | | |
| Diluted earnings | \$ 0.77 | \$ 0.79 | \$ 0.81 | \$ 0.86 | \$ 0.80 | \$ 1.56 | \$ 1.69 |
| Dividends | 0.21 | 0.21 | 1.20 | 0.19 | 0.19 | 0.42 | 0.38 |
| Book value at end of period | 25.30 | 24.54 | 23.45 | 24.84 | 23.24 | 25.30 | 23.24 |
| Profitability Ratios: | | | | | | | |
| Return on average assets | 1.64% | 1.71% | 1.74% | 1.84% | 1.73% | 1.67% | 1.82% |
| Return on average equity | 12.36% | 13.34% | 13.25% | 14.30% | 14.19% | 12.84% | 15.18% |
| Net interest margin | 4.73% | 4.61% | 4.70% | 4.66% | 4.69% | 4.67% | 4.72% |
| Selected Quarter-End Balances: | | | | | | | |
| Total assets | \$ 609,987 | \$ 605,281 | \$ 601,959 | \$ 592,490 | \$ 595,121 | | |
| Loans, net of unearned income | 405,950 | 397,216 | 386,064 | 385,454 | 378,825 | | |
| Allowance for credit losses (loans) | 8,379 | 8,301 | 8,165 | 8,159 | 7,954 | | |
| Investment securities, at amortized cost | 132,961 | 135,677 | 140,040 | 155,539 | 176,636 | | |
| Deposits | 524,394 | 522,990 | 522,744 | 505,464 | 500,842 | | |
| Shareholders' equity | 80,451 | 78,044 | 74,563 | 78,253 | 73,236 | | |
| Nonperforming assets: | | | | | | | |
| Nonperforming loans | \$ 1,169 | \$ 931 | \$ 1,162 | \$ 1,340 | \$ 1,106 | | |
| Bank-owned properties | 40 | 40 | 50 | 50 | 50 | | |
| Total nonperforming assets | \$ 1,209 | \$ 971 | \$ 1,212 | \$ 1,390 | \$ 1,156 | | |
| Asset Quality Ratios: | | | | | | | |
| Annualized net charge-offs (recoveries) per quarter to quarterly average loans | 0.03% | -0.10% | -0.01% | -0.14% | 0.02% | | |
| Nonperforming assets to total assets | 0.20% | 0.16% | 0.20% | 0.23% | 0.19% | | |
| Allowance for credit losses (loans) to net loans | 2.06% | 2.09% | 2.11% | 2.12% | 2.10% | | |
| Liquidity and Capital Ratios: | | | | | | | |
| Liquid assets (excl. securities) to total assets | 9.31% | 9.80% | 10.77% | 6.36% | 4.88% | | |
| Loans, net to total deposits | 77.41% | 75.95% | 73.85% | 76.26% | 75.64% | | |
| Average loans to average earning assets (quarterly) | 69.66% | 67.32% | 67.28% | 66.48% | 64.44% | | |
| Tier 1 leverage capital ratio | 14.52% | 14.16% | 14.00% | 14.32% | 13.97% | | |



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 the outlined revenues and expenditures not considered as core to the Company's daily operations.

SOUTHEASTERN BANKING CORPORATION

Consolidated Statements of Condition

| | June 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---------------------------------|-----------------------------------|
| <i>(Dollars in thousands)</i> | | |
| ASSETS | | |
| Cash and due from banks | \$ 4,303 | \$ 6,010 |
| Interest-bearing deposits in other banks | 48,571 | 55,130 |
| Federal funds sold | 3,917 | 3,697 |
| Cash and cash equivalents | 56,791 | 64,837 |
| Investment securities: | | |
| Available for sale, at fair value (amortized cost of \$92,202 and \$98,938) | 82,293 | 86,237 |
| Held to maturity, net of allowance for credit losses of \$15 and \$15 (fair value of \$35,878 and \$35,632) | 40,744 | 41,087 |
| Loans, gross | 405,981 | 386,095 |
| Unearned income | (31) | (31) |
| Allowance for credit losses | (8,379) | (8,165) |
| Net loans | 397,571 | 377,899 |
| Premises and equipment, net | 11,909 | 11,415 |
| Bank-owned life insurance, at cash surrender value | 13,130 | 12,906 |
| Other real estate | 40 | 50 |
| Deferred tax assets, net | 4,136 | 4,765 |
| Other assets | 3,373 | 2,763 |
| Total assets | \$ 609,987 | \$ 601,959 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits: | | |
| Noninterest-bearing demand deposits | \$ 153,910 | \$ 147,936 |
| Interest-bearing demand, savings and time deposits | 370,484 | 374,808 |
| Total deposits | 524,394 | 522,744 |
| Allowance for credit losses on off-balance sheet credit exposures | 790 | 780 |
| Other liabilities | 4,352 | 3,873 |
| Total liabilities | 529,536 | 527,397 |
| Shareholders' equity | | |
| Common stock, \$1.25 par | 4,476 | 4,476 |
| Additional paid-in-capital | 918 | 855 |
| Retained earnings | 90,753 | 87,128 |
| Treasury stock, at cost | (7,900) | (7,900) |
| Accumulated other comprehensive loss | (7,796) | (9,997) |
| Total shareholders' equity | 80,451 | 74,562 |
| Total liabilities and shareholders' equity | \$ 609,987 | \$ 601,959 |

SOUTHEASTERN BANKING CORPORATION

Consolidated Statements of Income

| (Unaudited, dollars in thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|----------|---------------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| Interest income: | | | | |
| Interest and fees on loans | \$ 6,710 | \$ 5,945 | \$ 13,097 | \$ 11,537 |
| Interest on investment securities | 801 | 1,255 | 1,633 | 2,586 |
| Other interest income | 397 | 250 | 915 | 684 |
| Total interest income | 7,908 | 7,450 | 15,645 | 14,807 |
| Interest expense: | | | | |
| Interest on deposits | 1,118 | 803 | 2,286 | 1,388 |
| Other interest expense | - | 37 | - | 37 |
| Total interest expense | 1,118 | 840 | 2,286 | 1,425 |
| Net interest income | 6,790 | 6,610 | 13,359 | 13,382 |
| Provision for (recovery of) credit losses: | | | | |
| Investment securities held to maturity | - | 7 | - | 7 |
| Loans | 110 | 225 | 150 | 435 |
| Off-balance sheet credit exposures | 10 | 5 | 10 | (100) |
| Total provision for credit losses | 120 | 237 | 160 | 342 |
| Net interest income after provision for credit losses | 6,670 | 6,373 | 13,199 | 13,040 |
| Noninterest income: | | | | |
| Service charges on deposit accounts | 209 | 202 | 425 | 409 |
| Net gain on sales/disposition of assets | 6 | - | 11 | 8 |
| Other noninterest income | 686 | 661 | 1,299 | 1,370 |
| Total noninterest income | 901 | 863 | 1,735 | 1,787 |
| Noninterest expense: | | | | |
| Salaries and employees benefits | 2,706 | 2,547 | 5,288 | 5,101 |
| Occupancy and equipment, net | 858 | 809 | 1,694 | 1,611 |
| Net loss on sales/disposition of assets | - | 2 | - | - |
| Other noninterest expense | 809 | 725 | 1,474 | 1,358 |
| Total noninterest expense | 4,373 | 4,083 | 8,456 | 8,070 |
| Income before tax expense | 3,198 | 3,153 | 6,478 | 6,757 |
| Income tax expense | 755 | 637 | 1,517 | 1,421 |
| Net income | \$ 2,443 | \$ 2,516 | \$ 4,961 | \$ 5,336 |

SOUTHEASTERN BANKING CORPORATION

Average Balance Sheet and Net Interest Analysis

| | Three Months Ended June 30, | | | | | |
|---|-----------------------------|--------------------|------------------|---------------------|--------------------|------------------|
| | 2025 | | | 2024 | | |
| (Unaudited, dollars in thousands) | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates |
| Assets | | | | | | |
| Interest earning assets: | | | | | | |
| Loans, net of unearned income ¹ | \$ 403,563 | \$ 6,726 | 6.68% | \$ 368,350 | \$ 5,972 | 6.52% |
| Investment securities, taxable ² | 112,571 | 697 | 2.48% | 154,208 | 1,128 | 2.94% |
| Investment securities, tax-exempt ^{2, 3} | 21,868 | 133 | 2.44% | 25,373 | 162 | 2.57% |
| Other | 41,312 | 397 | 3.85% | 23,675 | 250 | 4.25% |
| Total interest earning assets | 579,314 | 7,953 | 5.51% | 571,606 | 7,512 | 5.29% |
| Noninterest earning assets | 17,717 | | | 12,193 | | |
| Total assets | <u>\$ 597,031</u> | | | <u>\$ 583,799</u> | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing demand | \$ 210,668 | \$ 574 | 1.09% | \$ 218,592 | \$ 445 | 0.82% |
| Savings | 100,692 | 201 | 0.80% | 100,492 | 190 | 0.76% |
| Time deposits | 48,140 | 343 | 2.86% | 31,898 | 168 | 2.12% |
| Other short-term borrowings | - | - | 0.00% | 2,637 | 37 | 5.64% |
| Total interest-bearing deposits | 359,500 | 1,118 | 1.25% | 353,619 | 840 | 0.96% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 154,630 | | | 155,798 | | |
| Other liabilities | 3,609 | | | 3,080 | | |
| Stockholders' equity | 79,292 | | | 71,302 | | |
| Total liabilities and stockholders' equity | <u>\$ 597,031</u> | | | <u>\$ 583,799</u> | | |
| Interest rate spread | | | <u>4.26%</u> | | | <u>4.33%</u> |
| Net interest income | | <u>\$ 6,835</u> | | | <u>\$ 6,672</u> | |
| Net interest margin | | | <u>4.73%</u> | | | <u>4.69%</u> |

¹ Nonperforming loans are included in average balances. Income on nonaccrual loans, if recognized, is recorded on the cash basis. Loan income includes loan fees and late charges. Tax-equivalent adjustments to loan income were \$16,000 and \$27,000 for the three months ended June 30, 2025 and 2024, respectively.

² Securities are presented on an amortized cost basis.

³ Tax-equivalent adjustments totaling \$29,000 and \$35,000 for the three months ended June 30, 2025 and 2024, respectively, are included in income on tax-exempt securities.

SOUTHEASTERN BANKING CORPORATION

Average Balance Sheet and Net Interest Analysis

| (Unaudited, dollars in thousands) | Six Months Ended June 30, | | | | | |
|--|---------------------------|--------------------|------------------|---------------------|--------------------|------------------|
| | 2025 | | | 2024 | | |
| | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates |
| Assets | | | | | | |
| Interest earning assets: | | | | | | |
| Loans, net of unearned income ¹ | \$ 397,743 | \$ 13,132 | 6.66% | \$ 362,233 | \$ 11,596 | 6.44% |
| Investment securities, taxable ² | 114,423 | 1,423 | 2.51% | 157,655 | 2,331 | 2.97% |
| Investment securities, tax-exempt ^{2,3} | 21,900 | 266 | 2.45% | 25,411 | 323 | 2.56% |
| Other | 46,697 | 915 | 3.95% | 30,413 | 684 | 4.52% |
| Total interest earning assets | 580,763 | 15,736 | 5.46% | 575,712 | 14,934 | 5.22% |
| Noninterest earning assets | 17,083 | | | 12,926 | | |
| Total assets | <u>\$ 597,846</u> | | | <u>\$ 588,638</u> | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing demand | \$ 214,355 | \$ 1,182 | 1.11% | \$ 223,469 | \$ 780 | 0.70% |
| Savings | 100,528 | 399 | 0.80% | 101,558 | 354 | 0.70% |
| Time deposits | 49,406 | 705 | 2.88% | 29,291 | 254 | 1.74% |
| Other short-term borrowings | - | - | 0.00% | 1,319 | 37 | 0.00% |
| Total interest-bearing deposits | 364,289 | 2,286 | 1.27% | 355,637 | 1,425 | 0.81% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 151,441 | | | 159,025 | | |
| Other liabilities | 4,193 | | | 3,302 | | |
| Stockholders' equity | 77,923 | | | 70,674 | | |
| Total liabilities and stockholders' equity | <u>\$ 597,846</u> | | | <u>\$ 588,638</u> | | |
| Interest rate spread | | | <u>4.19%</u> | | | <u>4.41%</u> |
| Net interest income | | <u>\$ 13,450</u> | | | <u>\$ 13,509</u> | |
| Net interest margin | | | <u>4.67%</u> | | | <u>4.72%</u> |

¹ Nonperforming loans are included in average balances. Income on nonaccrual loans, if recognized, is recorded on the cash basis. Loan income includes loan fees and late charges. Tax-equivalent adjustments to loan income were \$35,000 and \$59,000 for the six months ended June 30, 2025 and 2024, respectively.

² Securities are presented on an amortized cost basis.

³ Tax-equivalent adjustments totaling \$56,000 and \$68,000 for the six months ended June 30, 2025 and 2024, respectively, are included in income on tax-exempt securities.