Board of Governors of the Federal Reserve System

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Robert W. Jonte, Jr.
Name of the Holding Company Director and Official

Chairman Southeastern Bancorp, Inc.
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter ***and*** *individual consent to public release of all details in the report concerning that individual.*

RW J
Signature of Holding Company Director and Official

3/28/2019
Date of Signature

For holding companies ***not*** *registered with the SEC–*
Indicate status of Annual Report to Shareholders:

- [x] is included with the FR Y-6 report
- [ ] will be sent under separate cover
- [ ] is not prepared

For Federal Reserve Bank Use Only

RSSD ID ____________
C.I. ____________

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2018
Month / Day / Year

N/A
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

SOUTHEASTERN BANCORP, INC.
Legal Title of Holding Company

P O BOX 278
(Mailing Address of the Holding Company) Street / P.O. Box

GREELEYVILLE	South Carolina	29056
City	State	Zip Code

223 VARNER AVENUE GREELEYVILLE SC 29056
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

DIANE W NEXSEN	SVP
Name	Title

843-426-2161
Area Code / Phone Number / Extension

843-426-4357
Area Code / FAX Number

DNEXSEN@BOG1.COM
E-mail Address

WWW.BOG1.COM
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? .... 0=No 1=Yes **0**

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .... [ ]
2. a letter justifying this request has been provided separately ... [ ]

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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City State Zip Code

Physical Location (if different from mailing address)

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 1:
Annual Report to Shareholders

Southeastern Bancorp, Inc.

Bank of Greeleyville

Annual Report
2018

To Our Valued Shareholders:

Southeastern Bancorp Inc and its wholly owned subsidiary, Bank of Greeleyville, had a successful 2018.

For the twelve month period ending December 31, 2018, Bank of Greeleyville increased Total Assets 1.95% to $93,437,000.00. The Bank experienced positive loan growth of 5.35% to $60,131,000.00. Total deposits increased 1.57% to $82,653,000.00 . The bank recorded pre-tax earnings of $1,412,824.00 compared to 2017 pre-tax earnings of $1,155,559.00, an increase of 22.26%. The company's year end book value was $67.75 per share, a .5% increase from 2017 book value of $63.00 per share.

The Bank's Net Interest Margin improved slightly in 2018 to 3.92% from 3.86% in 2017. This margin represents the yield on assets less the expenses required to funds those assets. The Banks Net Non-Interest Margin also improved slightly from -2.54% in 2017 to -2.32 in 2018. This margin represents non-interest income less non-interest expense. Bank made total loan loss provisions in 2018 of $20,000.00. Lastly, the Bank's 2018 Return of Assets (ROA) was 1.52% compared to 1.28% in 2017. 2018 Return of Equity (ROE) was 13.95% compared to 11.90% for year ending 2017.

Competition in our area is strong and thereby creates difficulties for growth opportunities. However, as noted, your bank continues to show slow, positive gains in both size and profitability. We are fortunate to have a dedicated staff who continue to represent the Bank in great fashion. Monica Filyaw joined our staff during 2018 as teller. She is working out of both the Kingstree and Greeleyville Offices. We are proud to announce that Mr. Ken Kellahan will be joining our staff in March for a loan officer position. Ken is well respected in our area and will be a great asset to the Bank.

We continue to add new products and services in order to both retain and enlarge our customer base. Cash Management and Remote Deposit Capture are among the latest. As we continue with great effort to meet the needs of our customers, we welcome suggestions from our shareholders, customers and staff on we ways we can improve.

Very truly yours,

Samuel S Williamson
President

Robert W Jonte, Jr
Chairman and CEO

Southeastern Bancorp, Inc. and Subsidiary

Report on Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

Contents

elliott davis

Independent Accountant's Compilation Report

The Board of Directors
Southeastern Bancorp, Inc. and Subsidiary
Greeleyville, South Carolina

Management is responsible for the accompanying consolidated financial statements of Southeastern Bancorp Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

Supplementary Information

The supplementary information in the form of Financial Highlights included herein is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Elliott Davis, LLC

Columbia, South Carolina
February 5, 2019

Southeastern Bancorp, Inc. and Subsidiary

Consolidated Balance Sheets

As of December 31, 2018 and 2017

(Dollars in thousands, except per share amounts)	2018	2017
Assets:		
Cash and cash equivalents:		
Cash and due from banks	$ 4,290	$ 4,059
Federal funds sold	9,790	14,162
Total cash and cash equivalents	14,080	18,221
Investment securities:		
Securities available-for-sale	17,371	14,588
Nonmarketable equity securities	151	143
Total investment securities	17,522	14,731
Loans receivable	60,131	57,075
Less allowance for loan losses	(584)	(701)
Loans, net	59,547	56,374
Premises, furniture and equipment, net	974	939
Accrued interest receivable	545	546
Other assets	185	139
Total assets	$ 92,853	$ 90,950
Liabilities:		
Deposits:		
Demand	$ 24,820	$ 24,210
Interest-bearing transaction accounts	25,015	25,031
Savings	8,943	8,815
Certificates of deposit $250 and over	5,406	4,529
Other time deposits	18,301	18,630
Total deposits	82,485	81,215
Accrued interest payable	35	34
Other liabilities	84	91
Total liabilities	82,604	81,340
Commitments and contingencies (Notes 8 and 11)		
Shareholders' Equity:		
Common stock, $1.00 par value, 150,000 shares authorized; 150,000 shares issued and outstanding	150	150
Capital surplus	552	552
Retained earnings	9,798	8,966
Accumulated other comprehensive loss	(251)	(58)
Total shareholders' equity	10,249	9,610
Total liabilities and shareholders' equity	$ 92,853	$ 90,950

See Independent Accountant's Compilation Report

Southeastern Bancorp, Inc. and Subsidiary

Consolidated Statements of Income

For the years ended December 31, 2018 and 2017

(Dollars in thousands, except per share amounts)	2018	2017
Interest income:		
Loans, including fees	$ 3,444	$ 3,431
Investment securities:		
Taxable	393	308
Federal funds sold	172	140
Total interest income	4,009	3,879
Interest expense:		
Deposits	306	310
Total interest expense	306	310
Net interest income	3,703	3,569
Provision for loan losses	20	-
Net interest income after provision for loan losses	3,683	3,569
Noninterest income:		
Service charges on deposit accounts	419	541
Gain on sale of other real estate owned	-	17
Other	510	299
Total noninterest income	929	857
Noninterest expenses:		
Salaries and employee benefits	1,472	1,493
Net occupancy	166	199
Furniture and equipment	567	542
Other operating	1,018	1,060
Total noninterest expenses	3,223	3,294
Income before income taxes	1,389	1,132
Income tax provision	57	31
Net income	$ 1,332	$ 1,101
Earnings per share:		
Average shares outstanding	150,000	150,000
Basic earnings per share	$ 8.88	$ 7.34

See Independent Accountant's Compilation Report

Southeastern Bancorp, Inc. and Subsidiary

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2018 and 2017

(Dollars in thousands)	2018	2017
Net income	$ 1,332	$ 1,101
Other comprehensive loss		
Unrealized holding losses arising during the period	(193)	(70)
Other comprehensive loss	(193)	(70)
Comprehensive income	$ 1,139	$ 1,031

See Independent Accountant's Compilation Report

Southeastern Bancorp, Inc. and Subsidiary

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2018 and 2017

(Dollars in thousands, except share amounts)	Common stock Shares	Common stock Amount	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2016	150,000	$ 150	$ 552	$ 8,225	$ 12	$ 8,939
Net income				1,101		1,101
Other comprehensive loss					(70)	(70)
Dividends paid ($2.40 per share)				(360)		(360)
Balance, December 31, 2017	150,000	150	552	8,966	(58)	9,610
Net income				1,332		1,332
Other comprehensive loss					(193)	(193)
Dividends paid ($3.33 per share)				(500)		(500)
Balance, December 31, 2018	150,000	$ 150	$ 552	$ 9,798	$ (251)	$ 10,249

See Independent Accountant's Compilation Report

Southeastern Bancorp, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017

(Dollars in thousands)	2018	2017
Operating activities:		
Net income	$ 1,332	$ 1,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	20	-
Depreciation and amortization expense	88	94
Premium amortization less discount accretion on investment securities	(8)	(13)
Gain on sale of other real estate owned	-	(17)
Decrease (increase) in interest receivable	1	(73)
Increase in interest payable	1	-
Increase in other assets	(46)	(34)
(Decrease) increase in other liabilities	(7)	14
Net cash provided by operating activities	1,381	1,072
Cash flows from investing activities:		
Maturities and calls of securities available-for-sale	-	200
Purchases of securities available-for-sale	(2,968)	(2,983)
(Purchase) sales of nonmarketable equity securities, net	(8)	1
Net increase in loans to customers	(3,193)	(1,115)
Purchase of premises, furniture and equipment	(123)	(106)
Proceeds from sale of other real estate owned	-	24
Net cash used by investing activities	(6,292)	(3,979)
Cash flows from financing activities:		
Net increase in demand deposits, interest-bearing transaction accounts and savings accounts	722	9,375
Net increase (decrease) in certificates of deposit and other time deposits	548	(1,296)
Cash dividends paid	(500)	(360)
Net cash provided by financing activities	770	7,719
Net (decrease) increase in cash and cash equivalents	(4,141)	4,812
Cash and cash equivalents, beginning of year	18,221	13,409
Cash and cash equivalents, end of year	$ 14,080	$ 18,221
Cash paid during the year for:		
Income taxes	$ 51	$ 42
Interest	$ 237	$ 241
Supplemental noncash investing and financing activities:		
Net change in unrealized losses on investment securities	$ (193)	$ (70)

See Independent Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation:

Southeastern Bancorp, Inc., a bank holding company (the Company), owns 100% of its subsidiary, Bank of Greeleyville (the Bank). The Bank provides banking services to domestic markets principally in Williamsburg County, South Carolina. The consolidated financial statements include the accounts of the parent company and its wholly-owned subsidiary after elimination of all significant intercompany balances and transactions.

Management's Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on loans, including valuation allowances for impaired loans, and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowances for losses on loans and foreclosed real estate, management obtains independent appraisals for significant properties. Management must also make estimates in determining the estimated useful lives and methods for depreciating premises and equipment.

While management uses available information to recognize losses on loans and foreclosed real estate, future additions to the allowances may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the Company's allowances for losses on loans and foreclosed real estate. Such agencies may require the Company to recognize additions to the allowances based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the allowances for losses on loans and foreclosed real estate may change materially in the near term.

Significant Group Concentrations of Credit Risk:

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of loans receivable, investment securities, and amounts due from banks.

The Company makes loans to individuals and small businesses for various personal and commercial purposes primarily in Williamsburg County, South Carolina. The Company's loan portfolio is not concentrated in loans to any single borrower or a relatively small number of borrowers. Additionally, management is not aware of any concentrations of loans to classes of borrowers or industries that would be similarly affected by economic conditions.

Note 1. Summary of Significant Accounting Policies, Continued

Significant Group Concentrations of Credit Risk, continued:

In addition to monitoring potential concentrations of loans to particular borrowers or groups of borrowers, industries and geographic regions, management monitors exposure to credit risk from concentrations of lending products and practices such as loans that subject borrowers to substantial payment increases (e.g., principal deferral periods, loans with initial interest-only periods, etc.), and loans with high loan-to-value ratios. Additionally, there are industry practices that could subject the Company to increased credit risk should economic conditions change over the course of a loan's life. For example, the Company makes variable rate loans and fixed rate principal-amortizing loans with maturities prior to the loan being fully paid (i.e., balloon payment loans). These loans are underwritten and monitored to manage the associated risks. Therefore, management believes that these particular practices do not subject the Company to unusual credit risk.

The Company's investment portfolio consists primarily of obligations of the United States, its agencies or corporations and general obligation municipal securities. In the opinion of management, there is no concentration of credit risk in its investment portfolio. The Company places its deposits and correspondent accounts with and sells its federal funds to high quality institutions. Management believes credit risk associated with correspondent accounts is not significant.

Investment Securities Available-for-Sale:

Investment securities available-for-sale are carried at amortized cost and adjusted to estimated market value by recognizing the aggregate unrealized gains or losses in a valuation account. Aggregate market valuation adjustments are recorded in shareholders' equity. Reductions in market value considered by management to be other than temporary are reported as a realized loss and a reduction in the cost basis of the security. The adjusted cost basis of securities available-for-sale is determined by specific identification and is used in computing the gain or loss upon sale.

Nonmarketable Equity Securities:

Nonmarketable equity securities include the Bank's investments in the stock of Community Bankers Bank and the Federal Home Loan Bank (FHLB). The stocks are carried at cost because they have no quoted market value and no ready market exists. Investment in Federal Home Loan Bank stock is a condition of borrowing from the Federal Home Loan Bank, and the stock is pledged to collateralize the borrowings. Dividends received from nonmarketable equity securities investments are included as a separate component in interest income. At December 31, 2018 and 2017, the investment in Community Bankers Bank stock was $68,600. At December 31, 2018 and 2017, the investment in Federal Home Loan Bank stock was $81,900 and $74,000, respectively.

Note 1. Summary of Significant Accounting Policies, Continued

Loans Receivable:

Loans receivable are stated at their unpaid principal balance, net of charge-offs. Interest income is computed using the simple interest method and is recorded in the period earned.

When serious doubt exists as to the collectability of a loan or when a loan becomes contractually 90 days past due as to principal or interest, interest income is discontinued unless the estimated net realizable value of collateral exceeds the principal balance and accrued interest. When interest accruals are discontinued, income earned but not collected is reversed. Loans are removed from nonaccrual status when they become current as to both principal and interest, when concern no longer exists as to the collectability of the principal and interest, and after a sufficient history of satisfactory payment performance has been established.

Loan origination and commitment fees and certain direct loan origination costs (principally salaries and employee benefits) are deferred and amortized as an adjustment of the related loan yields. Generally, these amounts are amortized over the contractual life of the related loans or commitments.

The Company identifies impaired loans through its normal internal loan review process. Loans on the Company's problem loan watch list are considered potentially impaired loans. These loans are evaluated in determining whether all outstanding principal and interest are expected to be collected. Loans are not considered impaired if a minimal payment delay occurs and all amounts due, including accrued interest at the contractual interest rate for the period of delay, are expected to be collected.

Allowance for Loan Losses:

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific, general and unallocated components. The specific component relates to loans that are classified as doubtful, substandard or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows or collateral value or observable market price of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio. A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement.

Note 1. Summary of Significant Accounting Policies, Continued

Allowance for Loan Losses, continued:

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Company does not separately identify individual consumer and residential loans for impairment disclosures, unless such loans are the subject of a restructuring agreement.

In situations where, for economic or legal reasons related to a borrower's financial difficulties, a concession to the borrower is granted that the Company would not otherwise consider, the related loan is classified as a troubled debt restructuring. The restructuring of a loan may include the transfer from the borrower to the Company of real estate, receivables from third parties, other assets, or an equity interest in the borrower in full or partial satisfaction of the loan, modification of the loan terms, or a combination of the above.

Premises, Furniture and Equipment:

Premises, furniture and equipment are stated at cost, less accumulated depreciation. The provision for depreciation is computed principally by the straight-line method. Rates of depreciation are generally based on the following estimated useful lives: buildings and land improvements - 10 to 40 years; furniture and equipment - 5 to 10 years. The cost of assets sold or otherwise disposed of, and the related accumulated depreciation is eliminated from the accounts and the resulting gains or losses are reflected in the income statement. Maintenance and repairs are charged to current expense as incurred, and the costs of major renewals and improvements are capitalized.

Other Real Estate Owned (OREO):

Other real estate owned includes real estate acquired through foreclosure and loans accounted for as in-substance foreclosures. Collateral is considered foreclosed in substance when the borrower has little or no equity in the fair value of the collateral, proceeds for repayment of the debt can be expected to come only from the sale of the collateral and it is doubtful that the borrower can rebuild equity or otherwise repay the loan in the foreseeable future. Other real estate owned is recorded at the lower of fair value less estimated selling costs or cost.

Any write-downs at the dates of acquisition are charged to the allowance for loan losses. Expenses to maintain such assets, subsequent write-downs and gains and losses on disposal are included in net cost of operation of other real estate owned.

Note 1. Summary of Significant Accounting Policies, Continued

Advertising Expense:

Advertising and public relations costs are generally expensed as incurred. External costs incurred in producing media advertising are expensed the first time the advertising takes place. External costs relating to direct mailing costs are expended in the period in which the direct mailings are sent. Advertising and public relations costs were $70,431 and $60,147 for the years ended December 31, 2018 and 2017, respectively.

Income and Expense Recognition:

The accrual method of accounting is used for all significant categories of income and expense. Immaterial amounts of insurance commissions and other miscellaneous fees are reported when received.

Retirement Plans:

The Company has a non-contributory profit-sharing plan which provides retirement and other benefits to all full-time employees and part-time employees who have worked a minimum of twelve months. Expenses charged to earnings for the profit sharing plan were approximately $38,400 and $38,000 in 2018 and 2017, respectively, and were included in salaries and employee benefits.

The Company also has a trusteed retirement savings plan, which provides retirement benefits to substantially all officers and employees who meet certain age and service requirements. The plan includes a "salary reduction" feature pursuant to Section 401(k) of the Internal Revenue Code. Under the plan and present policies, participants are permitted to make contributions up to the deferral limits allowed by the Internal Revenue Service. At its discretion, the Bank can make matching contributions of $1.00 for every dollar contributed up to 4% of the participants' annual compensation. Expenses charged to earnings for the retirement savings plan were approximately $42,518 and $41,000 in 2018 and 2017, respectively, and were included in salaries and employee benefits.

Income Taxes:

Effective January 1, 1998, the shareholders elected to become an S Corporation for federal income tax purposes under the Internal Revenue Code. Under an S Corporation election, the income of the Company is taxed at the shareholder level rather than at the corporate level with certain exceptions. One exception is the built-in gains tax, which is a tax on the excess of the fair market value of assets over their tax bases as of the date of the election. Also, the State of South Carolina does not recognize S Corporation status for banks. Accordingly, the subsidiary bank will continue to accrue and pay South Carolina income taxes.

Earnings Per Share:

Earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the year. The Company has no instruments which are considered to be common stock equivalents and therefore dilutive earnings per share are not presented.

Note 1. Summary of Significant Accounting Policies, Continued

Statement of Cash Flows:

For purposes of reporting cash flows, the Company considers certain highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents include amounts due from banks, interest-bearing balances, and federal funds sold.

Comprehensive Income:

The Company reports comprehensive income in accordance with Accounting Standards Codification (ASC) ASC 220, "Comprehensive Income." ASC 220 requires that all items that are required to be reported under accounting standards as comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The disclosure requirements have been included in the Company's consolidated statements of comprehensive income. Comprehensive income consists of unrealized gains and losses on investment securities available-for-sale.

Off-Balance-Sheet Financial Instruments:

In the ordinary course of business, the Company enters into off-balance-sheet financial instruments consisting of commitments to extend credit and letters of credit. These financial instruments are recorded in the financial statements when they become payable by the customer.

Recently Issued Accounting Pronouncements:

The following is a summary of recent authoritative pronouncements:

In May 2014, the FASB issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company will apply the guidance using a modified retrospective approach. The Company's revenue is comprised of net interest income and noninterest income. The scope of the guidance explicitly excludes net interest income as well as many other revenues for financial assets and liabilities including loans, leases, securities, and derivatives. Accordingly, the majority of our revenues will not be affected. The Company is currently assessing our revenue contracts related to revenue streams that are within the scope of the standard. Our accounting policies will not change materially since the principles of revenue recognition from the ASU are largely consistent with existing guidance and current practices applied by our businesses. The Company has not identified material changes to the timing or amount of revenue recognition. Based on the updated guidance, the Company does anticipate changes in our disclosures associated with our revenues. The Company will provide qualitative disclosures of our performance obligations related to our revenue recognition and will continue to evaluate disaggregation for significant categories of revenue in the scope of the guidance.

Note 1. Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncements, continued:

In January 2016, the FASB amended the Financial Instruments topic of the Accounting Standards Codification to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Company will apply the guidance by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values will be applied prospectively to equity investments that exist as of the date of adoption of the amendments. The Company does not expect these amendments to have a material effect on its financial statements.

In February 2016, the FASB amended the Leases topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company expects to adopt the guidance using the modified retrospective method and practical expedients for transition. The practical expedients allow us to largely account for our existing leases consistent with current guidance except for the incremental balance sheet recognition for lessees. The Company has started an initial evaluation of our leasing contracts and activities. The Company has also started developing our methodology to estimate the right-of use assets and lease liabilities, which is based on the present value of lease payments. The Company does not expect a material change to the timing of expense recognition, but is early in the implementation process and will continue to evaluate the impact. The Company is evaluating our existing disclosures and may need to provide additional information as a result of adoption of the ASU.

In March 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify the implementation guidance on principal versus agent considerations and address how an entity should assess whether it is the principal or the agent in contracts that include three or more parties. The amendments will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company does not expect these amendments to have a material effect on its financial statements.

In April 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify guidance related to identifying performance obligations and accounting for licenses of intellectual property. The amendments will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company does not expect these amendments to have a material effect on its financial statements.

In May 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify guidance related to collectability, noncash consideration, presentation of sales tax, and transition. The amendments will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company does not expect these amendments to have a material effect on its financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncements, continued:

In June 2016, the FASB issued guidance to change the accounting for credit losses and modify the impairment model for certain debt securities. The amendments will be effective for the Company for annual periods beginning after December 15, 2020, and interim periods within annual reporting periods beginning after December 15, 2021. Early adoption is permitted for all organizations for periods beginning after December 15, 2018. The Company will apply the amendments to the ASU through a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption. While early adoption is permitted beginning in first quarter 2019, the Company does not expect to elect that option. The Company is evaluating the impact of the ASU on our consolidated financial statements. The Company expects the ASU will have no material impact on the recorded allowance for loan losses given the change to estimated losses over the contractual life of the loans adjusted for expected prepayments. In addition to our allowance for loan losses, the Company will also record an allowance for credit losses on debt securities instead of applying the impairment model currently utilized. The amount of the adjustments will be impacted by each portfolio's composition and credit quality at the adoption date as well as economic conditions and forecasts at that time.

In October 2016, the FASB amended the Income Taxes topic of the Accounting Standards Codification to modify the accounting for intra-entity transfers of assets other than inventory. The amendments will be effective for the Company for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

In November 2016, the FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the Company for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

In December 2016, the FASB issued technical corrections and improvements to the Revenue from Contracts with Customers Topic. These corrections make a limited number of revisions to several pieces of the revenue recognition standard issued in 2014. The effective date and transition requirements for the technical corrections will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company will apply the guidance using a modified retrospective approach. The Company does not expect these amendments to have a material effect on its financial statements.

In February 2017, the FASB amended the Other Income Topic of the Accounting Standards Codification to clarify the scope of the guidance on nonfinancial asset derecognition as well as the accounting for partial sales of nonfinancial assets. The amendments conform the derecognition guidance on nonfinancial assets with the model for transactions in the new revenue standard. The amendments will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. The Company does not expect these amendments to have a material effect on its financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncements, continued:

In March 2017, the FASB amended the requirements in the Receivables - Nonrefundable Fees and Other Costs Topic of the Accounting Standards Codification related to the amortization period for certain purchased callable debt securities held at a premium. The amendments shorten the amortization period for the premium to the earliest call date. The amendments will be effective for the Company for annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

In February 2018, the FASB amended the Financial Instruments Topic of the Accounting Standards Codification. The amendments clarify certain aspects of the guidance issued in ASU 2016-01. The amendments are effective for the same dates as those described in ASU 2016-01. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01. The Company does not expect these amendments to have a material effect on its financial statements.

In May 2018, the FASB amended the Financial Services - Depository and Lending Topic of the Accounting Standards Codification to remove outdated guidance related to Circular 202. The amendments were effective upon issuance and did not have a material effect on the financial statements.

In July 2018, the FASB amended the Leases Topic of the Accounting Standards Codification to make narrow amendments to clarify how to apply certain aspects of the new leases standard. The amendments are effective for annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020. The Company does not expect these amendments to have a material effect on its financial statements.

In July 2018, the FASB amended the Leases Topic of the Accounting Standards Codification to give entities another option for transition and to provide lessors with a practical expedient. The amendments will be effective for the Company for annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020. The Company does not expect these amendments to have a material effect on its financial statements.

In August 2018, the FASB amended the Fair Value Measurement Topic of the Accounting Standards Codification. The amendments remove, modify, and add certain fair value disclosure requirements based on the concepts in the FASB Concepts Statement, Conceptual Framework for Financial Reporting - Chapter 8: Notes to Financial Statements. The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this ASU and delay adoption of the additional disclosures until their effective date. The Company does not expect these amendments to have a material effect on its financial statements.

Note 1. Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncements, continued:

In November 2018, the FASB issued guidance to amend the Financial Instruments - Credit Losses topic of the Accounting Standards Codification. The guidance aligns the implementation date of the topic for annual financial statements of nonpublic companies with the implementation date for their interim financial statements. The guidance also clarifies that receivables arising from operating leases are not within the scope of the topic, but rather, should be accounted for in accordance with the leases topic. The amendments will be effective for the Company for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted for all organizations for periods beginning after December 15, 2018. The Company is currently in the process of evaluating the impact of adoption of this guidance on the financial statements.

In December 2018, the FASB issued guidance that providing narrow-scope improvements for lessors, that provides relief in the accounting for sales, use and similar taxes, the accounting for other costs paid by a lessee that may benefit a lessor, and variable payments when contracts have lease and non-lease components. The amendments will be effective for the Company for annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Risks and Uncertainties:

In the normal course of its business, the Company encounters two significant types of risks: economic and regulatory. There are three main components of economic risk: interest rate risk, credit risk and market risk. The Company is subject to interest rate risk to the degree that its interest-bearing liabilities mature or reprice at different speeds, or on different basis, than its interest-earning assets. Credit risk is the risk of default on the Company's loan portfolio that results from a borrower's inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of collateral underlying loans receivable and the valuation of real estate held by the Company.

The Company is subject to the regulations of various governmental agencies. These regulations can and do change significantly from period to period. The Company also undergoes periodic examinations by the regulatory agencies, which may subject it to further changes with respect to asset valuations, amounts of required loss allowances and operating restrictions from the regulators' judgments based on information available to them at the time of their examination.

Note 1. Summary of Significant Accounting Policies, Continued

Reclassifications:

Certain captions and amounts in the 2017 consolidated financial statements were reclassified to conform with the 2018 presentation. These reclassifications had no impact on previously reported net income or shareholders' equity.

Note 2. Cash and Due From Banks

The Company is required by regulation to maintain an average cash reserve balance based on a percentage of deposits. The average amounts of the cash reserve balances at December 31, 2018 and 2017 were approximately $665,000 and $572,000, respectively. The reserve requirement was satisfied with the Bank's vault cash for both years.

Note 3. Investment Securities

The amortized cost and estimated fair values of securities available-for-sale were:

	December 31, 2018			
(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Government-sponsored enterprises	$ 1,239	$ -	$ 25	$ 1,214
U.S. treasuries	16,383	49	275	16,157
	$ 17,622	$ 49	$ 300	$ 17,371

	December 31, 2017			
(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Government-sponsored enterprises	$ 1,238	$ -	$ 12	$ 1,226
U.S. treasuries	13,408	121	167	13,362
	$ 14,646	$ 121	$ 179	$ 14,588

The amortized cost and estimated market value of securities available-for-sale at December 31, 2018 and 2017 based on maturities were:

(Dollars in thousands)	2018		2017	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	$ 2,001	$ 2,004	$ -	$ -
Due after one year but within five years	7,916	7,889	6,470	6,537
Due after five years but within ten years	7,705	7,478	8,176	8,051
	$ 17,622	$ 17,371	$ 14,646	$ 14,588

Note 3. Investment Securities, Continued

The following table shows gross unrealized losses and fair value, aggregated by investment category, and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2018 and 2017.

Securities Available-for-Sale

	Less Than Twelve Months		Twelve Months or More		Total	
(Dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2018						
Government-sponsored entities	$ -	$ -	$ 1,214	$ 25	$ 1,214	$ 25
U.S. treasuries	8,182	268	1,730	7	9,912	275
Total	$ 8,182	$ 268	$ 2,944	$ 32	$ 11,126	$ 300

	Less Than Twelve Months		Twelve Months or More		Total	
(Dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2017						
Government-sponsored entities	$ 1,226	$ 12	$ -	$ -	$ 1,226	$ 12
U.S. treasuries	5,654	69	1,893	98	7,547	167
Total	$ 6,880	$ 81	$ 1,893	$ 98	$ 8,773	$ 179

At December 31, 2018, the Company had nine individual investments that were in an unrealized loss position for greater than 12 months. The unrealized losses on the Company's investment securities summarized above were attributable primarily to changes in interest rates. Management does not believe that these securities are other-than-temporarily impaired. The Company does not intend to sell these securities and it is more likely than not that the Company will not be required to sell these securities before recovery of their amortized cost.

At December 31, 2018 and 2017, investment securities with a book value of $4,461,000 and $3,222,000 and a market value of $4,347,000 and $3,256,000, respectively, were pledged as collateral to secure public deposits.

Note 4. Loans Receivable

Following is a summary of loans by major classification at December 31:

(Dollars in thousands)	2018	2017
Commercial and industrial	$ 10,490	$ 11,646
Real estate	35,023	31,857
Consumer and other	9,075	9,190
Agricultural	5,543	4,382
Total gross loans	$ 60,131	$ 57,075

The following is a summary of information pertaining to our allowance for loan losses at December 31, 2018:

(Dollars in thousands)	Commercial and Industrial	Real Estate	Consumer and Other	Agricultural	Total
Allowance for loan losses:					
Beginning balance	$ 211	$ 349	$ 107	$ 34	$ 701
Charge-offs	-	(90)	(91)	-	(181)
Recoveries	9	-	35	-	44
Provisions	(18)	28	20	(10)	20
Ending balance	$ 202	$ 287	$ 71	$ 24	$ 584
Ending balances:					
Individually evaluated for impairment	$ 110	$ 67	$ 12	$ -	$ 189
Collectively evaluated for impairment	$ 92	$ 220	$ 59	$ 24	$ 395
Loans receivable:					
Ending balance - total	$ 10,490	$ 35,023	$ 9,075	$ 5,543	$ 60,131
Ending balances:					
Individually evaluated for impairment	$ 274	$ 2,235	$ 133	$ 43	$ 2,685
Collectively evaluated for impairment	$ 10,216	$ 32,788	$ 8,942	$ 5,500	$ 57,446

Note 4. Loans Receivable, Continued

The following is a summary of information pertaining to our allowance for loan losses at December 31, 2017:

(Dollars in thousands)	Commercial and Industrial	Real Estate	Consumer and Other	Agricultural	Total
Allowance for loan losses:					
Beginning balance	$ 156	$ 458	$ 124	$ 26	$ 764
Charge-offs	(57)	(13)	(62)	-	(132)
Recoveries	10	-	59	-	69
Provisions	102	(96)	(14)	8	-
Ending balance	$ 211	$ 349	$ 107	$ 34	$ 701
Ending balances:					
Individually evaluated for impairment	$ 1	$ 49	$ 2	$ -	$ 52
Collectively evaluated for impairment	$ 210	$ 300	$ 105	$ 34	$ 649
Loans receivable:					
Ending balance - total	$ 11,646	$ 31,857	$ 9,190	$ 4,382	$ 57,075
Ending balances:					
Individually evaluated for impairment	$ 247	$ 914	$ 181	$ 73	$ 1,415
Collectively evaluated for impairment	$ 11,399	$ 30,943	$ 9,009	$ 4,309	$ 55,660

The Company uses a risk based approach based on the following credit quality measures when analyzing the loan portfolio: pass and classified. These indicators are used to rate the credit quality of loans for the purposes of determining the Company's allowance for loan losses.

Acceptable/Pass are deemed to be loans that are performing and are deemed adequately protected by the net worth of the borrower or the underlying collateral value. These loans are considered the least risky in terms of determining the allowance for loan losses.

Watch/Special Mention are deemed to be loans that have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's position at some future date.

Substandard/Doubtful are deemed to be loans that are considered the most risky. These loans typically have an identified weakness or weaknesses and are inadequately protected by the net worth of the borrower or collateral value.

Note 4. Loans Receivable, Continued

The following is an analysis of our loan portfolio by credit quality indicators at December 31, 2018:

(Dollars in thousands)

	Pass	Watch	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 10,143	$ 20	$ -	$ 327	$ -	$ 10,490
Real estate	31,901	690	352	2,080	-	35,023
Consumer and other	8,583	243	14	235	-	9,075
Agricultural	5,550	-	-	43	-	5,543
	$ 56,127	$ 953	$ 366	$ 2,685	$ -	$ 60,131

The following is an analysis of our loan portfolio by credit quality indicators at December 31, 2017:

(Dollars in thousands)

	Pass	Watch	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 11,415	$ -	$ -	$ 231	$ -	$ 11,646
Real estate	29,898	504	-	1,455	-	31,857
Consumer and other	8,838	17	-	335	-	9,190
Agricultural	4,309	-	-	73	-	4,382
	$ 54,460	$ 521	$ -	$ 2,094	$ -	$ 57,075

The following is an aging analysis of our loan portfolio at December 31, 2018:

(Dollars in thousands)

	30 - 89 Days Past Due	Greater Than 90 Days and Still Accruing	Total Accruing Past Due Loans	Nonaccrual	Current	Total Loans Receivable
Commercial and industrial	$ 266	$ -	$ 266	$ 149	$ 10,075	$ 10,490
Real estate	664	-	664	332	34,027	35,023
Consumer and other	112	-	112	67	8,896	9,075
Agricultural	-	-	-	-	5,543	5,543
	$ 1,042	$ -	$ 1,042	$ 548	$ 58,541	$ 60,131

The following is an aging analysis of our loan portfolio at December 31, 2017:

(Dollars in thousands)

	30 - 89 Days Past Due	Greater Than 90 Days and Still Accruing	Total Accruing Past Due Loans	Nonaccrual	Current	Total Loans Receivable
Commercial and industrial	$ 56	$ -	$ 56	$ 188	$ 11,402	$ 11,646
Real estate	133	-	133	282	31,442	31,857
Consumer and other	141	-	141	97	8,952	9,190
Agricultural	-	-	-	-	4,382	4,382
	$ 330	$ -	$ 330	$ 567	$ 56,178	$ 57,075

Note 4. Loans Receivable, Continued

The following is an analysis of our impaired loan portfolio detailing the related allowance recorded at December 31, 2018:

(Dollars in thousands)	Recorded Investment	Related Allowance
With no related allowance needed:		
Commercial and industrial	$ 156	$ -
Real estate	1,369	-
Consumer and other	73	-
Agricultural	43	-
	1,641	-
With an allowance recorded:		
Commercial and industrial	118	110
Real estate	866	67
Consumer and other	60	12
Agricultural	-	-
	1,044	189
Total:		
Commercial and industrial	274	110
Real estate	2,235	67
Consumer and other	133	12
Agricultural	43	-
	$ 2,685	$ 189

The following is an analysis of our impaired loan portfolio detailing the related allowance recorded at December 31, 2017:

(Dollars in thousands)	Recorded Investment	Related Allowance
With no related allowance needed:		
Commercial and industrial	$ 224	$ -
Real estate	476	-
Consumer and other	76	-
Agricultural	73	-
	849	-
With an allowance recorded:		
Commercial and industrial	23	1
Real estate	438	49
Consumer and other	105	2
Agricultural	-	-
	566	52
Total:		
Commercial and industrial	247	1
Real estate	914	49
Consumer and other	181	2
Agricultural	73	-
	$ 1,415	$ 52

Note 4. Loans Receivable, Continued

Troubled Debt Restructurings

The following table summarizes the carrying balance of troubled debt restructurings (TDRs) as of December 31, 2018 and 2017:

(Dollars in thousands)	2018	2017
Performing TDRs	$ 582	$ 247
Nonperforming TDRs	139	282
Total TDRs	$ 721	$ 529

Loans classified as TDRs may be removed from this status for disclosure purposes after a specified period of time if the restructured agreement specifies an interest rate equal to or greater than the rate that the lender was willing to accept at the time of the restructuring for a new loan with comparable risk, and the loan is performing in accordance with the terms specified by the restructured agreement.

The following is an analysis of TDRs identified during 2018:

(Dollars in thousands)	For the year ended December 31, 2018		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled Debt Restructurings			
Real Estate	2	$ 244	$ 244

During the year ended December 31, 2018, the Company modified two loans that were considered to be troubled debt restructurings. The Company extended both of the loans and reduced the payment amounts for each. During the year ended December 31, 2018, no loans that had been previously been restructured during the year subsequently defaulted.

There were no loans identified as TDRs during 2017.

Note 5. Premises, Furniture and Equipment

Premises, furniture and equipment is summarized as follows as of December 31:

(Dollars in thousands)	2018	2017
Land and buildings	$ 1,342	$ 1,342
Furniture and equipment	2,835	2,712
Total	4,177	4,054
Less accumulated depreciation	3,203	3,115
Premises and equipment, net	$ 974	$ 939

Depreciation expense for the years ended December 31, 2018 and 2017 was $88,000 and $94,000, respectively.

Note 6. Deposits

At December 31, 2018, the scheduled maturities of certificates of deposit are as follows:

(Dollars in thousands)	Amount
2019	$ 11,724
2020	2,865
2021	4,325
2022	2,149
2023 and thereafter	2,644
Total	$ 23,707

Certificates that meet or exceed the FDIC insurance limit of $250,000 at December 31, 2018 and 2017 were $5,406,000 and $4,529,000, respectively.

Note 7. Income Taxes

As discussed in Note 1, the shareholders elected to become an S Corporation in 1998. Income of the Company is taxed at the shareholder level with certain limitations such as the built-in gains tax on unrealized gains from securities available-for-sale. Also, the State of South Carolina does not recognize S Corporation status for banks. The subsidiary bank will continue to accrue and pay South Carolina income taxes. Tax returns for 2015 and subsequent years are subject to examination by taxing authorities.

The Tax Cuts and Jobs Act (TCJA) was signed into law by the President on Friday December 22, 2017. The TCJA includes the reduction in the corporate tax rate from a top rate of 35% to a flat rate of 21%, changes in business deductions, and many international provisions.

Income tax expense is summarized as follows for the years ending December 31:

(Dollars in thousands)	2018	2017
Current portion:		
Federal	$ -	$ -
State	57	31
	57	31
Deferred income taxes	-	-
Income tax provision	$ 57	$ 31

Note 8. Commitments and Contingencies

In the ordinary course of business, the Company may, from time to time, become a party to legal claims and disputes. At December 31, 2018, management and legal counsel are not aware of any pending or threatened litigation or unasserted claims or assessments that could result in losses, if any, that would be material to the consolidated financial statements.

Note 9. Unused Lines of Credit

As of December 31, 2018, the Company had unused lines of credit to purchase federal funds from unrelated banks totaling $5,500,000. These lines of credit are available on a one to fourteen day basis for general corporate purposes.

At December 31, 2018, the Bank had the ability to borrow an additional $10,104,739 from the FHLB secured by a blanket lien on one to four family first mortgage loans. The FHLB has approved borrowings up to 15% of the bank's total assets less advances outstanding. The borrowings are available by pledging collateral and purchasing additional stock in the FHLB. As collateral, the Bank has pledged first mortgage loans on one to four family residential loans aggregating $5,148,902 at December 31, 2018 for potential advances.

Note 10. Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material adverse effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum ratios (set forth in the table below) of Tier 1, Common Equity Tier 1 (CET1), and total capital as a percentage of assets and off-balance-sheet exposures, adjusted for risk-weights ranging from 0% to 150%. Tier 1 capital of the Bank consists of common stockholders' equity, excluding the unrealized gain or loss on securities available-for-sale, minus certain intangible assets, while CET1 is comprised of Tier 1 capital, adjusted for certain regulatory deductions and limitations. Tier 2 capital consists of the allowance for loan losses subject to certain limitations. Total capital for purposes of computing the capital ratios consists of the sum of Tier 1 and Tier 2 capital.

The Bank is also required to maintain capital at a minimum level based on total assets, which is known as the leverage ratio. Only the strongest banks are allowed to maintain capital at the minimum requirement of 3%. All others are subject to maintaining ratios 1% to 2% above the minimum.

Effective March 31, 2015, quantitative measures established by applicable regulatory standards, including the newly implemented Basel III revised capital adequacy standards and relevant provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd Frank Act"), require the Bank to maintain (i) a minimum ratio of Tier 1 capital to average total assets, after certain adjustments, of 4.00%, (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.00%, (iii) a minimum ratio of total-capital to risk-weighted assets of 8.00% and (iv) a minimum ratio of CET1 to risk-weighted assets of 4.50%. A "well-capitalized" institution must generally maintain capital ratios 2% higher than the minimum guidelines.

Note 10. Regulatory Matters, Continued

In order to avoid restrictions on capital distributions or discretionary bonus payments to executives, the Bank will also be required to maintain a "capital conservation buffer" in addition to its minimum risk-based capital requirements. This buffer will be required to consist solely of CET1, but the buffer will apply to all three risk-based measurements (CET1, Tier 1 and total capital). The capital conservation buffer will be phased in incrementally over time, beginning January 1, 2016 at 0.625% and becoming fully effective on January 1, 2019, and will ultimately consist of an additional amount of Tier 1 capital equal to 2.5% of risk-weighted assets.

As of December 31, 2018, the most recent notification from the Bank's primary regulator categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events that management believes have changed the Bank's category.

The following table summarizes the capital amounts and ratios of the Bank and the regulatory minimum requirements:

(Dollars in thousands)	Actual		For capital adequacy purposes		To be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2018						
The Bank						
Total capital (to risk weighted assets)	$ 11,002	18.27%	$ 4,817	8.00%	$ 6,021	10.00%
Tier 1 capital (to risk weighted assets)	10,413	17.30%	3,612	6.00%	4,817	8.00%
Tier 1 capital (to average assets)	10,413	10.27%	3,790	4.00%	4,737	5.00%
Common Equity Tier 1 Capital (to risk weighted assets)	10,413	17.30%	2,709	4.50%	3,914	6.50%
December 31, 2017						
The Bank						
Total capital (to risk weighted assets)	$ 10,304	17.59%	$ 4,686	8.00%	$ 5,858	10.00%
Tier 1 capital (to risk weighted assets)	9,598	16.38%	3,515	6.00%	4,686	8.00%
Tier 1 capital (to average assets)	9,598	10.94%	3,509	4.00%	4,386	5.00%
Common Equity Tier 1 Capital (to risk weighted assets)	9,598	16.38%	2,636	4.50%	3,808	6.50%

Note 11. Financial Instruments With Off-Balance-Sheet Risk

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statements of financial position. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit written is represented by the contractual or notional amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Note 11. Financial Instruments With Off-Balance-Sheet Risk, Continued

Standby letters of credit written are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation of the counter party.

Collateral held for commitments to extend credit and standby letters of credit varies but may include accounts receivable, inventory, property, plant, equipment, and income-producing commercial properties.

The following table summarizes the Bank's off-balance-sheet financial instruments at December 31, 2018 and 2017 whose contract amounts represent credit risk:

(Dollars in thousands)	2018	2017
Commitments to extend credit	$ 2,354	$ 1,851
Letters of credit	525	535

Note 12. Related Party Transactions

Certain parties (principally certain directors and shareholders of the Company, their immediate families and business interests) were loan customers of, and had other transactions in the normal course of business with the Company. Related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons and do not involve more than normal risk of collectability. The aggregate dollar amount of loans to related parties was $230,000 and $636,000 at December 31, 2018 and 2017, respectively.

In addition, the Bank paid rental expense to related parties totaling $36,000 during both 2018 and 2017 for a portion of the Greeleyville, South Carolina branch building.

Note 13. Restrictions on Subsidiary Dividends, Loans or Advances

All of the Bank's dividends to Southeastern Bancorp, Inc. are payable only from the undivided profits of the Bank. At December 31, 2018, the Bank's undivided profits were $5,958,065. The Bank is authorized to pay cash dividends up to 100% of net income in any calendar year without obtaining the prior approval of the Commissioner of Banking provided that the Bank received a composite rating of one or two at the last Federal or State regulatory examination. Under Federal Reserve Board regulations, the amounts of loans or advances from the Bank to the parent company are also restricted.

Note 14. Fair Value of Financial Instruments

Accounting standards require disclosure that establishes a framework for measuring fair value, and requires disclosure about fair value measurements for all assets and liabilities that are measured and reported on a fair value basis. The objective is to enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as U.S. Treasuries, and money market funds.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, mortgage-backed securities, municipal bonds, corporate debt securities, and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes certain derivative contracts and impaired loans.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. For example, this category generally includes certain private equity investments, retained residual interests in securitizations, residential mortgage servicing rights, and highly-structured or long-term derivative contracts.

Assets Recorded at Fair Value on a Recurring Basis

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value.

Securities Available-for-Sale - Securities available-for-sale are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange such as the New York Stock Exchange, Treasury securities that are traded by dealers or brokers in active over-the counter markets and money market funds. Level 2 securities include mortgage-backed securities issued by government sponsored entities, municipal bonds and corporate debt securities. Securities classified as Level 3 include asset-backed securities in less liquid markets.

Note 14. Fair Value of Financial Instruments, Continued

Loans - The Company does not record loans at fair value on a recurring basis, however, from time to time, a loan is considered impaired and an allowance for loan loss is established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan are considered impaired. Once a loan is identified as individually impaired, management measures impairment. The fair value of impaired loans is estimated using one of several methods, including the collateral value, market value of similar debt, enterprise value, liquidation value, and discounted cash flows. Those impaired loans not requiring a specific allowance represent loans for which the fair value of expected repayments or collateral exceed the recorded investment in such loans. At December 31, 2018 and 2017, a significant portion of impaired loans were evaluated based upon the fair value of the collateral. Impaired loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Company records the loan as nonrecurring Level 3.

Other Real Estate Owned - Foreclosed assets are adjusted to fair value upon transfer of the loans to OREO. Real estate acquired in settlement of loans is recorded initially at estimated fair value of the property less estimated selling costs at the date of foreclosure. The initial recorded value may be subsequently reduced by additional allowances, which are charges to earnings if the estimated fair value of the property less estimated selling costs declines below the initial recorded value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price or a current appraised value, the Company records the foreclosed asset as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Company records the foreclosed asset as nonrecurring Level 3.

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to fair value measurement. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2018			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
U.S. treasuries	$ 16,157	$ -	$ 16,157	$ -
Government-sponsored enterprises	1,214	-	1,214	-
Total	$ 17,371	$ -	$ 17,371	$ -

	December 31, 2017			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
U.S. treasuries	$ 13,362	$ -	$ 13,362	$ -
Government-sponsored enterprises	1,226	-	1,226	-
Total	$ 14,588	$ -	$ 14,588	$ -

Note 14. Fair Value of Financial Instruments, Continued

There were no liabilities measured at fair value on a recurring basis as of December 31, 2018 or 2017.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). Assets carried on the balance sheet by caption and by level within the valuation hierarchy (as described above) as of December 31, 2018 and 2017 for which a nonrecurring change in fair value has been recorded during the years ended December 31, 2018 and 2017 are described below.

Assets measured at fair value on a nonrecurring basis are as follows as of December 31, 2018 and 2017.

	December 31, 2018			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Impaired loans, net specific reserve	$ 2,496	$ -	$ 2,496	$ -
Total	$ 2,496	$ -	$ 2,496	$ -

	December 31, 2017			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Impaired loans, net specific reserve	$ 1,363	$ -	$ 1,363	$ -
Total	$ 1,363	$ -	$ 1,363	$ -

There were no liabilities measured at fair value on a nonrecurring basis as of December 31, 2018 and 2017.

Note 15. Southeastern Bancorp, Inc. (Parent Company Only)

Following is condensed financial information of Southeastern Bancorp, Inc. (parent company only) as of and for the years ended December 31:

Condensed Balance Sheets

(Dollars in thousands)	2018	2017
Assets		
Cash	$ 86	$ 69
Investment in banking subsidiary	10,163	9,541
Total assets	$ 10,249	$ 9,610
Shareholders' equity	$ 10,249	$ 9,610
Total liabilities and shareholders' equity	$ 10,249	$ 9,610

Note 15. Southeastern Bancorp, Inc. (Parent Company Only), Continued

Condensed Statements of Income

	2018	2017
Income		
Dividends from banking subsidiary	$ 540	$ 400
Total income	540	400
Expenses	23	24
Income before income taxes and equity in undistributed earnings of banking subsidiary	517	376
Equity in undistributed earnings of banking subsidiary	815	725
Net income	$ 1,332	$ 1,101

Condensed Statements of Cash Flows

	2018	2017
Operating activities		
Net income	$ 1,332	$ 1,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in undistributed earnings of banking subsidiary	(815)	(725)
Net cash provided by operating activities	517	376
Cash flows from financing activities		
Cash dividends paid	(500)	(360)
Net cash used by financing activities	(500)	(360)
Increase in cash	17	16
Cash and cash equivalents, beginning of year	69	53
Cash and cash equivalents, ending of year	$ 86	$ 69

Note 16. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date. Management has reviewed events occurring through February 5, 2019, the date the financial statements were available to be issued and no subsequent events occurred requiring accrual or disclosure.

FINANCIAL HIGHLIGHTS
As of and for the years ended December 31, 2018, 2017, 2016, 2015 and 2014
(Dollars in thousands, except per share amounts)

	2018	2017	2016	2015	2014
FOR THE YEAR					
Interest income	$ 4,009	$ 3,879	$ 3,657	$ 3,804	$ 3,767
Interest expense	306	310	357	423	451
Net interest income	3,703	3,569	3,300	3,381	3,316
Income before income taxes and loan loss provision	1,409	1,132	1,114	1,055	746
Income taxes	57	31	40	37	14
Provision for loan losses	20	-	160	225	450
Net income	1,332	1,101	914	793	282
Dividends paid	500	360	360	278	180
Earnings per share	8.88	7.34	6.09	5.29	1.88
Dividends paid per share	3.33	2.40	2.40	1.85	1.20
Per share amounts retained in equity accounts	5.55	4.94	3.69	3.44	0.68
AT YEAR END					
Assets	$ 92,853	$ 90,950	$ 82,186	$ 83,432	$ 81,277
Deposits	82,485	81,215	73,136	72,721	71,110
Net loans	59,547	56,374	55,259	57,336	53,209
Ratio of net loans to deposits	72.19%	69.41%	75.56%	78.84%	74.83%
Securities available-for-sale	17,371	14,588	11,862	15,526	16,171
Shareholders' equity	10,249	9,610	8,939	8,577	7,970
Book value per share	68.33	64.07	59.59	57.18	53.13

This statement has not been reviewed or confirmed for accuracy or relevance by the FDIC.

STAFF

April Boyd

Sandra Burgess

Donna Carsten

Monica Filyaw

Pam Johnson

Brenda Mack

Shelby McClam

Kimberly Pack

Linda Price

Tracy Price

Margaret Reynolds

Sheniquia Shaw

Annette Suggs

SOUTHEASTERN BANCORP, INC.

OFFICERS

R. W. Jonte, Jr. .... Chairman

Margery J. Mahoney .... Secretary/Treasurer

DIRECTORS

R. W. Jonte, Jr.	Virginia W. Jonte
Margery J. Mahoney	

BANK OF GREELEYVILLE

OFFICERS

R. W. Jonte, Jr. .... CEO

Samuel S. Williamson .... President

Tracy J. Kellahan .... Executive Vice-President

Diane W. Nexsen .... Senior Vice-President

Vivian Moore .... Vice-President

Doris Witherspoon .... Vice-President

Ashley L. Bell .... Vice-President

DIRECTORS

R. W. Jonte, Jr.	Virginia W. Jonte
Margery J. Mahoney	Samuel S. Williamson

www.bog1.com

843-426-4800

24 HOUR BANK BY PHONE

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 2a:
Organizational Chart
NO LEI

SOUTHEASTERN BANCORP, INC. **GREELEYVILLE, SC 29056** **USA** **Incorporated in** **South Carolina USA**
100 %
BANK OF GREELEYVILLE **GREELEYVILLE, SC 29056** **USA** **Incorporated in** **South Carolina USA**

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 2b:
Domestic Branch Listing

Results: A list of branches for your holding company: SOUTHEASTERN BANCORP, INC. (1250679) of GREELEYVILLE, SC.
The data are as of 12/31/2018. Data reflects information that was received and processed through 01/06/2019.

Reconciliation and Verification Steps
1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions
OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when thi
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquis

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** o
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address
OK		Full Service (Head Office)	465524	BANK OF GREELEYVILLE	223 VARNER AVENUE
OK		Full Service	1436660	KINGSTREE BRANCH	209 MARTIN LUTHER KING AVENUE

s information first became valid in the **Effective Date** column.

ition date in the **Effective Date** column.

f Change, Close, Delete, or Add.

City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office
GREELEYVILLE	SC	29056	WILLIAMSBURG	UNITED STATES	Not Required	Not Required	BANK OF GREELEYVILLE
KINGSTREE	SC	29556	WILLIAMSBURG	UNITED STATES	Not Required	Not Required	BANK OF GREELEYVILLE

Head Office ID_RSSD*	Comments
465524	
465524	

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 3: Part (1)
Securities holders

Name City, State, Country	Country of Citizenship	No. & Percentage of Securities
Virginia Wilson Jonte Greeleyville SC/ USA	USA	46,307 shares 30.87 %
Robert W. Jonte, Jr. Greeleyville SC / USA	USA	45,569 shares 30.38%
Margery Jonte Mahoney Greeleyville SC / USA	USA	43,186 shares 28.79 %

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 3: Part (2)

NONE

Southeastern Bancorp, Inc.
Greeleyville SC 29056
Fiscal Year Ending December 31, 2018

REPORT ITEM 4:
Insiders

(1) Name City, State Country	(2) Principal Occupation	(3) Title/Position Holding Co.	(3)(b) Title/Position Subsidiary	(3)(c) Title/Position other	(4)(a) Percentage Voting Share H C	(4)(b) Percentage Voting Share Subsidiary	(4)(c) Other Co > 25% voting securities
Virginia W. Jonte Greeleyville SC USA	Gift Shop Owner	Director	N/A	Co-Owner Virginia Jonte Bee Hive Gift Shop	30.87%	N/A	50% Bee Hive Gift Shop
Robert W. Jonte, Jr. Greeleyville SC USA	CEO Bank of Greeleyville	Director/ Chairman	N/A	N/A	30.38%	N/A	N/A
Margery J. Mahoney Greeleyville SC USA	Teacher	Director	N/A	N/A	28.79%	N/A	N/A