



Community Reinvestment Act

The Community Reinvestment Act ("CRA") was enacted by Congress in 1977 (12 U.S.C. 2901) with the intent to encourage depository institutions to help meet the credit needs of the communities in which they operate. CRA is implemented through Regulations 12 CFR parts 25, 228, 345, and 195. Based on total asset thresholds set in the CRA implementing regulations, Heritage Bank qualifies as a "Large Bank," thus requiring the disclosures and information presented in this document. For purposes of CRA, Heritage Bank has defined its assessment areas as consisting of the following counties, in their entireties:

| Assessment Area Name | State | Counties within Assessment Area |
|----------------------------------|-------|--|
| Puget Sound CSA | WA | Island, King, Mason, Pierce, Skagit, Snohomish, Thurston |
| Bellingham MSA | WA | Whatcom |
| Yakima MSA | WA | Yakima |
| Longview MSA | WA | Cowlitz |
| San Juan County | WA | San Juan |
| Portland-Vancouver-Hillsboro MSA | WA | Clark |
| | OR | Multnomah, Washington |
| Eugene-Springfield MSA | OR | Lane |
| Boise City MSA | ID | Ada, Canyon, Gem, Boise |

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The information contained in this public file is current as of at least April 1, 2025, as required by regulation. However, Heritage Bank annually revises the April 1st CRA Public File to include the most current CRA Disclosure Statement within three (3) business days of publication, also required by regulation. Additionally, Heritage Bank, at its discretion, may update its CRA Public File for inclusion of revised branching and Assessment Area information related to recent branch additions, mergers and/ or acquisitions.

Questions or comments regarding Heritage Bank's CRA Public File may be addressed to:

Heritage Bank
Compliance Department
3615 Pacific Avenue
Tacoma, WA 98418

**Written Public Comments and the Bank's Responses
for the Current Year
and Prior Two Calendar Years**

In 2023, 2024, and through April 1, 2025, Heritage Bank did not receive any written public comments specifically related to the bank's performance in helping meet community credit needs.

PUBLIC DISCLOSURE

July 5, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Heritage Bank
Certificate Number: 29012

201 5th Avenue SW
Olympia, Washington 98501

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

| PERFORMANCE LEVELS | PERFORMANCE TESTS | | |
|---|-------------------|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | X | X | |
| Low Satisfactory | | | X |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |
| * The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating. | | | |

The Lending Test is rated High Satisfactory.

Lending levels reflect good responsiveness to AA credit needs and a high percentage of loans are made in the institution's AAs. The geographic distribution and of loans reflects adequate penetration throughout the AA, and the distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size. The institution makes extensive use of innovative of flexible lending practices in a safe and sound manner to address the credit needs of LMI individuals or geographies and is a leader in making community development (CD) loans. The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its AAs, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.

The Investment Test is rated High Satisfactory.

The bank has a significant level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors, exhibits good responsiveness to credit and CD needs, and makes significant use of innovative and/or complex investments to support CD initiatives.

The Service Test is rated Low Satisfactory.

Delivery systems are accessible to essentially all portions of the institution's AAs. To the extent changes have been made, the institutions opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. Lastly, the bank provides an adequate level of CD services to the AAs.

DESCRIPTION OF INSTITUTION

Heritage Bank (HB), headquartered in Olympia, Washington, is wholly-owned subsidiary of Heritage Financial Corporation. In the fall of 2020, the institution created a subsidiary CDFI organization, HBCDE, LLC, to specifically provide CD loans. At the request of the institution, these subsidiary lending activities received consideration in the current evaluation. HB has no other relevant affiliates or subsidiaries and did not engage in any merger or acquisition activity since the previous evaluation. HB received a Satisfactory CRA Rating at the previous FDIC CRA Performance Evaluation dated June 29, 2020, using Large Institution Examination Procedures.

HB operates 51 branches in Washington, Oregon, and Idaho. Since the previous CRA Performance Evaluation (PE), the institution closed 13 and opened 2 branches. While the primary business focus of the institution continues to be commercial real estate, HB also offers a variety of home mortgage and consumer loans. Additionally, HB participated in the SBA's Paycheck Protection Program (PPP) in 2020 and 2021; refer to Innovative and Flexible Lending Practices for detail. Deposit products include checking, savings, money market deposit, certificate of deposits, and individual retirement accounts in addition to wealth management services.

HB's assets totaled \$7.2 billion and deposits totaled \$5.8 billion as of March 31, 2023. The bank's loans totaled \$4.1 billion and securities totaled \$2.0 billion for the same period. The following table illustrates the loan portfolio.

| Loan Portfolio Distribution as of 3/31/2023 | | |
|---|------------------|--------------|
| Loan Category | \$(000s) | % |
| Construction, Land Development, and Other Land Loans | 316,603 | 7.7 |
| Secured by Farmland | 43,383 | 1.1 |
| Secured by 1-4 Family Residential Properties | 592,528 | 14.4 |
| Secured by Multifamily (5 or more) Residential Properties | 243,640 | 5.9 |
| Secured by Nonfarm Nonresidential Properties | 2,127,866 | 51.6 |
| Total Real Estate Loans | 3,324,020 | 80.5 |
| Commercial and Industrial Loans | 457,366 | 11.1 |
| Agricultural Production and Other Loans to Farmers | 15,865 | 0.4 |
| Consumer Loans | 66,765 | 1.6 |
| Obligations of State and Political Subdivisions in the U.S. | 197,387 | 4.8 |
| Other Loans | 66,069 | 1.6 |
| Lease Financing Receivable (net of unearned income) | - | - |
| Less: Unearned Income | - | - |
| Total Loans | 4,127,472 | 100.0 |
| <i>Source: Reports of Condition and Income; due to rounding, % column may not total</i> | | |

Examiners did not identify any financial, legal, or other impediments that affected the institution's ability to meet the AA credit needs over the review period.

DESCRIPTION OF ASSESSMENT AREAS

HB's delineated AAs, organized by rated area, are summarized in the following table.

| Description of Assessment Areas | | |
|---|--|----------|
| Assessment Area | Counties in Assessment Area | # of CTs |
| Washington | | |
| Puget Sound | Island, King, Mason, Pierce, Skagit, Snohomish, Thurston | 1,010 |
| WA Non-MSA | Kittitas, San Juan | 23 |
| Bellingham MSA | Whatcom | 54 |
| Yakima MSA | Yakima | 57 |
| Longview MSA | Cowlitz | 30 |
| PVH MSA | Clark, Washington, Multnomah, Yamhill* | 446 |
| Oregon | | |
| Eugene MSA | Lane | 93 |
| Idaho | | |
| Boise | Ada, Boise, Canyon, Gem | 190 |
| <i>Source: Bank Data</i> <i>*Yamhill included in 2020 analysis only. Refer to PVH MSA rated area for detail.</i> | | |

The bank opened the branches in Oregon and Idaho in late 2022 and early 2023, respectively. Because a full year of lending data is not available for the retail Lending Test and the timeframe for CD activity in these AAs was very limited, analysis of these AAs did not yield meaningful conclusions and they are not presented as separate rated areas in this PE. However, the limited CD activity that occurred in these AAs, as well as the impact of these branch openings on retail service test conclusions, are considered at the bankwide levels of analyses; refer to each respective conclusion for full detail.

Refer to rated areas for detail on changes to individual AAs, where relevant.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Large Institution Examination Procedures to evaluate HB's CRA performance from the prior evaluation dated June 29, 2020, to the current evaluation dated July 5, 2023. As previously discussed, relevant CD activities relating to HBCDE, LLC are included in this performance evaluation since the subsidiary's inception in late 2020.

Based on the lending and deposit volumes and branch structure, the Washington rated area contains the significant majority of the bank's operations and contributes greatest weight to overall conclusions, followed by the Portland-Vancouver-Hillsboro Multistate MSA (PVH MSA); see the following table. As discussed, the Oregon and Idaho represent new rated areas since the prior evaluation and activity in these areas is very limited; therefore, they are not broken out for separate presentation and contribute minimally to overall conclusions.

| Lending, Deposit, and Branch Distribution by Assessment Area | | | | | | |
|---|------------------|--------------|------------------|--------------|-----------------|--------------|
| Rated Area/ Assessment Area | Loans | | Deposits | | Branches | |
| | \$(000s) | % | \$(000s) | % | # | % |
| Washington | 2,138,542 | 83.2 | 5,615,928 | 88.6 | 45 | 84.9 |
| Puget Sound | 1,775,549 | 69.1 | 4,843,343 | 76.4 | 37 | 69.8 |
| WA Non-MSA | 37,807 | 1.5 | 93,612 | 1.5 | 2 | 3.8 |
| Bellingham MSA | 183,158 | 7.1 | 241,793 | 3.8 | 2 | 3.8 |
| Yakima MSA | 106,489 | 4.1 | 265,876 | 4.2 | 3 | 5.7 |
| Longview MSA | 35,539 | 1.4 | 171,304 | 2.7 | 1 | 1.9 |
| PVH MSA | 431,522 | 16.8 | 722,089 | 11.4 | 6 | 11.3 |
| Oregon | - | - | - | - | 1 | 1.9 |
| Eugene MSA | - | - | - | - | 1 | 1.9 |
| Idaho | - | - | - | - | 1 | 1.9 |
| Boise | - | - | - | - | 1 | 1.9 |
| Total | 2,570,064 | 100.0 | 6,338,017 | 100.0 | 53 | 100.0 |
| <i>Source: 2020, 2021, and 2022 CRA LRs and HMDA LARs, Summary of Deposit Data as of 6/30/22, Bank Data</i> | | | | | | |
| <i>'-' indicates data not available/applicable for the year based on date rated area was added to the AA.</i> | | | | | | |

Based on the same factors, the Puget Sound AA was selected for full-scope presentation in Washington. Additionally, the Washington Non-MSA AA was randomly selected for full-scope presentation, as the area had not been presented using full-scope procedures at either of the previous two CRA PEs. As the PVH MSA is a multistate MSA, the area is also presented as a full-scope analysis. The remaining AAs were analyzed using limited-scope procedures.

Activities Reviewed

Based on HB's lending strategy and the reported number and dollar volume of loans originated during the evaluation period, small business and home mortgage loans represent the institution's primary product lines, with small business loans contributing greater weight to conclusions; see the

following table. The bank did not request inclusion of consumer loans and does not originate a meaningful volume of small farm loans; therefore, these products were not analyzed.

| Loan Products Reviewed | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Loan Category | Universe | | Reviewed | |
| | # | \$(000s) | # | \$(000s) |
| Small Business | 9,000 | 1,654,749 | 9,000 | 1,654,749 |
| Home Mortgage | 2,061 | 1,131,678 | 2,061 | 1,131,678 |
| <i>Source: 2020, 2021, and 2022 HMDA LAR and CRA LRs</i> | | | | |

All HMDA LAR and CRA LR loans reported by HB in 2020, 2021, and 2022 were analyzed to form respective home mortgage and small business Lending Test conclusions. Performance by product by year was not consistent across all AAs over the review period; therefore, all years are presented in this PE.

Lending percentages were compared to both demographic data and, where available, aggregate peer lending data to develop conclusions. For 2020 and 2021, home mortgage demographic data is based on 2015 ACS/census data. Starting in 2022, home mortgage demographic data is based on the 2020 Census data. Small business demographic data is based on D&B data for all years of the review period.

As peer data is a better reflection of actual lending opportunity than demographic data, which simply demonstrates potential lending opportunity, comparison to aggregate contributed more weight to the formation of Lending Test conclusions for both product types. Aggregate lending data is not yet available for 2022 home mortgage or small business lending; therefore, 2022 performance contributed less weight to conclusions.

All CD loans, investments and donations, and services from the prior PE through the current evaluation date were considered to develop relevant Lending, Investment, and Service Test conclusions.

Delivery systems for providing retail banking services, including existing branch network and alternative delivery systems available throughout the review period, branch openings and closings, and retail banking products targeted to LMI individuals and/or services targeted to AA needs were considered in forming applicable Service Test conclusions. Refer to Service Test for specific detail.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Lending Test performance is good. Performance in both the Washington and PVH is consistent with this conclusion.

Lending Activity

HB's lending levels reflect good responsiveness to the AA credit needs. While performance in both Washington and the PVH MSA is consistent with this conclusion, the institution's performance varied somewhat by individual AA. Refer to individual AAs for market share and relative market rank for products reviewed.

The institution's small business lending volume in 2020 and 2021 was much larger than the prior evaluation due to HB's participation in the PPP. The program discontinued in 2021, resulting in a decrease in small business volume in 2022 back to pre-pandemic levels.

Additionally, reported home mortgage loan volume significantly increased in 2022 from prior years due to new HMDA reporting requirements. Starting in 2022, HB was required to report home equity lines of credit (HELOC). Analysis of HELOCs separate from all home mortgage loans did not change conclusions; therefore, both loan types are presented together.

See the Lending Inside and Outside of the Assessment Area table on the following page for total lending by product and number and dollar and refer to individual AAs for specific lending activity levels within each.

Assessment Area Concentration

A high percentage of loans are made in the institution's AAs; see the table on the following page.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|------|---------|-----|----------------|---------------------------------|------|---------|------|-----------------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Business | | | | | | | | | | |
| 2020 | 4,912 | 94.6 | 282 | 5.4 | 5,194 | 788,651 | 93.6 | 54,197 | 6.4 | 842,848 |
| 2021 | 3,041 | 95.2 | 153 | 4.8 | 3,194 | 574,514 | 94.8 | 31,313 | 5.2 | 605,827 |
| 2022 | 554 | 90.5 | 58 | 9.5 | 612 | 184,489 | 89.5 | 21,585 | 10.5 | 206,074 |
| Subtotal | 8,507 | 94.5 | 493 | 5.5 | 9,000 | 1,547,654 | 93.5 | 107,095 | 6.5 | 1,654,749 |
| Home Mortgage | | | | | | | | | | |
| 2020 | 569 | 94.7 | 32 | 5.3 | 601 | 257,899 | 94.7 | 14,539 | 5.3 | 272,438 |
| 2021 | 495 | 94.8 | 27 | 5.2 | 522 | 280,114 | 84.9 | 49,711 | 15.1 | 329,825 |
| 2022 | 863 | 92.0 | 75 | 8.0 | 938 | 443,710 | 83.8 | 85,705 | 16.2 | 529,415 |
| Subtotal | 1,927 | 93.5 | 134 | 6.5 | 2,061 | 981,723 | 86.8 | 149,955 | 13.2 | 1,131,678 |
| Source: Bank Data Due to rounding, totals may not equal 100.0% | | | | | | | | | | |

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the AAs. Performance in Washington, which carries greatest weight, is consistent with this conclusion. Performance in the PVH MSA was above that of Washington; however, overall conclusions were unchanged. Refer to each respective analysis for details.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among the retail customers of different income levels and business customers of different sizes. The bank's performance was consistent in each rated area. Refer to each respective analysis for details.

Innovative or Flexible Lending Practices

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs; see the table on the following page. All of the listed loan programs are available throughout the bank's AAs; therefore, this criterion is only discussed at the bankwide section of this evaluation.

| Innovative or Flexible Lending Programs | | | | | | | | | | |
|---|------------|---------------|--------------|----------------|-----------|---------------|-----------|---------------|--------------|----------------|
| Type of Program | 2020 | | 2021 | | 2022 | | YTD 2023 | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| FHA Loans | 4 | 1,282 | - | - | 4 | 1,479 | 1 | 440 | 9 | 3,201 |
| USDA Loans | 3 | 841 | - | - | - | - | - | - | 3 | 841 |
| VA Loans | 25 | 7,145 | 13 | 4,001 | 1 | 336 | - | - | 39 | 11,482 |
| WSHFC Home Advantage | 2 | 26 | - | - | - | - | - | - | 2 | 26 |
| SBA Loans | 13 | 5,954 | 46 | 34,493 | 29 | 30,689 | 9 | 5,228 | 97 | 76,364 |
| PPP Loans | 122 | 8,068 | 2,598 | 386,800 | - | - | - | - | 2,720 | 394,868 |
| HBCDE | - | - | - | - | 5 | 12,373 | 6 | 19,018 | 11 | 31,391 |
| Totals | 169 | 23,316 | 2,657 | 425,294 | 39 | 44,877 | 16 | 24,686 | 2,881 | 518,173 |
| Source: Bank Data; 6/20/22 – 7/5/23 | | | | | | | | | | |

The following are notable flexible lending practices employed during the evaluation period.

- **SBA PPP** – These loans are SBA-backed loans with the design to keep businesses and their workforce employed during the COVID-19 pandemic. There are no fees charged to small businesses by the government or lenders, and loan forgiveness is available if specific employee retention criteria are met.
- **SBA Loans** –The SBA offers loan programs (7a and 504) that are partially guaranteed by the government. The programs provide small businesses with both immediate- and long-term benefits to offer small businesses an avenue for financing, while promoting business growth and job creation.
- **HBCDE, LLC Loans** – In late 2020, HB created the HBCDE, LLC, a certified CDFI Community Development Entity to provide loans developing low-income communities. The subsidiary offers favorably structured commercial loan products specifically designed to provide job creation and new investment in low-income communities.

Community Development Loans

The institution is a leader in making CD loans. HB's performance was consistent in both Washington and the PVH MSA. CD lending increased significantly by dollar from the prior examination, where HB originated 202 CD loans totaling \$290.6 million. Total CD lending by dollar represents 8.1 percent of average total assets and 13.7 percent of average total loans; these metrics are a significant improvement over the 1.6 percent of average total assets and 2.2 percent of average total loans from the last evaluation. Further, CD lending performance compares favorably against other similarly-situated institutions and the institution's emphasis on affordable housing reflects excellent responsiveness to the CD needs of the AAs.

The significant majority of CD lending activity benefitted Washington, followed by the PVH MSA.; refer to each rated area for full detail. The bank originated only a single CD loan in Oregon, totaling \$2.6 million, and did not originate any CD loans in Idaho. The institution did not originate any CD loans benefitting the broader regional area during the review period.

| Community Development Lending - Bankwide | | | | | | | | | | |
|--|--------------------|----------------|--------------------|---------------|----------------------|---------------|-------------------------|---------------|------------|----------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| 2020 | 8 | 20,988 | 10 | 24,700 | 2 | 2,892 | - | - | 20 | 48,580 |
| 2021 | 16 | 151,444 | 14 | 41,866 | 1 | 10,000 | 8 | 26,689 | 39 | 229,999 |
| 2022 | 20 | 143,623 | 11 | 8,172 | 3 | 7,098 | 11 | 61,782 | 45 | 220,675 |
| YTD 2023 | 5 | 66,600 | 6 | 4,728 | - | - | 1 | 2,620 | 12 | 73,948 |
| Total | 49 | 382,655 | 41 | 79,466 | 6 | 19,990 | 20 | 91,091 | 116 | 573,202 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

INVESTMENT TEST

The Investment Test performance is good. Performance in both Washington and the PVH MSA is consistent with this conclusion.

Investment and Grant Activity

HB has a significant level of qualified CD investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Total qualified investments represent 2.4 percent of average total assets and 12.2 percent of average total securities. While total CD investment volume increased since the prior evaluation's \$109.5 million in combined qualified investments and grants, activity as a percentage of average total assets and average total securities declined; at the previous evaluation, these metrics were 3.8 percent and 18.1 percent, respectively. However, HB's performance is generally above that of similarly-situated institutions.

The majority of CD investment dollars benefitted the Washington rated area, followed by the PVH MSA. No investments targeted Oregon or Idaho, but \$49,600 in donations benefitted Oregon.

| Qualified Investments - Bankwide | | | | | | | | | | |
|----------------------------------|--------------------|----------------|--------------------|--------------|----------------------|-----------|-------------------------|-----------|------------|----------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| Prior Period | 22 | 38,530 | 3 | 1,771 | - | - | - | - | 25 | 40,301 |
| 2020 | 4 | 7,258 | 2 | 3,000 | - | - | - | - | 6 | 10,258 |
| 2021 | 3 | 30,966 | - | - | - | - | - | - | 3 | 30,966 |
| 2022 | 6 | 91,298 | - | - | - | - | - | - | 6 | 91,298 |
| YTD 2023 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 35 | 168,052 | 5 | 4,771 | - | - | - | - | 40 | 172,823 |
| Qualified Grants & Donations | 34 | 429 | 82 | 478 | 3 | 65 | 14 | 95 | 133 | 1,067 |
| Total | 69 | 168,481 | 87 | 5,249 | 3 | 65 | 14 | 95 | 173 | 173,890 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

Included in the above table are several investments and donations that benefitted multiple rated areas. Examples of these are highlighted on the following page.

- In 2022, HB invested \$8.5 million to provide 155 units of affordable housing units in the Eugene MSA and 61 units of affordable housing units in the Puget Sound AA.
- During the evaluation period, HB made six donations totaling \$49,600 to organizations that provided various community services targeted to LMI individuals living throughout the State of Oregon, affecting both the PVH MSA and Oregon.

Responsiveness to Credit and Community Development Needs

HB exhibits good responsiveness to credit and CD needs. The investment strategy during the evaluation period focused on affordable housing initiatives, a primary identified CD need for affordable housing across the bank's AAs, particularly in Washington. Refer to individual AAs for detail.

Community Development Initiatives

HB makes significant use of innovative and complex investments to support CD initiatives. A number of CD investments are Low-Income-Housing-Tax-Credit (LIHTC) investments, which are considered complex. LIHTCs provide tax incentives to encourage individual and corporate investors to invest in the development, acquisition, and rehabilitation of affordable rental housing. To qualify for the credit, a project must meet strict income limits for eligible tenants to qualify as a low-income project. Properties are generally required to remain rent restricted and only available to low-income tenants for a minimum of 30 years. During the evaluation period, HB participated in six new LIHTC projects, totaling \$10.5 million.

SERVICE TEST

HB's Service Test performance is adequate. The institution's performance in both rated areas is consistent with this conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's AAs. Branch and ATM distribution varied somewhat by AA; refer to individual analyses for detail.

Alternative banking delivery systems are generally the same across all AAs and include online, mobile, and banking telephone banking options. Accessibility in the Washington rated area is enhanced by a mobile branch, which operates seasonally in the Puget Sound AA.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. As previously discussed, the institution opened two branches during the review period: one branch in Boise, Idaho, in an upper-income CT and one branch in

Eugene, Oregon, in a moderate-income CT. These openings, particularly the branch in Oregon, increased accessibility of delivery systems to LMI populations.

The bank closed 13 branches over the same timeframe: 10 located in Washington and 3 in the PVH MSA. Details of the impact of branch closures are discussed in each respective AA analysis.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AAs, particularly LMI geographies and individuals. All branches offer the bank's full array of business and consumer deposit and lending products; see Description of Institution for detail. Operating hours are the same in all AAs and reflect normal banking hours; no branches are open on Saturdays or offer extended evening hours. Drive-up banking is available at most locations; refer to individual analyses for detail.

Community Development Services

The institution provides an adequate level of CD services; see the below table. Service hours declined from the prior evaluation, where bank employees provided 3,492 hours of service to qualifying CD organizations. The primary reason for the decline in hours was the difficulty in providing in-person services during the coronavirus stay at home mandates that were in effect for much of the review period. HB's service hour performance is slightly below the level of similarly-situated institutions, but not to an unreasonable degree.

A significant majority of CD hours were provided in Washington and the PVH MSA, where HB employees provided 1,459 and 878 hours of service, respectively. Employees provided 35 hours of CD service in Oregon and did not provide any hours in Idaho.

| Community Development Services - Bankwide | | | | | |
|--|---------------------------|---------------------------|-----------------------------|--------------------------------|---------------|
| Activity Year | Affordable Housing | Community Services | Economic Development | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| 2020 | - | 148 | - | - | 148 |
| 2021 | 120 | 265 | 12 | 483 | 880 |
| 2022 | 485 | 688 | 89 | - | 1,262 |
| YTD 2023 | 119 | 83 | - | - | 202 |
| Total | 724 | 1,184 | 101 | 483 | 2,492 |
| <i>Source: Bank Data</i> | | | | | |

The above table includes an activity that benefitted both the PVH MSA and Oregon. Throughout 2022, a bank employee spent 120 hours serving as a Board member for an organization that provides affordable housing throughout Oregon.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

WASHINGTON

CRA RATING FOR WASHINGTON: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON

HB has five AAs across the state of Washington; refer to the bankwide Description of Assessment Area for detail. The institution's Washington AAs are unchanged since the prior evaluation.

SCOPE OF EVALUATION – WASHINGTON

Performance for the Puget Sound AA provided the greatest weight in determining statewide conclusions. Refer to the overall Scope of Evaluation section for complete detail.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WASHINGTON

LENDING TEST

HB's Lending Test performance in Washington is good. Performance across all AAs was consistent with this conclusion with the exception of the WA Non-MSA AA, where performance was lower, though still adequate.

Lending Activity

HB's lending levels reflect good responsiveness to Washington AA credit needs. Refer to bankwide discussion for overall trends and to individual AAs for specific lending activity as well as market share and relative market rank for products reviewed.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Washington AAs. Lending performance in all AAs was consistent with this conclusion with the exception of the Longview MSA, where performance was higher, though statewide conclusions were unchanged. Refer to individual AAs for detail.

Borrower Profile

The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different sizes. Performance in the Puget Sound AA, which carries greatest weight, and the Longview AA primarily support this conclusion. Performance in the remaining AAs was higher; however, statewide conclusions were unchanged.

Community Development Loans

HB is a leader in making CD loans throughout Washington. CD lending by dollar more than doubled from the prior evaluation, where the bank originated 117 CD loans totaling \$218.6 million. The majority of CD loans support affordable housing initiatives, which demonstrates HB's responsiveness to a critical CD need identified throughout the Washington AAs, particularly in the Puget Sound AA.

The majority of activity benefitted the Puget Sound AA. While performance across all AAs was considered and performance varied somewhat by AA, the Puget Sound AA, where the bank is a market leader, contributed greatest weight to CD loan performance conclusions.

| Community Development Lending by Assessment Area | | | | | | | | | | |
|---|---------------------------|-----------------|---------------------------|-----------------|-----------------------------|-----------------|--------------------------------|-----------------|---------------|-----------------|
| Assessment Area | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| Puget Sound AA | 32 | 277,888 | 20 | 67,916 | 2 | 2,892 | 15 | 68,596 | 69 | 417,292 |
| WA Non-MSA AA | - | - | - | - | - | - | - | - | - | - |
| Bellingham MSA | 1 | 14,250 | 2 | 2,500 | - | - | - | - | 3 | 16,750 |
| Yakima MSA | 3 | 27,100 | - | - | - | - | - | - | 3 | 27,100 |
| Longview MSA | 3 | 1,062 | 1 | 150 | - | - | - | - | 4 | 1,212 |
| Statewide Activities | - | - | - | - | 1 | 10,000 | - | - | 1 | 10,000 |
| Total | 39 | 320,300 | 23 | 70,566 | 3 | 12,892 | 15 | 68,596 | 80 | 472,354 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

As the above table indicates, HB made a \$10.0 million loan during the review period that benefitted Washington statewide. The loan, originated in 2021, was made to an economic development organization that provides start-up capital for small businesses across Washington.

INVESTMENT TEST

Investment Test performance in Washington is good. Performance in the Puget Sound AA, which is weighted most heavily, is consistent with this conclusion. While performance in the Bellingham and Yakima AAs was higher and performance in the Washington Non-MSA AA and Longview AAs was lower, statewide conclusions were unchanged.

Investment and Grant Activity

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those not routinely provided by private investors. Activity increased from the prior evaluation, where CD investments and donations totaled \$114.5 million. Additionally, the majority of the activity occurred during the current period; of the total, only \$27.2 million were prior period investments.

A significant majority of investment and grant dollars targeted affordable housing initiatives – a CD need identified for several of the Washington AAs, particularly in the Puget Sound AA, which carries greatest weight.

| Qualified Investments by Assessment Area | | | | | | | | | | |
|--|--------------------|----------------|--------------------|--------------|----------------------|-----------|-------------------------|-----------|------------|----------------|
| Assessment Area | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| Puget Sound AA | 21 | 86,736 | 3 | 3,543 | - | - | - | - | 24 | 90,279 |
| WA Non-MSA AA | - | - | - | - | - | - | - | - | - | - |
| Bellingham MSA | 1 | 17,288 | 1 | 416 | - | - | - | - | 2 | 17,704 |
| Yakima MSA | 1 | 18,035 | 1 | 810 | - | - | - | - | 2 | 18,845 |
| Longview MSA | - | - | - | - | - | - | - | - | - | - |
| Statewide Activities | 1 | 1,670 | - | - | - | - | - | - | 1 | 1,670 |
| Subtotal | 24 | 123,729 | 5 | 4,769 | - | - | - | - | 29 | 128,498 |
| Qualified Grants & Donations | 28 | 405 | 59 | 317 | 1 | 25 | 13 | 90 | 101 | 837 |
| Total | 52 | 124,134 | 64 | 5,086 | 1 | 25 | 13 | 90 | 130 | 129,335 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

As the above table demonstrates, HB made a \$1.6 million investment during the review period that benefitted Washington statewide. The investment, purchased in 2020, was a bond to fund affordable housing throughout Washington. Additionally, several donations made during the review period benefitted the statewide area. For example:

- During the evaluation period, HB made three donations totaling \$7,500 to a CDFI that partners with housing authorities, financial institutions, and others to create sustainable affordable housing throughout Washington.
- In 2022, HB made a \$50,000 donation to an organization that provides various community services and shelter for LMI individuals and families throughout Washington.

Responsiveness to Credit and Community Development Needs

HB exhibits good responsiveness to credit and CD needs. The bank demonstrated responsiveness to the AA through its focus on funding investments targeting the identified CD credit need of affordable housing. Overall, HB funded nearly \$124.0 million in qualified investments targeted to affordable housing needs.

Community Development Initiatives

HB makes significant use of innovative and complex investments in the Washington AAs to support CD initiatives; refer to bankwide conclusions for full detail. Over the review period, the bank purchased five LIHTC investments, totaling \$89.4 million, for projects throughout Washington.

SERVICE TEST

Service Test performance in Washington is adequate. The institution's performance in the Puget Sound AA, WA Non-MSA AA, and Yakima MSA primarily support this conclusion. While performance in the Bellingham MSA and Longview MSA was higher, statewide conclusions were unchanged.

Accessibility of Delivery Systems

Retail banking delivery systems are accessible to essentially all portions of the institution's AAs. HB operates 43 full-service branches and 39 deposit-taking ATMs in Washington. While accessibility performance in Washington is consistent with the institution overall, branch distribution varied somewhat by AA; see individual Washington AAs for detail. Alternative delivery systems are discussed under bankwide conclusions.

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. During the review period, HB closed ten branches in Washington: eight in the Puget Sound AA and one each in the Longview and Yakima AAs. Refer to each full- or limited-scope analysis for detail on how these closures impacted LMI geographies and populations.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AAs, particularly LMI geographies and individuals. Performance in Washington is consistent with bankwide conclusions; refer to bankwide analysis for detail.

Community Development Services

The institution provides an adequate level of CD services to Washington; see the table on the following page. CD services decreased somewhat from the previous evaluation, where HB employees provided 1,928 hours of qualified CD service hours. As previously discussed, the primary reason for the decline in hours was due to the difficulty in providing in-person service hours during COVID-19. Service hours primarily benefitted the Puget Sound AA and focused heavily on community services. Bank employees did not provide service hours that benefitted the statewide Washington area during the review period.

| Community Development Services by Assessment Area | | | | | |
|---|--------------------|--------------------|----------------------|-------------------------|--------------|
| Assessment Area | Affordable Housing | Community Services | Economic Development | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| Puget Sound AA | 100 | 645 | 47 | 473 | 1,265 |
| WA Non-MSA | - | - | - | - | - |
| Bellingham MSA | 25 | - | 14 | - | 39 |
| Yakima MSA | - | 32 | - | - | 32 |
| Longview MSA | - | 113 | - | 10 | 123 |
| Total | 125 | 790 | 61 | 483 | 1,459 |
| <i>Source: Bank Data</i> | | | | | |

PUGET SOUND AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PUGET SOUND AA

The Puget Sound AA is located in and around the Seattle area of Washington and consists of the seven whole counties of Island, King, Mason, Pierce, Skagit, Snohomish, and Thurston. Collectively, the counties comprise the Puget Sound CSA, which includes the Seattle-Tacoma-Bellevue MSA, Mount Vernon-Anacortes MSA, and the Olympia-Lacey-Tumwater MSA. No changes have been made to the AA since the previous evaluation.

Economic and Demographic Data

As of the 2010 U.S. Census data, the AA contained 42 low-, 182 moderate-, 365 middle-, and 239-upper-income CTs, as well as 9 CTs with no income designation. Due to population growth and updates to CT designations, the AA now consists of 42 low-, 216 moderate-, 439 middle-, and 293 upper-income CTs, as well as 20 CTs without an income designation. Nine of the middle-income CTs, all in Mason County, were designated as distressed by the FFIEC for all years of the review period. The table on the following page summarizes key demographic information for the AA.

| Demographic Information of the Assessment Area | | | | | | |
|--|-----------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Puget Sound | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 1,010 | 4.2 | 21.4 | 43.5 | 29.0 | 2.0 |
| Population by Geography | 4,595,661 | 4.3 | 21.9 | 43.2 | 29.6 | 1.1 |
| Housing Units by Geography | 1,866,186 | 4.4 | 21.1 | 43.0 | 30.5 | 1.1 |
| Owner-Occupied Units by Geography | 1,074,424 | 2.0 | 17.1 | 46.2 | 34.4 | 0.3 |
| Occupied Rental Units by Geography | 677,605 | 8.3 | 27.3 | 38.0 | 24.1 | 2.4 |
| Vacant Units by Geography | 114,157 | 4.4 | 21.5 | 41.6 | 31.2 | 1.3 |
| Businesses by Geography | 591,618 | 4.5 | 18.4 | 40.6 | 35.4 | 1.1 |
| Farms by Geography | 11,659 | 2.7 | 18.2 | 47.2 | 31.5 | 0.5 |
| Family Distribution by Income Level | 1,111,250 | 20.0 | 17.8 | 21.9 | 40.2 | 0.0 |
| Household Distribution by Income Level | 1,752,029 | 22.8 | 16.8 | 18.8 | 41.6 | 0.0 |
| Median Family Income MSA - 34580 Mount Vernon-Anacortes, WA MSA | | \$82,149 | Median Housing Value | | | \$499,925 |
| Median Family Income MSA - 36500 Olympia-Lacey-Tumwater, WA MSA | | \$91,125 | Median Gross Rent | | | \$1,566 |
| Median Family Income MSA - 42644 Seattle-Bellevue-Kent, WA | | \$116,853 | Families Below Poverty Level | | | 5.5% |
| Median Family Income MSA - 45104 Tacoma-Lakewood, WA | | \$88,892 | | | | |
| Median Family Income Non-MSAs - WA | | \$70,452 | | | | |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

As demonstrated by the above, housing affordability in the AA is very low when comparing median family incomes to median housing value. In fact, housing prices within the AA are among the least affordable in the nation.

Unemployment trends vary by county but have generally stabilized following the pandemic; see the table on the following page.

| Unemployment Rates in Puget Sound AA | | | |
|---|------|------|------|
| Area | 2020 | 2021 | 2022 |
| | % | % | % |
| Island | 8.2 | 5.7 | 4.9 |
| King | 7.8 | 4.1 | 2.9 |
| Mason | 9.8 | 7.0 | 6.3 |
| Pierce | 9.5 | 6.1 | 5.1 |
| Skagit | 9.7 | 6.4 | 5.2 |
| Snohomish | 8.7 | 4.8 | 3.2 |
| Thurston | 8.2 | 5.3 | 4.6 |
| State | 8.5 | 5.2 | 4.2 |
| National Average | 8.1 | 5.3 | 3.6 |
| <i>Source: Bureau of Labor Statistics</i> | | | |

According to Moody Analytics, businesses in the Puget Sound AA are still recovering from the economic effects of the COVID-19 pandemic. The recouping of job losses in the hospitality industry is slowly gaining ground while job growth in the tech industry has slowed as it corrects from the explosive growth during the pandemic. The top employers within the Puget Sound AA continue to be Amazon, Boeing Company, Microsoft Corporation, and Joint Base Lewis-McCord, which correlates with the main economic drivers being the manufacturing, high-tech, and logistic industries.

Competition

According to the June 30, 2022, Deposit Market Share Report, HB ranked 8th out of 55 institutions competing in the AA, with 2.9 percent of the deposit market share. According to the same data, the top five institutions consist of large, national banks that account for 69.6 percent of the deposit market share. In addition, HB operates 37 out of the 892 total branches operated by all institutions in the AA. As a result of these factors, competition for deposits in the AA appears highly competitive.

Community Contact

Examiners contacted an affordable housing organization that provides housing services and education for LMI individuals. The contact detailed the extreme shortage of housing stock available for affordable housing in the AA, especially for low- and very low-income individuals and families. The contact also stated that a lack of education for borrowers prior to getting mortgages continues to be a problem. Furthermore, the contact added that funding for construction, particularly for the low-income population, is extremely limited.

Credit and Community Development Needs and Opportunities

Considering the community contact information, key economic and demographic figures, and market share reports, examiners determined that affordable housing is the primary credit need for the Puget Sound AA. In addition, the community contact detailed how financial education for mortgage borrowers also presents as a CD need and opportunity.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PUGET SOUND AA

LENDING TEST

HB's Lending Test performance in the Puget Sound AA is good.

Lending Activity

HB's lending levels reflect good responsiveness to the AA credit needs. During the evaluation period, HB originated 5,837 small business loans totaling \$1.1 billion and 1,431 home mortgage loans totaling \$692.6 million within the Puget Sound AA. The institution originated a notable increase in both small business and home mortgage lending since the prior evaluation where HB originated 2,997 small business loans totaling \$772.7 million and 860 home mortgage loans totaling \$328.1 million. As previously discussed, small business lending increased due to PPP lending while home mortgage lending increased due to the HMDA requirement that HB begin reporting open-end credit as of 2022.

According to 2021 small business aggregate data, HB ranks 15th out of 215 commercial lenders within the AA and retains 1.7 and 7.8 percent of the market share by number and dollar, respectively. Per 2021 aggregate data for home mortgage lending, HB ranks 124th out of 738 home mortgage lenders, retaining 0.1 percent of the market share by both number and dollar.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Puget Sound AA. Adequate performance in both small business and home mortgage lending supports this conclusion.

Small Business

| Geographic Distribution of Small Business Loans | | | | | | |
|--|------------------------|-------------------------------------|--------------|--------------|-----------------|--------------|
| Assessment Area: Puget Sound | | | | | | |
| Tract Income Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 5.1 | 5.8 | 217 | 6.3 | 39,174 | 7.1 |
| 2021 | 5.0 | 5.7 | 150 | 7.3 | 37,574 | 9.4 |
| 2022 | 4.5 | -- | 17 | 4.8 | 6,415 | 5.5 |
| Moderate | | | | | | |
| 2020 | 18.7 | 19.4 | 780 | 22.8 | 124,030 | 22.4 |
| 2021 | 18.2 | 19.9 | 481 | 23.4 | 94,198 | 23.5 |
| 2022 | 18.4 | -- | 93 | 26.1 | 29,442 | 25.3 |
| Middle | | | | | | |
| 2020 | 39.7 | 40.2 | 1,378 | 40.3 | 224,360 | 40.6 |
| 2021 | 39.9 | 40.6 | 812 | 39.4 | 158,147 | 39.4 |
| 2022 | 40.6 | -- | 156 | 43.8 | 54,225 | 46.6 |
| Upper | | | | | | |
| 2020 | 36.2 | 34.3 | 1,044 | 30.5 | 164,851 | 29.8 |
| 2021 | 36.2 | 33.6 | 612 | 29.7 | 110,705 | 27.6 |
| 2022 | 35.4 | -- | 88 | 24.7 | 25,387 | 21.8 |
| Not Available | | | | | | |
| 2020 | 0.3 | 0.4 | 3 | 0.1 | 610 | 0.1 |
| 2021 | 0.6 | 0.3 | 4 | 0.2 | 640 | 0.2 |
| 2022 | 1.1 | -- | 2 | 0.6 | 925 | 0.8 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 3,422 | 100.0 | 553,025 | 100.0 |
| 2021 | 100.0 | 100.0 | 2,059 | 100.0 | 401,264 | 100.0 |
| 2022 | 100.0 | -- | 356 | 100.0 | 116,394 | 100.0 |
| Source: 2020, 2021, & 2022 D&B Data; Bank Data; 2020 & 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

In 2020, lending to low-income CTs was generally in line with aggregate performance and slightly above demographics. Penetration to these CTs improved in 2021, and was slightly above both aggregate and demographic data. In 2022, lending in low-income CTs was in line with D&B data.

In both 2020 and 2021, the institution's lending in moderate-income CTs slightly exceeded aggregate performance and was above demographic data. In 2022, lending in moderate-income CTs compared favorably with the D&B percentage of businesses. Overall, this performance is adequate.

Home Mortgage

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|---|-----------------------------------|------------------------------|------------|--------------|----------------|--------------|
| Assessment Area: Puget Sound | | | | | | |
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 2.3 | 1.9 | 6 | 1.5 | 22,846 | 11.8 |
| 2021 | 2.3 | 2.1 | 2 | 0.6 | 333 | 0.2 |
| 2022 | 2.0 | -- | 4 | 0.6 | 868 | 0.3 |
| Moderate | | | | | | |
| 2020 | 17.0 | 15.9 | 39 | 9.8 | 17,161 | 8.9 |
| 2021 | 17.0 | 16.8 | 53 | 15.0 | 24,605 | 14.7 |
| 2022 | 17.1 | -- | 68 | 10.0 | 42,329 | 12.8 |
| Middle | | | | | | |
| 2020 | 46.6 | 47.4 | 154 | 38.5 | 52,630 | 27.2 |
| 2021 | 46.6 | 47.2 | 111 | 31.4 | 48,273 | 28.8 |
| 2022 | 46.2 | -- | 307 | 45.3 | 136,621 | 41.2 |
| Upper | | | | | | |
| 2020 | 34.0 | 34.7 | 201 | 50.3 | 101,078 | 52.2 |
| 2021 | 34.0 | 33.9 | 187 | 53.0 | 94,137 | 56.3 |
| 2022 | 34.4 | -- | 299 | 44.1 | 151,744 | 45.8 |
| Not Available | | | | | | |
| 2020 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 0.3 | -- | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 400 | 100.0 | 193,714 | 100.0 |
| 2021 | 100.0 | 100.0 | 353 | 100.0 | 167,347 | 100.0 |
| 2022 | 100.0 | -- | 678 | 100.0 | 331,563 | 100.0 |
| Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

In 2020, lending in low-income CTs was slightly below demographic data but in line with aggregate lending. Performance declined somewhat in 2021, and was slightly below both aggregate and demographic indicators. Lending in 2022 was, again, slightly below demographic data.

In 2020, lending in moderate-income CTs trailed aggregate and was below demographics. Performance improved in 2021, coming generally in line with aggregate and demographic indicators. In 2022, lending compared unfavorably to the percentage of owner-occupied housing units. While somewhat mixed, overall performance is generally adequate.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among business customers of different sizes and retail customers of different income levels. This conclusion is supported by adequate small business and home mortgage lending performance.

Small Business

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | | |
|---|------------------------|-------------------------------------|--------------|--------------|-----------------|--------------|
| Assessment Area: Puget Sound | | | | | | |
| Gross Revenue Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| <=\$1,000,000 | | | | | | |
| 2020 | 90.1 | 40.3 | 246 | 7.2 | 56,169 | 10.2 |
| 2021 | 89.8 | 48.9 | 221 | 10.7 | 66,972 | 16.7 |
| 2022 | 92.1 | -- | 125 | 35.1 | 40,974 | 35.2 |
| >\$1,000,000 | | | | | | |
| 2020 | 3.3 | -- | 496 | 14.5 | 152,582 | 27.6 |
| 2021 | 3.3 | -- | 440 | 21.4 | 155,312 | 38.7 |
| 2022 | 2.4 | -- | 219 | 61.5 | 71,214 | 61.2 |
| Revenue Not Available | | | | | | |
| 2020 | 6.6 | -- | 2,680 | 78.3 | 344,274 | 62.3 |
| 2021 | 6.9 | -- | 1,398 | 67.9 | 178,980 | 44.6 |
| 2022 | 5.5 | -- | 12 | 3.4 | 4,206 | 3.6 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 3,422 | 100.0 | 553,025 | 100.0 |
| 2021 | 100.0 | 100.0 | 2,059 | 100.0 | 401,264 | 100.0 |
| 2022 | 100.0 | -- | 356 | 100.0 | 116,394 | 100.0 |
| <i>Source: 2020 – 2022 D&B Data; Bank Data; 2020 & 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i> | | | | | | |

HB's ratio of loans made to small businesses appears to compare unfavorably to demographic and peer indicators in both 2020 and 2021; however, the institution's lending percentage is skewed by the high number of loans for which income information was not available and the significant majority of these 'Revenue NA' loans are PPP loans. Calculation of an adjusted ratio of loans made to businesses with GARs of \$1 million or less in 2020 and 2021 was 33.2 percent and 33.4 percent, respectively. The institution's participation in the PPP receives very favorable consideration, as the PPP was specifically meant to assist smaller businesses with payroll costs during the COVID-19 pandemic. As the preceding table demonstrates, thousands of such businesses were positively impacted by the institution's PPP lending.

Lending to small businesses in 2022 is well below demographic indicators; however, this year contributes less weight to conclusions. Further, demographic data includes very small businesses and start-ups, which may not be credit-seeking or credit-worthy; as such, actual opportunity for lending to small businesses in the AA is likely well below demographic indicators. Considering all factors, overall performance is adequate.

Home Mortgage

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|---|---------------|------------------------------|-----|-------|----------|-------|
| Assessment Area: Puget Sound | | | | | | |
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 20.9 | 4.0 | 14 | 3.5 | 2,620 | 1.4 |
| 2021 | 20.9 | 4.6 | 16 | 4.5 | 2,470 | 1.5 |
| 2022 | 20.0 | -- | 33 | 4.9 | 5,838 | 1.8 |
| Moderate | | | | | | |
| 2020 | 17.6 | 15.1 | 39 | 9.8 | 9,696 | 5.0 |
| 2021 | 17.6 | 15.1 | 51 | 14.4 | 11,063 | 6.6 |
| 2022 | 17.8 | -- | 87 | 12.8 | 13,811 | 4.2 |
| Middle | | | | | | |
| 2020 | 21.0 | 23.8 | 85 | 21.3 | 24,225 | 12.5 |
| 2021 | 21.0 | 23.0 | 66 | 18.7 | 18,719 | 11.2 |
| 2022 | 21.9 | -- | 108 | 15.9 | 24,388 | 7.4 |
| Upper | | | | | | |
| 2020 | 40.5 | 43.5 | 177 | 44.3 | 82,572 | 42.6 |
| 2021 | 40.5 | 42.6 | 164 | 46.5 | 89,536 | 53.5 |
| 2022 | 40.2 | -- | 286 | 42.2 | 118,862 | 35.8 |
| Not Available | | | | | | |
| 2020 | 0.0 | 13.7 | 85 | 21.3 | 74,601 | 38.5 |
| 2021 | 0.0 | 14.8 | 56 | 15.9 | 45,559 | 27.2 |
| 2022 | 0.0 | -- | 164 | 24.2 | 168,663 | 50.9 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 400 | 100.0 | 193,714 | 100.0 |
| 2021 | 100.0 | 100.0 | 353 | 100.0 | 167,348 | 100.0 |
| 2022 | 100.0 | -- | 678 | 100.0 | 331,563 | 100.0 |
| Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

HB's ratio of lending to low-income borrowers was generally in line with aggregate in both 2020 and 2021. In all years, lending compares unfavorably to demographic indicators; however, the

percentage of low-income families represents only the potential opportunity in the AA and includes borrowers that would not qualify for credit.

Lending to moderate-income borrowers was below aggregate and demographic indicators in 2020. However, performance improved somewhat in 2021, coming in line with aggregate. In 2022, lending was below demographic indicators; however, this year contributes less weight to conclusions as aggregate data, which would be a better indicator of actual lending opportunity, is not yet available.

Community Development Loans

HB is a leader in making CD loans in the Puget Sound AA. CD lending by dollar significantly increased from the prior evaluation, where HB originated 84 CD loans amounting to \$196.1 million. As the below table demonstrates, CD loans primarily supported affordable housing initiatives in the AA, which is a need identified by the community contact.

| Community Development Lending in Puget Sound AA | | | | | | | | | | |
|--|---------------------------|-----------------|---------------------------|-----------------|-----------------------------|-----------------|--------------------------------|-----------------|---------------|-----------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| 2020 (Partial) | 4 | 7,758 | 5 | 21,000 | 2 | 2,892 | - | - | 11 | 31,650 |
| 2021 | 9 | 94,982 | 9 | 38,616 | - | - | 6 | 25,474 | 24 | 159,072 |
| 2022 | 14 | 108,548 | 5 | 7,550 | - | - | 9 | 43,122 | 28 | 159,220 |
| YTD 2023 | 5 | 66,600 | 1 | 750 | - | - | - | - | 6 | 67,350 |
| Total | 32 | 277,888 | 20 | 67,916 | 2 | 2,892 | 15 | 68,596 | 69 | 417,292 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

The following are notable examples of CD loans in the Puget Sound AA.

- In 2022, HB originated a \$17.9 million loan to a low-income housing focused organization for a multifamily affordable housing LIHTC project in the AA with all 85 units set aside for LMI renters.
- In 2021, HB originated a \$31.1 million loan to a community services organization for a 119-unit affordable housing project benefitting LMI renters in the AA.
- In 2020, HB originated a \$20.0 million loan to a large affordable housing organization in the AA providing rental housing and rental assistance programs specifically for LMI renters in the Seattle.

INVESTMENT TEST

Investment test performance in the AA is good.

Investment and Grant Activity

The institution has a significant level of qualified CD investments, grants, and donations, particularly those not routinely provided by private investors, occasionally in a leadership position. While total CD investment dollars declined slightly from the prior evaluation, where investments and donations totaled \$103.4 million, the institution compares favorably to similarly-situated institutions operating in the AA. Additionally, the majority of investment dollars are current period and the majority of HB's investments focused on the provision of affordable housing, a primary CD need identified in the AA.

| Qualified Investments in Puget Sound AA | | | | | | | | | | |
|---|--------------------|---------------|--------------------|--------------|----------------------|-----------|-------------------------|-----------|------------|---------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| Prior Period | 14 | 25,464 | 1 | 544 | - | - | - | - | 15 | 26,008 |
| 2020 (Partial) | 3 | 5,588 | 2 | 2,999 | - | - | - | - | 5 | 8,587 |
| 2021 | 1 | 1,544 | - | - | - | - | - | - | 1 | 1,544 |
| 2022 | 3 | 54,140 | - | - | - | - | - | - | 3 | 54,140 |
| YTD 2023 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 21 | 86,736 | 3 | 3,543 | - | - | - | - | 24 | 90,279 |
| Qualified Grants & Donations | 20 | 372 | 51 | 252 | 1 | 25 | 11 | 80 | 83 | 729 |
| Total | 41 | 87,108 | 54 | 3,795 | 1 | 25 | 11 | 80 | 107 | 91,008 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

The following are notable examples of investments and donations made in the Puget Sound AA.

- In 2022, HB invested in a \$10.0 million LIHTC to transition two historic hotel properties into 107 units of affordable housing in the Seattle area.
- In 2022, HB invested in a \$21.2 million LIHTC to construct 84 units of affordable housing targeted to LMI individuals in the AA. The project receives additional funding in the form of grants and subsidies.
- In 2022, the bank invested in a \$22.8 million LIHTC for the construction of 95 units of affordable housing for chronically homeless individuals.

Responsiveness to Credit and Community Development Needs

HB exhibits good responsiveness to credit and CD needs. The institution demonstrated responsiveness to the AA through its focus on funding investments targeting the identified community need of affordable housing. Refer to the preceding table for specific details.

Community Development Initiatives

HB makes significant use of innovative and complex investments in the AA to support CD initiatives. Three of the investments, totaling \$54.1 billion were LIHTCs, which are considered complex. Refer to bankwide conclusions for additional detail.

SERVICE TEST

Service Test performance in the AA is adequate.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's Puget Sound AA. As demonstrated in the below table, HB's branch distribution in LMI areas compares favorably to demographic indicators.

| Branch and ATM Distribution by Geography Income Level – Puget Sound AA | | | | | | | | |
|---|----------------------|--------------|-------------------|--------------|-----------------|--------------|-------------|--------------|
| Tract Income Level | Census Tracts | | Population | | Branches | | ATMs | |
| | # | % | # | % | # | % | # | % |
| Low | 42 | 4.2 | 197,414 | 4.3 | 3 | 8.6 | 3 | 9.7 |
| Moderate | 216 | 21.4 | 1,004,199 | 21.9 | 9 | 25.7 | 8 | 25.8 |
| Middle | 439 | 43.5 | 1,984,292 | 43.2 | 13 | 37.1 | 13 | 41.9 |
| Upper | 293 | 29.0 | 1,361,484 | 29.6 | 10 | 28.6 | 7 | 22.6 |
| NA | 20 | 2.0 | 48,272 | 1.1 | - | - | - | - |
| Total | 1,010 | 100.0 | 4,595,661 | 100.0 | 35 | 100.0 | 31 | 100.0 |
| <i>Source: 2020 U.S. Census Data; Bank Data</i> | | | | | | | | |

HB's branch distribution in low-income tracts compares favorably to the 6.1 percent of branches operated by other institutions in the same CTs. HB's distribution in moderate-income areas is in line with the 25.2 percent of branches operated by other institutions within the same CTs.

Alternative delivery systems are discussed under bankwide conclusions.

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing of branches in the Puget Sound AA has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. During the evaluation period, HB closed eight branches in the Puget Sound AA: two in low-income CTs, one in a moderate-income CT, four

in middle-income CTs, and one in an upper-income CT. While three branches in LMI tracts closed during the evaluation period, HB operates existing branches in close proximity to the closed branches. Therefore, the closures did not significantly affect the accessibility of delivery systems in those areas.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Products and services offered in the Puget Sound AA are consistent with the institution overall, and banking hours do not differ throughout the AA. Drive-up service is available at 29 branch locations. Refer to bankwide conclusions for additional detail.

Community Development Services

The institution provides an adequate level of CD services in the Puget Sound AA. CD service activity decreased somewhat from the previous evaluation, where the bank had provided 1,642 hours of CD services. However, as previously discussed, the decline is primarily attributable to the limitations presented by the COVID-19 pandemic. Additionally, the institution's level of services is generally in line with that of similarly-situated institutions and the majority of hours targeted community service initiatives, an identified AA CD need.

| Community Development Services in Puget Sound AA | | | | | |
|---|---------------------------|---------------------------|-----------------------------|--------------------------------|---------------|
| Activity Year | Affordable Housing | Community Services | Economic Development | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| 2020 (Partial) | - | 134 | - | - | 134 |
| 2021 | 60 | 142 | 12 | 473 | 687 |
| 2022 | 40 | 356 | 35 | - | 431 |
| YTD 2023 | - | 13 | - | - | 13 |
| Total | 100 | 645 | 47 | 473 | 1,265 |
| <i>Source: Bank Data</i> | | | | | |

The following are notable examples of CD services benefitting the AA.

- In 2021, an HB employee provided 60 hours of CD service as a Board member for an organization that gives emergency food assistance to homeless individuals in the AA.
- In 2022, an HB officer provided 120 hours serving on the Board of a community services organization that facilitates basic services for disadvantaged LMI individuals in the AA.
- In 2021, an HB officer provided 46 hours serving on the Board of a non-profit organization in the AA that combats homelessness through providing shelter, meals, support networks, and other services to LMI individuals.

WA NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WA NON-MSA AA

The WA Non-MSA AA consists of Kittitas County, in central Washington, and San Juan County, in northern coastal Washington. While not contiguous, performance between the counties was generally consistent; therefore, they are presented together. No changes have been made to the AA since the previous evaluation.

Economic and Demographic Data

As of the 2010 U.S. Census data, the AA contained one moderate-, eight middle-, and three-upper-income CTs, as well one CT with no income designation. Due to population growth and updates to CT designations, the AA now consists of 1 moderate-, 9 middle-, and 11 upper-income CTs, as well as 2 CTs without an income designation. Five of the middle-income CTs, all located in San Juan County, are designated as underserved by the FFIEC. The below table summarizes key demographics of the AA.

| Demographic Information of the Assessment Area | | | | | | |
|--|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: WA Non-MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 23 | 0.0 | 4.3 | 39.1 | 47.8 | 8.7 |
| Population by Geography | 62,125 | 0.0 | 2.2 | 49.2 | 46.7 | 1.9 |
| Housing Units by Geography | 38,478 | 0.0 | 2.3 | 47.6 | 48.4 | 1.7 |
| Owner-Occupied Units by Geography | 17,755 | 0.0 | 2.6 | 45.5 | 49.3 | 2.5 |
| Occupied Rental Units by Geography | 9,866 | 0.0 | 3.5 | 59.5 | 35.4 | 1.6 |
| Vacant Units by Geography | 10,857 | 0.0 | 0.7 | 40.2 | 58.8 | 0.3 |
| Businesses by Geography | 9,454 | 0.0 | 5.0 | 54.1 | 39.8 | 1.0 |
| Farms by Geography | 625 | 0.0 | 1.3 | 45.6 | 52.3 | 0.8 |
| Family Distribution by Income Level | 15,950 | 14.8 | 15.3 | 21.2 | 48.8 | 0.0 |
| Household Distribution by Income Level | 27,621 | 22.4 | 15.1 | 16.8 | 45.8 | 0.0 |
| Median Family Income Non-MSAs - WA | | \$70,452 | Median Housing Value | | | \$401,803 |
| | | | Median Gross Rent | | | \$1,092 |
| | | | Families Below Poverty Level | | | 7.4% |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

The above D&B demographics demonstrate that housing affordability is low, yet a relatively large percentage, 28.2 percent, of housing units in the AA are vacant. This may be due to the less active migration flows of the areas, particularly San Juan County.

The following table lists the unemployment rates for Kittitas and San Juan Counties alongside the state and national averages during the evaluation period.

| Unemployment Rates in WA Non-MSA AA | | | |
|---|------|------|------|
| Area | 2020 | 2021 | 2022 |
| | % | % | % |
| Kittitas | 8.9 | 6.5 | 5.8 |
| San Juan | 8.0 | 5.1 | 3.9 |
| State | 8.5 | 5.2 | 4.2 |
| National Average | 8.1 | 5.3 | 3.6 |
| <i>Source: Bureau of Labor Statistics</i> | | | |

Kittitas County

The county seat and largest city is Ellensburg, which contains Central Washington University. As such, the student population is a key driver of the local economy. According to U.S. Census data compiled by DataUSA, the top employment industries in Kittitas County are educational services, accommodation and food services, and health care and social assistance. While unemployment in the county has exceeded the state and national rates throughout the review period, the rate has trended downwards each year indicating stabilization.

San Juan County

San Juan County is comprised primarily of the San Juan Islands with limited access. The local population relies on the state ferry system for travel. According to U.S. Census data compiled by DataUSA, the top employment industries in San Juan County are construction, accommodation and food services, and retail trade. The county unemployment rate trended in-line with the national average throughout the review period while consistently holding under the state average.

Competition

As of the June 30, 2022, Deposit Market Share Report, HB ranked 9th out of 12 FDIC-insured institutions competing in the AA, with 4.9 percent of the deposit market share. According to the same data, HB operates 2 of the only 21 branches located in the AA. Although some large, national banks are present in the AA, regional and local institutions own the majority of the deposit market share.

Community Contact

Examiners contacted a local housing organization that provides housing services and education for LMI individuals and seniors in Kittitas County. The contact relayed how challenging finding housing for LMI borrowers can be when a large portion of available housing goes to the student population. In addition, the contact detailed how the limited supply of housing, especially affordable housing, in the market continues to present difficulties. Furthermore, the contact stated that a large need in the area is to increase the supply of affordable housing through LIHTC projects.

Credit and Community Development Needs and Opportunities

Considering the community contact information, key economic and demographic figures, and market share reports, examiners determined that affordable housing continues to be the primary credit need for the WA Non-MSA AA. In addition, the community contact conveyed the need for more LIHTC projects.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WA NON-MSA AA

LENDING TEST

Lending Test performance in the AA is adequate.

Lending Activity

HB's lending levels reflect adequate responsiveness to the AA credit needs, taking into account the number and amount of small business and home mortgage loans. During the evaluation period, HB originated 188 small business loans totaling \$19.8 million and 43 home mortgage loans totaling \$17.1 million within the WA Non-MSA AA. The institution originated a notable increase in small business lending and a marginal increase in home mortgage lending since the prior evaluation where HB originated 95 small business loans totaling \$14.1 million and 31 home mortgage loans totaling \$11.2 million. As previously discussed, small business lending increased due to PPP lending while home mortgage lending increased due to the HMDA requirement that HB begin reporting open-end credit as of 2022.

HB ranks 11th out of 63 commercial lenders within the AA, retaining 3.2 and 8.1 percent of the small business market share by number and dollar, respectively, in 2021. According to aggregate data for home mortgage lending in 2021, HB ranks 71st out of 300 home mortgage lenders retaining 0.2 percent of the market share by both number and dollar volume.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the WA Non-MSA AA. Adequate performance in both small business and home mortgage lending supports this conclusion. With no low-income CTs in the AA, conclusions derive from the institution's performance in moderate-income CTs.

Small Business

| Geographic Distribution of Small Business Loans | | | | | | |
|--|-----------------|------------------------------|------------|--------------|--------------|--------------|
| Assessment Area: WA Non-MSA | | | | | | |
| Tract Income Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| Moderate | | | | | | |
| 2020 | 9.6 | 10.6 | 12 | 11.5 | 2,243 | 22.6 |
| 2021 | 9.6 | 9.4 | 7 | 10.3 | 341 | 4.8 |
| 2022 | 5.0 | -- | 0 | 0.0 | 0 | 0.0 |
| Middle | | | | | | |
| 2020 | 65.4 | 67.2 | 55 | 52.9 | 4,971 | 50.1 |
| 2021 | 65.5 | 67.9 | 38 | 55.9 | 4,604 | 64.2 |
| 2022 | 54.1 | -- | 7 | 43.8 | 2,114 | 78.7 |
| Upper | | | | | | |
| 2020 | 25.0 | 22.2 | 37 | 35.6 | 2,704 | 27.3 |
| 2021 | 24.9 | 22.7 | 23 | 33.8 | 2,227 | 31.1 |
| 2022 | 39.8 | -- | 9 | 56.2 | 573 | 21.3 |
| Not Available | | | | | | |
| 2020 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 1.0 | -- | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 104 | 100.0 | 9,918 | 100.0 |
| 2021 | 100.0 | 100.0 | 68 | 100.0 | 7,172 | 100.0 |
| 2022 | 100.0 | -- | 16 | 100.0 | 2,687 | 100.0 |
| Source: 2020, 2021, & 2022 D&B Data; Bank Data; 2020 & 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

The geographic distribution of small business loans reflects adequate penetration throughout the WA Non-MSA AA. Penetration to moderate-income geographies was generally in line with aggregate and demographic indicators in both 2020 and 2021. The bank did not make any small business loans to moderate-income geographies in 2022; however, the origination volume in 2022 was significantly below prior years and this year carries less weight due to the unavailability of aggregate data for the year. Therefore, overall performance is adequate.

Home Mortgage

Although HB did not originate any home mortgage loans in LMI CTs in the AA during the review period, the total volume of home mortgage lending in 2020 and 2021 was insufficient to draw meaningful conclusions and aggregate data is not yet available for 2022. See the table on the following page.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|---|-----------------------------------|------------------------------|----|-------|----------|-------|
| Assessment Area: WA Non-MSA | | | | | | |
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Moderate | | | | | | |
| 2020 | 1.9 | 1.7 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 1.9 | 1.7 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 2.6 | -- | 0 | 0.0 | 0 | 0.0 |
| Middle | | | | | | |
| 2020 | 66.9 | 70.4 | 5 | 38.5 | 1,600 | 32.8 |
| 2021 | 66.9 | 70.6 | 7 | 77.8 | 2,852 | 57.3 |
| 2022 | 45.5 | -- | 7 | 33.3 | 2,722 | 37.3 |
| Upper | | | | | | |
| 2020 | 31.3 | 27.9 | 8 | 61.5 | 3,273 | 67.2 |
| 2021 | 31.3 | 27.7 | 2 | 22.2 | 2,124 | 42.7 |
| 2022 | 49.3 | -- | 13 | 61.9 | 4,512 | 61.8 |
| Not Available | | | | | | |
| 2020 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 2.5 | -- | 1 | 4.8 | 65 | 0.9 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 13 | 100.0 | 4,873 | 100.0 |
| 2021 | 100.0 | 100.0 | 9 | 100.0 | 4,976 | 100.0 |
| 2022 | 100.0 | -- | 21 | 100.0 | 7,299 | 100.0 |
| Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among business customers of different sizes and retail customers of different income levels. This conclusion is supported by good small business and adequate home mortgage lending performance.

Small Business

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | | |
|---|------------------------|-------------------------------------|------------|--------------|-----------------|--------------|
| Assessment Area: WA Non-MSA | | | | | | |
| Gross Revenue Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| <=\$1,000,000 | | | | | | |
| 2020 | 91.1 | 35.7 | 12 | 11.5 | 1,848 | 18.6 |
| 2021 | 90.9 | 48.0 | 9 | 13.2 | 2,399 | 33.5 |
| 2022 | 92.8 | -- | 10 | 62.5 | 2,145 | 79.8 |
| >\$1,000,000 | | | | | | |
| 2020 | 2.6 | -- | 12 | 11.5 | 2,837 | 28.6 |
| 2021 | 2.5 | -- | 6 | 8.8 | 1,020 | 14.2 |
| 2022 | 1.9 | -- | 6 | 37.5 | 542 | 20.2 |
| Revenue Not Available | | | | | | |
| 2020 | 6.3 | -- | 80 | 76.9 | 5,233 | 52.8 |
| 2021 | 6.7 | -- | 53 | 77.9 | 3,753 | 52.3 |
| 2022 | 5.3 | -- | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 104 | 100.0 | 9,918 | 100.0 |
| 2021 | 100.0 | 100.0 | 68 | 100.0 | 7,172 | 100.0 |
| 2022 | 100.0 | -- | 16 | 100.0 | 2,687 | 100.0 |
| Source: 2020 – 2022 D&B Data; Bank Data; 2020 & 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

HB's ratio of loans made to small businesses appears to compare unfavorably to demographic and peer indicators; however, the institution's lending percentage is skewed by the high number of loans for which income information was not available. The significant majority of these 'Revenue NA' loans are PPP loans. Calculation of an adjusted ratio of loans made to businesses with GARs of \$1 million or less in 2020 and 2021 was 50.0 percent and 60.0 percent, respectively. Further, the PPP was specifically meant to assist smaller businesses with payroll costs during the COVID-19 pandemic and these loans were particularly impactful to the AA; this provides positive qualitative consideration to the conclusions.

Lending to small businesses in 2022 is below demographic indicators; however, this year contributes less weight to conclusions as aggregate data, which would be a better indicator of actual opportunity for lending to small businesses, is not yet available. Further, demographic data includes very small businesses and start-ups, which may not be credit-seeking or credit-worthy; as such, actual opportunity for lending to small businesses in the AA is likely well below demographic indicators. Considering all factors, overall performance is good.

Home Mortgage

Although HB originated only one home mortgage loan to LMI borrowers in the AA during the review period, the total volume of home mortgage lending in 2020 and 2021 was insufficient to draw meaningful conclusions and aggregate data is not yet available for 2022. See the following table.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|--|---------------|---------------------------------|----|-------|----------|-------|
| Assessment Area: WA Non-MSA | | | | | | |
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 16.9 | 1.5 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 16.9 | 1.4 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 14.8 | -- | 0 | 0.0 | 0 | 0.0 |
| Moderate | | | | | | |
| 2020 | 14.9 | 6.6 | 1 | 7.7 | 127 | 2.6 |
| 2021 | 14.9 | 6.2 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 15.3 | -- | 0 | 0.0 | 0 | 0.0 |
| Middle | | | | | | |
| 2020 | 22.0 | 14.9 | 2 | 15.4 | 500 | 10.3 |
| 2021 | 22.0 | 15.5 | 2 | 22.2 | 1,125 | 22.6 |
| 2022 | 21.2 | -- | 4 | 19.0 | 1,041 | 14.3 |
| Upper | | | | | | |
| 2020 | 46.1 | 67.1 | 9 | 69.2 | 3,853 | 79.1 |
| 2021 | 46.1 | 65.6 | 6 | 66.7 | 3,653 | 73.4 |
| 2022 | 48.8 | -- | 11 | 52.4 | 1,891 | 25.9 |
| Not Available | | | | | | |
| 2020 | 0.0 | 10.0 | 1 | 7.7 | 394 | 8.1 |
| 2021 | 0.0 | 11.3 | 1 | 11.1 | 198 | 4.0 |
| 2022 | 0.0 | -- | 6 | 28.6 | 4,367 | 59.8 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 13 | 100.0 | 4,873 | 100.0 |
| 2021 | 100.0 | 100.0 | 9 | 100.0 | 4,976 | 100.0 |
| 2022 | 100.0 | -- | 21 | 100.0 | 7,299 | 100.0 |

Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Community Development Loans

HB did not originate any CD loans in the AA during the review period. This performance is unchanged from that at the previous examination, where HB also did not originate any CD loans to the AA. Despite the institution's minimal operations in the AA, this performance is poor.

INVESTMENT TEST

Investment Test performance is poor.

Investment and Grant Activity

HB has a poor level of qualified CD investments and grants, particularly those not routinely provided by private investors. In 2021, the institution made one donation totaling \$10,000 to an organization that builds affordable homes for LMI first-time homebuyers in the AA. This level represents a marginal increase in investment and grant activity specifically directed to the AA compared with the prior evaluation, in which activity included only two donations totaling \$5,000. Despite the institution's limited operations in the AA, this performance is poor.

Responsiveness to Credit and Community Development Needs

HB exhibits poor responsiveness to credit and CD needs. While all direct activity benefited affordable housing initiatives, which demonstrates a degree of responsiveness, the overall activity level in the AA is too low to be considered responsive to overall AA needs.

Community Development Initiatives

HB does not use innovative and/or complex investments to support CD initiatives in the AA.

SERVICE TEST

Service Test performance is poor.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's WA Non-MSA AA. HB operates two full-service branches in the AA, both of which are located in middle-income CTs. However, the AA does not contain any low-income CTs and branching opportunities in the only moderate-income tract of the AA is limited, as evidenced by the relatively low 2.2 percent of population living in this tract and 9.5 percent of branch penetration to this area achieved by peer branching structures.

Alternative delivery systems are discussed under bankwide conclusions.

Changes in Branch Locations

During the evaluation period, HB did not open or close any branches in the AA; therefore, this criterion did not impact AA-level conclusions.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. Performance in the AA is consistent with the discussion at the institution level; refer to overall conclusions for detail.

Community Development Services

The institution did not provide any CD services in the AA during the review period. This performance is similar to that at the prior evaluation, where only five hours of service targeted the AA. Despite the impact of COVID-19 and PPP lending on CD service hour volume, as discussed under the bankwide section, this performance is poor.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes performance in each limited-scope AA as compared to the performance in the Puget Sound AA and WA Non-MSA AA in which full-scope procedures were conducted. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions from areas reviewed using limited-scope procedures did not impact or alter the bank's overall performance rating.

| Assessment Area | Lending Test | Investment Test | Service Test |
|-----------------|--------------|-----------------|--------------|
| Bellingham MSA | Consistent | Above | Above |
| Yakima MSA | Consistent | Above | Consistent |
| Longview MSA | Consistent | Below | Above |

The following facts and data support the conclusions for each limited-scope AA. Also included are details regarding the number and dollar volume of home mortgage, small business loans, and CD loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and CD services for the review period. Service hours for all limited scope AAs are consistent with Washington overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Bellingham MSA

HB operates two full-service branches in the AA: one in a low-income CT and one in a moderate-income CT. Branch locations did not change in the AA during the review period.

| Activity | # | \$ |
|-----------------------------|-----|---------|
| Small Business Loans | 475 | 64,445 |
| Home Mortgage Loans | 227 | 115,548 |
| Community Development Loans | 3 | 16,750 |
| Investments (New) | 1 | 17,288 |
| Investments (Prior Period) | 1 | 416 |
| Donations | 6 | 14,050 |
| CD Services | 39 | - |
| <i>Source: Bank Data</i> | | |

Yakima MSA

HB operates three full-service branches in the AA: one in a low-income CT and two in middle-income CTs. The institution closed one branch located in a moderate-income CT in the Yakima MSA during the review period.

| Activity | # | \$ |
|-----------------------------|-----|--------|
| Small Business Loans | 514 | 70,965 |
| Home Mortgage Loans | 48 | 13,006 |
| Community Development Loans | 3 | 27,100 |
| Investments (New) | 1 | 18,035 |
| Investments (Prior Period) | 1 | 810 |
| Donations | 2 | 10,000 |
| CD Services | 32 | - |
| <i>Source: Bank Data</i> | | |

Longview MSA

HB operates one full-service branch in the AA located in a middle-income CT. The institution closed one branch located in a moderate-income CT in the Longview MSA during the review period.

| Activity | # | \$ |
|-----------------------------|-----|--------|
| Small Business Loans | 182 | 28,535 |
| Home Mortgage Loans | 28 | 6,960 |
| Community Development Loans | 4 | 1,212 |
| Investments (New) | - | - |
| Investments (Prior Period) | - | - |
| Donations | 3 | 5,300 |
| CD Services | 123 | - |
| <i>Source: Bank Data</i> | | |

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA

CRA RATING FOR PVH: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PVH MSA

The PVH MSA is located in and around the Portland, Oregon area and is comprised of Multnomah and Washington Counties in Oregon and Clark County in Washington. Yamhill County was also included in the AA until January 2021, when HB closed the sole branch maintained in the county; thus, Yamhill County is excluded from the PVH analysis after 2020.

Economic and Demographic Data

As of the 2010 U.S. Census data, the PVH MSA contained 10 low-, 97 moderate-, 169 middle-, and 101 upper-income CTs, as well as 2 CTs with no income designation. Due to population growth and updates to CT designations, the AA now consists of 11 low-, 108 moderate-, 195 middle-, and 129 upper-income CTs as well as 3 CTs without designation. The table on the following page provides additional demographic information.

| Demographic Information of the Assessment Area | | | | | | |
|--|-----------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: PVH MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 446 | 2.5 | 24.2 | 43.7 | 28.9 | 0.7 |
| Population by Geography | 1,919,111 | 2.5 | 25.3 | 44.5 | 27.5 | 0.2 |
| Housing Units by Geography | 772,084 | 2.5 | 24.5 | 44.6 | 28.1 | 0.3 |
| Owner-Occupied Units by Geography | 438,504 | 1.4 | 19.9 | 46.2 | 32.3 | 0.1 |
| Occupied Rental Units by Geography | 297,863 | 4.0 | 31.5 | 42.2 | 21.8 | 0.5 |
| Vacant Units by Geography | 35,717 | 3.1 | 22.4 | 45.3 | 28.8 | 0.4 |
| Businesses by Geography | 275,773 | 2.0 | 22.8 | 41.1 | 33.1 | 1.0 |
| Farms by Geography | 5,701 | 1.7 | 19.0 | 48.0 | 31.0 | 0.4 |
| Family Distribution by Income Level | 452,611 | 20.6 | 18.3 | 20.9 | 40.1 | 0.0 |
| Household Distribution by Income Level | 736,367 | 23.3 | 16.7 | 18.2 | 41.8 | 0.0 |
| Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR- WA MSA | | \$94,727 | Median Housing Value | | | \$413,666 |
| | | | Median Gross Rent | | | \$1,367 |
| | | | Families Below Poverty Level | | | 6.7% |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

According to Moody's Analytics, the PVH MSA continued its economic growth in rebounding post pandemic. However, the AA presents a high cost of living and a lack of housing affordability to accompany its growth. High tech, logistics, and manufacturing are the primary drivers of the local economy. The largest employers in the AA are Intel Corp., Providence Health Systems, Oregon Health & Science University, and Nike Inc. Unemployment levels in the AA trail behind the state and national averages but have shown improvement each year of the review period, as demonstrated in the following table.

| Unemployment Rates in PVH MSA | | | |
|---|------|------|------|
| Area | 2020 | 2021 | 2022 |
| | % | % | % |
| PVH MSA | 8.9 | 6.5 | 5.8 |
| Oregon | 7.6 | 5.2 | 4.2 |
| Washington | 8.5 | 5.2 | 4.2 |
| National Average | 8.1 | 5.3 | 3.6 |
| <i>Source: Bureau of Labor Statistics</i> | | | |

Competition

According to the June 30, 2022 Deposit Market Share Report, HB ranked 11th out of 26 FDIC-insured institutions competing in the AA, with 1.1 percent of the deposit market share. According to the same data, the top five institutions consist of large, national banks that account for 75.8 percent of the deposit market share. In addition, HB operates 26 out of the 305 total branches operated by all institutions in the AA. As a result of these factors, competition for deposits in the AA appears highly competitive.

Community Contact

Examiners contacted a local economic development CDFI that provides small businesses with funding, education, and support services in the PVH MSA. The contact detailed how tech firms moving to Portland created growth for not only the tech sector but also for small businesses in supporting industries, such as the food and beverage industry. The contact further expanded that the growth has created upwards pressure on prices in the AA. Additionally, the contact stated that banks in the area could do better at supporting small businesses in the AA through providing capital funding, training, and general resources. The contact hopes that banks can support CDFIs in the AA even if they are not lending to a small business through referring customers, assisting with underwriting, or hosting events.

Credit and Community Development Needs and Opportunities

Considering the community contact information, key economic and demographic figures, and market share reports, examiners determined that affordable housing continues to be a primary credit need along with services, resources, and funding for small businesses in the PVH MSA. In addition, the community contact conveyed the need for more small business services and interaction with CDFIs.

SCOPE OF EVALUATION – PVH MSA

The scope of evaluation in the PVH MSA is consistent with the overall Scope of Evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PVH MSA

LENDING TEST

Lending Test performance is good.

Lending Activity

HB's lending levels reflect good responsiveness to the AA credit needs. During the evaluation period, HB originated 1,311 small business loans totaling \$293.2 million and 150 home mortgage loans totaling \$136.4 million within the PVH MSA. The institution originated a notable increase in small business lending and a marginal increase in home mortgage lending since the prior evaluation where

HB originated 309 small business loans totaling \$98.7 million and 105 home mortgage loans totaling \$33.8 million. As previously discussed, small business lending increased due to PPP lending and home mortgage lending increased due to the HMDA requirement that HB begin reporting open-end credit as of 2022.

HB ranks 18th out of 183 commercial lenders within the AA, retaining 0.9 and 4.8 percent of the small business market share by number and dollar, respectively, in 2021. According to aggregate data for home mortgage lending in 2021, HB ranks 226th out of 652 home mortgage lenders retaining less than 0.1 percent of the market share by both number and 0.1 percent by dollar volume.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the PVH MSA. Good performance in small business lending primarily support this conclusion along with adequate performance in home mortgage lending.

Small Business

| Geographic Distribution of Small Business Loans | | | | | | |
|--|-----------------|------------------------------|------------|--------------|----------------|--------------|
| Assessment Area: PVH MSA | | | | | | |
| Tract Income Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 2.9 | 3.3 | 57 | 7.7 | 11,438 | 8.1 |
| 2021 | 2.9 | 3.1 | 37 | 7.8 | 9,272 | 8.4 |
| 2022 | 2.0 | -- | 8 | 8.0 | 3,061 | 7.4 |
| Moderate | | | | | | |
| 2020 | 23.7 | 23.8 | 194 | 26.3 | 35,189 | 24.8 |
| 2021 | 23.6 | 23.5 | 104 | 21.9 | 28,421 | 25.9 |
| 2022 | 22.8 | -- | 13 | 13.0 | 6,063 | 14.6 |
| Middle | | | | | | |
| 2020 | 40.5 | 40.0 | 292 | 39.6 | 56,168 | 39.6 |
| 2021 | 40.1 | 41.4 | 187 | 39.5 | 39,326 | 35.8 |
| 2022 | 41.1 | -- | 52 | 52.0 | 22,370 | 53.8 |
| Upper | | | | | | |
| 2020 | 30.2 | 30.4 | 170 | 23.1 | 34,161 | 24.1 |
| 2021 | 30.7 | 30.0 | 131 | 27.6 | 30,827 | 28.0 |
| 2022 | 33.1 | -- | 25 | 25.0 | 8,761 | 21.1 |
| Not Available | | | | | | |
| 2020 | 2.7 | 2.6 | 24 | 3.3 | 4,762 | 3.4 |
| 2021 | 2.7 | 2.0 | 15 | 3.2 | 2,080 | 1.9 |
| 2022 | 1.0 | -- | 2 | 2.0 | 1,350 | 3.2 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 737 | 100.0 | 141,718 | 100.0 |
| 2021 | 100.0 | 100.0 | 474 | 100.0 | 109,926 | 100.0 |
| 2022 | 100.0 | -- | 100 | 100.0 | 41,605 | 100.0 |
| Source: 2020, 2021, & 2022 D&B Data; Bank Data; 2020 & 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

In 2020 and 2021, the institution's small business lending in low-income CTs was more than double both aggregate and demographic data indicators. In 2022, performance was above demographics.

In 2020, the institution's lending in moderate-income CTs was slightly above peer and demographics. Lending declined marginally in 2021, coming in line with aggregate and demographic data. In 2022, the bank was below the demographic indicator. Overall, this performance is good.

Home Mortgage

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|--|-----------------------------------|------------------------------|-----------|--------------|---------------|--------------|
| Assessment Area: PVH MSA | | | | | | |
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 0.9 | 0.8 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 1.0 | 0.9 | 1 | 3.4 | 22,500 | 45.9 |
| 2022 | 1.4 | -- | 0 | 0.0 | 0 | 0.0 |
| Moderate | | | | | | |
| 2020 | 20.9 | 19.6 | 8 | 13.3 | 6,788 | 24.7 |
| 2021 | 20.7 | 20.7 | 6 | 20.7 | 6,719 | 13.7 |
| 2022 | 19.9 | -- | 11 | 18.0 | 24,013 | 40.0 |
| Middle | | | | | | |
| 2020 | 47.9 | 47.9 | 36 | 60.0 | 13,939 | 50.8 |
| 2021 | 47.6 | 47.5 | 15 | 51.7 | 16,873 | 34.4 |
| 2022 | 46.2 | -- | 27 | 44.3 | 11,506 | 19.2 |
| Upper | | | | | | |
| 2020 | 30.2 | 31.7 | 16 | 26.7 | 6,701 | 24.4 |
| 2021 | 30.6 | 30.9 | 7 | 24.1 | 2,952 | 6.0 |
| 2022 | 32.3 | -- | 21 | 34.4 | 23,749 | 39.6 |
| Not Available | | | | | | |
| 2020 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2021 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 0.1 | -- | 2 | 3.3 | 700 | 1.2 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 60 | 100.0 | 27,428 | 100.0 |
| 2021 | 100.0 | 100.0 | 29 | 100.0 | 49,044 | 100.0 |
| 2022 | 100.0 | -- | 61 | 100.0 | 59,968 | 100.0 |
| Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

HB only made one home mortgage loan in a low-income tract in the AA during the review period. However, opportunity for lending to these CTs was very low, as indicated by demographic and aggregate data of approximately one percent in both 2020 and 2021.

In 2020, home mortgage lending in moderate-income CTs was below aggregate. However, in 2021, home mortgage lending improved, matching the aggregate performance and the percentage of owner-occupied housing units. In 2022, HB's lending only marginally trailed the percentage of

owner-occupied housing units. Although performance varied throughout the review period, HB's overall home mortgage distribution reflects adequate penetration.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among business customers of different sizes and poor penetration to retail customers of different income levels.

Small Business

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | | |
|--|------------------------|-------------------------------------|------------|--------------|-----------------|--------------|
| Assessment Area: PVH MSA | | | | | | |
| Gross Revenue Level | % of Businesses | Aggregate Performance % of # | # | % | \$(000s) | % |
| <=\$1,000,000 | | | | | | |
| 2020 | 89.8 | 43.6 | 37 | 5.0 | 8,218 | 5.8 |
| 2021 | 90.6 | 50.2 | 30 | 6.3 | 8,105 | 7.4 |
| 2022 | 91.9 | -- | 28 | 28.0 | 12,983 | 31.2 |
| >\$1,000,000 | | | | | | |
| 2020 | 3.5 | -- | 125 | 17.0 | 45,078 | 31.8 |
| 2021 | 3.1 | -- | 155 | 32.7 | 56,245 | 51.2 |
| 2022 | 2.6 | -- | 72 | 72.0 | 28,622 | 68.8 |
| Revenue Not Available | | | | | | |
| 2020 | 6.7 | -- | 575 | 78.0 | 88,422 | 62.4 |
| 2021 | 6.3 | -- | 289 | 61.0 | 45,576 | 41.5 |
| 2022 | 5.5 | -- | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 737 | 100.0 | 141,718 | 100.0 |
| 2021 | 100.0 | 100.0 | 474 | 100.0 | 109,926 | 100.0 |
| 2022 | 100.0 | -- | 100 | 100.0 | 41,605 | 100.0 |
| <i>Source: 2020 – 2022 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i> | | | | | | |

HB's ratio of loans made to small businesses appears to compare unfavorably to demographic and peer indicators in both 2020 and 2021; however, the institution's lending percentage is skewed by the high number of loans for which income information was not available, the significant majority of which are PPP loans. Calculation of an adjusted ratio of loans made to businesses with GARs of \$1 million or less in 2020 and 2021 was 22.8 percent and 16.2 percent, respectively. While this is still well below aggregate, the PPP was specifically meant to assist smaller businesses with payroll costs during the COVID-19 pandemic and these loans were particularly impactful to the AA, and the bank's participation in the program receives very favorable consideration.

Lending to small businesses in 2022 is well below demographic indicators; however, this year contributes less weight to conclusions. Further, D&B data includes very small businesses and start-ups, which may not be credit-seeking or credit-worthy. Considering all factors, overall performance is adequate.

Home Mortgage

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|--|---------------|---------------------------------|----|-------|----------|-------|
| Assessment Area: PVH MSA | | | | | | |
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2020 | 22.0 | 4.3 | 1 | 1.7 | 77 | 0.3 |
| 2021 | 21.9 | 5.7 | 1 | 3.4 | 81 | 0.2 |
| 2022 | 20.6 | -- | 3 | 4.9 | 931 | 1.6 |
| Moderate | | | | | | |
| 2020 | 17.5 | 16.7 | 9 | 15.0 | 1,956 | 7.1 |
| 2021 | 17.4 | 17.8 | 3 | 10.3 | 930 | 1.9 |
| 2022 | 18.3 | -- | 5 | 8.2 | 786 | 1.3 |
| Middle | | | | | | |
| 2020 | 20.1 | 25.3 | 10 | 16.7 | 2,955 | 10.8 |
| 2021 | 20.2 | 24.3 | 6 | 20.7 | 1,607 | 3.3 |
| 2022 | 20.9 | -- | 7 | 11.5 | 1,726 | 2.9 |
| Upper | | | | | | |
| 2020 | 40.4 | 41.1 | 22 | 36.7 | 9,846 | 35.9 |
| 2021 | 40.5 | 38.2 | 7 | 24.1 | 2,721 | 5.5 |
| 2022 | 40.1 | -- | 24 | 39.3 | 13,173 | 22.0 |
| Not Available | | | | | | |
| 2020 | 0.0 | 12.6 | 18 | 30.0 | 12,594 | 45.9 |
| 2021 | 0.0 | 14.0 | 12 | 41.4 | 43,705 | 89.1 |
| 2022 | 0.0 | -- | 22 | 36.1 | 43,351 | 72.3 |
| Totals | | | | | | |
| 2020 | 100.0 | 100.0 | 60 | 100.0 | 27,428 | 100.0 |
| 2021 | 100.0 | 100.0 | 29 | 100.0 | 49,044 | 100.0 |
| 2022 | 100.0 | -- | 61 | 100.0 | 59,968 | 100.0 |
| Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

With only one home mortgage loan to low-income borrowers in each of 2020 and 2021, the institution trailed below aggregate performance in the AA in both years. In 2022, although the institution increased to three loans to low-income borrowers, performance still compared

unfavorably against the percentage of families. This performance indicates poor penetration even though the percentage of families includes borrowers that would not qualify for credit.

In 2020, the institution's home mortgage lending to moderate-income families performed similarly to aggregate lending. However, lending penetration to moderate-income families declined in 2021 while aggregate lending improved in that timeframe. In 2022, HB's lending also compared unfavorably to the percentage of moderate-income families. Overall, this performance is poor.

Community Development Loans

HB is a leader in making CD loans in the PVH MSA. Performance represents a substantial increase in dollar volume from the previous evaluation where HB originated 84 CD loans amounting to \$70.2 million. HB also displays excellent responsiveness to the affordable housing needs within the AA, which is a credit need identified by examiners' review of economic and demographic figures.

| Community Development Lending in PVH MSA | | | | | | | | | | |
|---|---------------------------|-----------------|---------------------------|-----------------|-----------------------------|-----------------|--------------------------------|-----------------|---------------|-----------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| 2020 (Partial) | 3 | 5,530 | 4 | 3,550 | - | - | - | - | 7 | 9,080 |
| 2021 | 4 | 41,300 | 6 | 3,431 | - | - | 1 | 1,034 | 11 | 45,765 |
| 2022 | 3 | 15,525 | 7 | 4,022 | - | - | 3 | 21,358 | 13 | 40,905 |
| YTD 2023 | - | - | 4 | 2,478 | - | - | - | - | 4 | 2,478 |
| Total | 10 | 62,355 | 21 | 13,481 | - | - | 4 | 22,392 | 35 | 98,228 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

Notable examples of CD loans in the PVH MSA include the following:

- In 2021, HB originated a \$13.4 million loan for the construction of a 41-unit affordable housing project in the PVH MSA that provides rent at below market rates for LMI renters.
- In 2020, HB originated a \$5.0 million loan to a non-profit organization in the PVH MSA that provides affordable housing programs and services to LMI individuals in need.

INVESTMENT TEST

Investment Test in the PVH MSA is good.

Investment and Grant Activity

The institution has a significant level of qualified CD investments, grants, and donations, particularly those not routinely provided by private investors, often in a leadership position in the PVH MSA. Although investment activity declined from the prior evaluation, when HB's qualified investments and donations totaled \$48.2 million, the institution's performance compares very favorably to similarly-situated institutions over a similar review period.

| Qualified Investments in PVH MSA | | | | | | | | | | |
|----------------------------------|--------------------|---------------|--------------------|------------|----------------------|-----------|-------------------------|----------|-----------|---------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) | # | \$(000s) |
| Prior Period | 8 | 12,597 | - | - | - | - | - | - | 8 | 12,597 |
| 2020 (Partial) | - | - | - | - | - | - | - | - | - | - |
| 2021 | 1 | 12,133 | - | - | - | - | - | - | 1 | 12,133 |
| 2022 | 1 | 10,558 | - | - | - | - | - | - | 1 | 10,558 |
| YTD 2023 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 10 | 35,288 | - | - | - | - | - | - | 10 | 35,288 |
| Qualified Grants & Donations | 2 | 20 | 18 | 112 | 2 | 40 | 1 | 5 | 23 | 177 |
| Total | 12 | 35,308 | 18 | 112 | 2 | 40 | 1 | 5 | 33 | 35,465 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

The following are notable examples of investments and donations made in the PVH MSA AA.

- In 2021, HB invested in a \$12.1 million LIHTC to construct 41 units of affordable housing for families and individuals.
- In 2022, HB made a \$10.5 million investment that funded 132 units of multifamily housing for LMI persons.
- In 2021, the bank provided a \$20 thousand donation to a community service organization that provides services targeted to LMI persons including free meals, job training programs, academic support, and health and wellness programs.

Responsiveness to Credit and Community Development Needs

HB exhibits good responsiveness to credit and CD needs. The institution's investments targeted affordable housing initiatives illustrates responsiveness to a critical need for additional affordable housing in the AA.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support CD initiatives. HB's investment in a \$12.1 million LIHTC to provide newly constructed affordable housing units is an example of an instrument that displays a degree of complexity.

SERVICE TEST

Service Test performance in the PVH Multistate is adequate.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the PVH MSA. The following table details HB's distribution of branches and deposit-taking ATMs in the PVH MSA by CT income level.

| Branch and ATM Distribution by Geography Income Level – PVH MSA | | | | | | | | |
|--|----------------------|--------------|-------------------|--------------|-----------------|--------------|-------------|----------|
| Tract Income Level | Census Tracts | | Population | | Branches | | ATMs | |
| | # | % | # | % | # | % | # | % |
| Low | 11 | 2.5 | 48,515 | 2.5 | - | - | - | - |
| Moderate | 108 | 24.2 | 485,453 | 25.3 | 1 | 16.7 | - | - |
| Middle | 195 | 43.7 | 854,029 | 44.5 | 1 | 16.7 | - | - |
| Upper | 129 | 28.9 | 527,417 | 27.5 | 3 | 50.0 | - | - |
| NA | 3 | 0.7 | 3,697 | 0.2 | 1 | 16.6 | - | - |
| Total | 446 | 100.0 | 1,919,111 | 100.0 | 6 | 100.0 | - | - |
| <i>Source: 2020 U.S. Census Data; Bank Data</i> | | | | | | | | |

Although the bank has no branches in low-income CTs, branching opportunities in low-income CTs are limited as demonstrated by the above population demographics and that only 1.9 percent of all institutions' branches are located in these CTs. HB's one branch in a moderate-income CT compares unfavorably to census and population indicators and is below the 31.0 percent of branches operated by other institutions in the AA according to 2022 peer branch and deposit data. However, the five branches in the AA not located in LMI CTs operate in close proximity to one or more LMI CTs. Therefore, these branches also reasonably serve these LMI geographies.

Alternative delivery systems are discussed under bankwide conclusions.

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing of branches in the PVH MSA has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. During the evaluation period, HB closed three branches in the PVH MSA: two in middle-income CTs and one in an upper-income CT.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Products and services offered in the PVH MSA are consistent with the institution overall, and banking hours do not differ throughout the AA. Four locations offer drive-up service.

Community Development Services

The institution provides an adequate level of CD services in the PVH MSA. The level of CD activity represents a decrease from the previous evaluation where the institution provided 1,566 hours. As previously discussed, some of the lack of activity can be attributed to the limitations presented by the COVID-19 pandemic. However, the bank's performance is generally in line with similarly-situated institutions.

| Community Development Services in PVH MSA | | | | | |
|--|---------------------------|---------------------------|-----------------------------|--------------------------------|---------------|
| Activity Year | Affordable Housing | Community Services | Economic Development | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| 2020 (Partial) | - | 11 | - | - | 11 |
| 2021 | 60 | 85 | - | - | 145 |
| 2022 | 299 | 226 | 41 | - | 566 |
| YTD 2023 | 116 | 40 | - | - | 156 |
| Total | 475 | 362 | 41 | - | 878 |
| <i>Source: Bank Data</i> | | | | | |

The following are notable examples of CD services benefitting the AA:

- In 2022 and 2023, an employee provided 242 hours as a Board member of a CD organization that preserves, creates, and acquires affordable housing projects for LMI individuals in the AA.
- In 2022, one HB officer provided 44 hours serving on the Board of a non-profit organization that facilitates basic services and programs to at-risk and vulnerable LMI populations in the AA.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

| Heritage Bank | |
|--|-----------------------|
| Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: State of Washington: Puget Sound Assessment Area WA Non-MSA Assessment Area Portland-Vancouver-Hillsboro Multi-State MSA Assessment Area | |
| Time Period Reviewed: | 6/30/2020 to 7/5/2023 |
| Products Reviewed: Home Mortgage: 1/1/2020 – 12/31/2022 Small Business: 1/1/2020 – 12/31/2022 | |

| List of Assessment Areas and Type of Evaluation | | | |
|---|--------------------|------------------|-------------------|
| Rated Area/ Assessment Area | Type of Evaluation | Branches Visited | Other Information |
| Washington: | | | |
| Puget Sound AA | Full-scope | None | None |
| WA Non-MSA AA | Full-scope | None | None |
| Bellingham MSA | Limited-scope | None | None |
| Yakima MSA | Limited-scope | None | None |
| Longview MSA | Limited-scope | None | None |
| PVH Multistate MSA: | Full-scope | None | None |

SUMMARY OF RATINGS FOR RATED AREAS

| Rated Area | Lending Test | Investment Test | Service Test | Rating |
|--------------------|-------------------|-------------------|------------------|--------------|
| Washington | High Satisfactory | High Satisfactory | Low Satisfactory | Satisfactory |
| PVH Multistate MSA | High Satisfactory | High Satisfactory | Low Satisfactory | Satisfactory |

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

WASHINGTON

Bellingham MSA

The Bellingham MSA consists of Whatcom County, which is seated in the northwestern portion of Washington State. As of the 2010 U.S. Census data, the Bellingham MSA AA contained 1 low-, 2 moderate-, 25 middle-, and 5 upper-income CTs, as well as one CT with no income designation. Due to population growth and updates to CT designations, the AA now consists of 1 low-, 12 moderate-, 26 middle-, and 14 upper-income CTs. In addition, there is one CT that does not have an income designation within the AA.

| Demographic Information of the Assessment Area | | | | | | |
|--|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Bellingham MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 54 | 1.9 | 22.2 | 48.1 | 25.9 | 1.9 |
| Population by Geography | 226,847 | 0.9 | 21.5 | 52.8 | 23.0 | 1.9 |
| Housing Units by Geography | 98,000 | 1.4 | 20.8 | 50.2 | 25.7 | 2.0 |
| Owner-Occupied Units by Geography | 55,361 | 0.1 | 14.6 | 54.9 | 29.2 | 1.2 |
| Occupied Rental Units by Geography | 33,617 | 3.6 | 28.6 | 47.3 | 17.0 | 3.6 |
| Vacant Units by Geography | 9,022 | 0.3 | 30.4 | 32.0 | 36.4 | 0.9 |
| Businesses by Geography | 31,465 | 5.2 | 14.5 | 52.7 | 25.3 | 2.3 |
| Farms by Geography | 1,331 | 0.5 | 10.1 | 60.2 | 27.7 | 1.6 |
| Family Distribution by Income Level | 53,699 | 19.0 | 18.9 | 23.2 | 38.9 | 0.0 |
| Household Distribution by Income Level | 88,978 | 23.9 | 15.7 | 18.7 | 41.7 | 0.0 |
| Median Family Income MSA - 13380 Bellingham, WA MSA | | \$83,751 | Median Housing Value | | | \$364,713 |
| | | | Median Gross Rent | | | \$1,124 |
| | | | Families Below Poverty Level | | | 7.3% |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

According to the June 30, 2022 Deposit Market Share Report, HB ranks 9th out of 14 FDIC-insured depository institutions holding a 4.1 percent market share with \$241.8 million in deposits. As of the same data, HB operates 2 out of the 49 total branches within the Bellingham MSA.

From the 2021 small business aggregate data, HB ranks 11th out of 71 lenders while holding a 2.9 and 8.1 percent of the small business lending market share by number and dollar volume, respectively. From the 2021 home mortgage aggregate data, HB ranks 32nd out of 361 lenders

while holding 0.6 and 1.0 percent of the home mortgage lending market share by number and dollar volume, respectively.

Yakima MSA

The Yakima MSA consists of Yakima County, which is seated in the southcentral portion of Washington State. As of the 2010 U.S. Census data, the AA contained 13 moderate-, 19 middle-, and 13 upper-income CTs. Due to population growth and updates to CT designations, the AA now consists of 1 low-, 15 moderate-, 22 middle-, and 19 upper-income CTs.

| Demographic Information of the Assessment Area | | | | | | |
|--|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Yakima MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 57 | 1.8 | 26.3 | 38.6 | 33.3 | 0.0 |
| Population by Geography | 256,728 | 1.0 | 24.9 | 36.8 | 37.2 | 0.0 |
| Housing Units by Geography | 89,354 | 1.0 | 23.0 | 34.9 | 41.0 | 0.0 |
| Owner-Occupied Units by Geography | 52,222 | 0.2 | 16.2 | 35.5 | 48.1 | 0.0 |
| Occupied Rental Units by Geography | 31,543 | 2.5 | 34.3 | 34.9 | 28.3 | 0.0 |
| Vacant Units by Geography | 5,589 | 0.9 | 23.2 | 29.5 | 46.4 | 0.0 |
| Businesses by Geography | 18,265 | 6.2 | 21.5 | 30.4 | 41.9 | 0.0 |
| Farms by Geography | 1,517 | 1.2 | 14.2 | 42.3 | 42.3 | 0.0 |
| Family Distribution by Income Level | 60,339 | 20.3 | 18.5 | 21.6 | 39.6 | 0.0 |
| Household Distribution by Income Level | 83,765 | 21.5 | 17.5 | 20.1 | 40.9 | 0.0 |
| Median Family Income MSA - 49420 Yakima, WA MSA | | \$62,783 | Median Housing Value | | | \$190,433 |
| | | | Median Gross Rent | | | \$878 |
| | | | Families Below Poverty Level | | | 12.8% |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

According to the June 30, 2022 Deposit Market Share Report, HB ranks 8th out of 15 FDIC-insured depository institutions holding a 5.6 percent market share with \$265.9 million in deposits. Of the same data, HB operated 3 out of the 43 total branches within the Yakima MSA.

From the 2021 small business aggregate data, HB ranks 8th out of 67 lenders while holding a 5.0 and 12.0 percent of the small business lending market share by number and dollar volume, respectively. From the 2021 home mortgage aggregate data, HB ranks 72nd out of 308 lenders while holding 0.1 and 0.2 percent of the home mortgage lending market share by number and dollar volume, respectively.

Longview MSA

The Longview MSA consists of Cowlitz County, which is seated in the southwestern portion of Washington State. As of the 2010 U.S. Census data, the AA contained 4 low-, 3 moderate-, 12 middle-, and 5 upper-income CTs. Due to population growth and updates to CT designations, the AA now consists of 2 low-, 5 moderate-, 14 middle-, and 8 upper-income CTs. In addition, there is one CT that does not have an income designation within the AA.

| Demographic Information of the Assessment Area | | | | | | |
|---|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Longview MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 30 | 6.7 | 16.7 | 46.7 | 26.7 | 3.3 |
| Population by Geography | 110,730 | 5.0 | 19.9 | 45.1 | 28.9 | 1.2 |
| Housing Units by Geography | 44,970 | 4.7 | 21.0 | 46.6 | 26.2 | 1.4 |
| Owner-Occupied Units by Geography | 27,982 | 2.6 | 15.0 | 49.8 | 32.1 | 0.5 |
| Occupied Rental Units by Geography | 14,372 | 8.8 | 33.5 | 39.5 | 15.2 | 3.0 |
| Vacant Units by Geography | 2,616 | 5.4 | 15.9 | 51.9 | 24.5 | 2.2 |
| Businesses by Geography | 8,579 | 5.9 | 14.2 | 51.3 | 25.3 | 3.3 |
| Farms by Geography | 298 | 7.4 | 10.7 | 54.0 | 25.5 | 2.3 |
| Family Distribution by Income Level | 28,007 | 19.5 | 18.1 | 22.5 | 39.9 | 0.0 |
| Household Distribution by Income Level | 42,354 | 24.7 | 15.9 | 18.3 | 41.1 | 0.0 |
| Median Family Income MSA - 31020 Longview, WA MSA | | \$72,234 | Median Housing Value | | | \$235,088 |
| | | | Median Gross Rent | | | \$862 |
| | | | Families Below Poverty Level | | | 8.8% |
| Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

According to the June 30, 2022 Deposit Market Share Report, HB ranks 3rd out of 7 FDIC-insured depository institutions holding a 17.0 percent market share with \$171.3 million in deposits. Of the same data, HB operated only one out of the nine total branches within the Longview MSA.

From the 2021 small business aggregate data, HB ranks 8th out of 59 lenders while holding a 3.9 and 12.3 percent of the small business lending market share by number and dollar volume, respectively. From the 2021 home mortgage aggregate data, HB ranks 118th out of 303 lenders while holding 0.1 percent of the home mortgage lending market share by both number and dollar volume.

GEOGRAPHIC DISTRIBUTION AND BORROWER PROFILE TABLES-LIMITED SCOPE ASSESSMENT AREAS

| Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2020 |
|---|---------------------------------|--------|----------------|-------------------|--------------|-----------|------------------------|--------------|-----------|----------------------|--------------|-----------|---------------------|--------------|-----------|-----------------------------|--------------|-----------|
| Assessment Area: | Total Loans to Small Businesses | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
| | # | \$ | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate |
| Bellingham MSA | 262 | 33,221 | 5,548 | 1.7 | 0.8 | 1.5 | 5.3 | 6.9 | 5.3 | 72.3 | 73.3 | 74.7 | 15.2 | 12.2 | 12.9 | 5.5 | 6.9 | 5.5 |
| Longview MSA | 106 | 16,955 | 1,305 | 26.9 | 43.4 | 26.9 | 7.9 | 18.9 | 11.0 | 42.2 | 26.4 | 42.8 | 23.0 | 11.3 | 19.3 | 0.0 | 0.0 | 0.0 |
| Yakima MSA | 281 | 33,814 | 3,779 | 0.0 | 0.0 | 0.0 | 26.7 | 31.0 | 28.1 | 39.7 | 47.3 | 40.6 | 33.5 | 21.7 | 31.3 | 0.0 | 0.0 | 0.0 |
| Source: 2020 D&B Data; 01/01/2020 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2021 |
|---|---------------------------------|--------|----------------|-------------------|--------------|-----------|------------------------|--------------|-----------|----------------------|--------------|-----------|---------------------|--------------|-----------|-----------------------------|--------------|-----------|
| Assessment Area: | Total Loans to Small Businesses | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
| | # | \$ | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate |
| Bellingham MSA | 179 | 22,105 | 6,187 | 1.7 | 1.7 | 1.3 | 5.3 | 5.6 | 5.7 | 72.3 | 74.9 | 74.2 | 15.3 | 10.6 | 13.8 | 5.4 | 7.3 | 5.0 |
| Longview MSA | 61 | 9,092 | 1,550 | 26.6 | 45.9 | 23.2 | 7.8 | 14.8 | 9.8 | 42.7 | 27.9 | 45.0 | 22.9 | 11.5 | 22.0 | 0.0 | 0.0 | 0.0 |
| Yakima MSA | 200 | 24,955 | 3,974 | 0.0 | 0.0 | 0.0 | 27.0 | 28.0 | 25.5 | 39.4 | 45.0 | 41.3 | 33.6 | 27.0 | 33.2 | 0.0 | 0.0 | 0.0 |
| Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | 2022 |
|--|---------------------------------|--------|-------------------|--------------|------------------------|--------------|----------------------|--------------|---------------------|--------------|-----------------------------|--------------|
| Assessment Area: | Total Loans to Small Businesses | | Low-Income Tracts | | Moderate-Income Tracts | | Middle-Income Tracts | | Upper-Income Tracts | | Not Available-Income Tracts | |
| | # | \$ | % Businesses | % Bank Loans | % Businesses | % Bank Loans | % Businesses | % Bank Loans | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Bellingham MSA | 34 | 9,119 | 5.2 | 2.9 | 14.5 | 17.6 | 52.7 | 61.8 | 25.3 | 11.8 | 2.3 | 5.9 |
| Longview MSA | 15 | 2,488 | 5.9 | 6.7 | 14.2 | 20.0 | 51.3 | 33.3 | 25.3 | 26.7 | 3.3 | 13.3 |
| Yakima MSA | 33 | 12,196 | 6.2 | 3.0 | 21.5 | 21.2 | 30.4 | 42.4 | 41.9 | 33.3 | 0.0 | 0.0 |
| Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2020 |
|---|---------------------------|--------|----------------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|
| Assessment Area: | Total Home Mortgage Loans | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
| | # | \$ | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate |
| Bellingham MSA | 75 | 26,075 | 15,292 | 1.0 | 2.7 | 1.0 | 4.1 | 5.3 | 4.2 | 77.8 | 74.7 | 79.6 | 17.0 | 16.0 | 15.0 | 0.1 | 1.3 | 0.1 |
| Longview MSA | 6 | 1,415 | 8,954 | 4.3 | 0.0 | 5.0 | 9.0 | 16.7 | 9.7 | 50.3 | 66.7 | 53.0 | 36.3 | 16.7 | 32.3 | 0.0 | 0.0 | 0.0 |
| Yakima MSA | 15 | 4,394 | 9,359 | 0.0 | 0.0 | 0.0 | 17.6 | 13.3 | 10.8 | 41.2 | 73.3 | 38.8 | 41.3 | 13.3 | 50.4 | 0.0 | 0.0 | 0.0 |
| Source: 2015 ACS; 01/01/2020 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2021 |
|---|---------------------------|--------|----------------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|
| Assessment Area: | Total Home Mortgage Loans | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
| | # | \$ | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate |
| Bellingham MSA | 84 | 51,901 | 14,900 | 1.0 | 1.2 | 1.2 | 4.1 | 4.8 | 4.5 | 77.8 | 73.8 | 80.3 | 17.0 | 20.2 | 13.9 | 0.1 | 0.0 | 0.2 |
| Longview MSA | 6 | 2,701 | 8,475 | 4.3 | 0.0 | 5.3 | 9.0 | 0.0 | 10.5 | 50.3 | 66.7 | 51.4 | 36.3 | 33.3 | 32.8 | 0.0 | 0.0 | 0.0 |
| Yakima MSA | 14 | 4,146 | 9,982 | 0.0 | 0.0 | 0.0 | 17.6 | 35.7 | 12.7 | 41.2 | 28.6 | 40.2 | 41.3 | 35.7 | 47.1 | 0.0 | 0.0 | 0.0 |
| Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2022 |
|---|---------------------------|--------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|------|
| Assessment Area: | Total Home Mortgage Loans | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | |
| | # | \$ | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | |
| Bellingham MSA | 68 | 37,572 | 0.1 | 0.0 | -- | 14.6 | 11.8 | -- | 54.9 | 45.6 | -- | 29.2 | 39.7 | -- | 1.2 | 2.9 | -- | |
| Longview MSA | 16 | 2,844 | 2.6 | 0.0 | -- | 15.0 | 0.0 | -- | 49.8 | 50.0 | -- | 32.1 | 50.0 | -- | 0.5 | 0.0 | -- | |
| Yakima MSA | 19 | 4,466 | 0.2 | 0.0 | -- | 16.2 | 10.5 | -- | 35.5 | 21.1 | -- | 48.1 | 68.4 | -- | 0.0 | 0.0 | -- | |
| Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues | | | | | | | | | | 2020 |
|---|---------------------------------|--------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|
| Assessment Area: | Total Loans to Small Businesses | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
| | # | \$ | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Bellingham MSA | 262 | 33,221 | 5,548 | 90.5 | 10.7 | 32.9 | 3.5 | 13.0 | 6.0 | 76.3 |
| Longview MSA | 106 | 16,955 | 1,305 | 85.6 | 0.9 | 34.4 | 4.4 | 17.9 | 10.0 | 81.1 |
| Yakima MSA | 281 | 33,814 | 3,779 | 84.5 | 10.0 | 33.0 | 4.6 | 13.2 | 10.8 | 76.9 |
| Source: 2020 D&B Data; 01/01/2020 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | |

| Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues | | | | | | | | | | 2021 |
|---|---------------------------------|--------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|
| Assessment Area: | Total Loans to Small Businesses | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
| | # | \$ | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Bellingham MSA | 179 | 22,105 | 6,187 | 90.1 | 8.4 | 45.0 | 3.5 | 19.6 | 6.4 | 72.1 |
| Longview MSA | 61 | 9,092 | 1,550 | 85.5 | 8.2 | 44.1 | 4.4 | 24.6 | 10.1 | 67.2 |
| Yakima MSA | 200 | 24,955 | 3,974 | 84.1 | 16.5 | 51.7 | 4.6 | 16.5 | 11.3 | 67.0 |
| Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | |

| Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues | | | | | | | | | | 2022 |
|--|---------------------------------|--------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|
| Assessment Area: | Total Loans to Small Businesses | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
| | # | \$ | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Bellingham MSA | 34 | 9,119 | -- | 92.0 | 50.0 | -- | 2.7 | 50.0 | 5.3 | 0.0 |
| Longview MSA | 15 | 2,488 | -- | 88.2 | 26.7 | -- | 3.5 | 73.3 | 8.3 | 0.0 |
| Yakima MSA | 33 | 12,196 | -- | 87.0 | 42.4 | -- | 3.6 | 54.5 | 9.4 | 3.0 |
| Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | 2020 |
|--|---------------------------|--------|----------------|----------------------|--------------|-----------|---------------------------|--------------|-----------|-------------------------|--------------|-----------|------------------------|--------------|-----------|--------------------------------|--------------|-----------|
| | Total Home Mortgage Loans | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
| Assessment Area: | # | \$ | Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Bellingham MSA | 75 | 26,075 | 15,292 | 20.8 | 5.3 | 4.2 | 17.1 | 24.0 | 16.5 | 22.5 | 20.0 | 25.6 | 39.6 | 36.0 | 40.8 | 0.0 | 14.7 | 12.9 |
| Longview MSA | 6 | 1,415 | 8,954 | 20.6 | 0.0 | 2.9 | 18.1 | 16.7 | 14.0 | 21.7 | 33.3 | 25.5 | 39.6 | 33.3 | 41.3 | 0.0 | 16.7 | 16.2 |
| Yakima MSA | 15 | 4,394 | 9,359 | 20.2 | 0.0 | 2.3 | 18.1 | 6.7 | 10.3 | 20.6 | 0.0 | 20.9 | 41.1 | 80.0 | 52.9 | 0.0 | 13.3 | 13.7 |
| Source: 2015 ACS ; 01/01/2020 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | 2021 |
|--|---------------------------|--------|----------------|----------------------|--------------|-----------|---------------------------|--------------|-----------|-------------------------|--------------|-----------|------------------------|--------------|-----------|--------------------------------|--------------|-----------|
| | Total Home Mortgage Loans | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
| Assessment Area: | # | \$ | Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Bellingham MSA | 84 | 51,901 | 14,900 | 20.8 | 2.4 | 3.2 | 17.1 | 8.3 | 13.3 | 22.5 | 26.2 | 22.9 | 39.6 | 47.6 | 47.8 | 0.0 | 15.5 | 12.7 |
| Longview MSA | 6 | 2,701 | 8,475 | 20.6 | 0.0 | 3.6 | 18.1 | 0.0 | 15.9 | 21.7 | 16.7 | 25.7 | 39.6 | 50.0 | 37.1 | 0.0 | 33.3 | 17.7 |
| Yakima MSA | 14 | 4,146 | 9,982 | 20.2 | 0.0 | 3.0 | 18.1 | 0.0 | 12.7 | 20.6 | 21.4 | 23.2 | 41.1 | 64.3 | 46.1 | 0.0 | 14.3 | 15.0 |
| Source: 2015 ACS ; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | | |

| Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | 2022 |
|--|---------------------------|--------|----------------------|--------------|-----------|---------------------------|--------------|-----------|-------------------------|--------------|-----------|------------------------|--------------|-----------|--------------------------------|--------------|-----------|
| | Total Home Mortgage Loans | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
| Assessment Area: | # | \$ | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Bellingham MSA | 68 | 37,572 | 19.0 | 1.5 | -- | 18.9 | 4.4 | -- | 23.2 | 17.6 | -- | 38.9 | 58.8 | -- | 0.0 | 17.6 | -- |
| Longview MSA | 16 | 2,844 | 19.5 | 0.0 | -- | 18.1 | 0.0 | -- | 22.5 | 25.0 | -- | 39.9 | 75.0 | -- | 0.0 | 0.0 | -- |
| Yakima MSA | 19 | 4,466 | 20.3 | 10.5 | -- | 18.5 | 10.5 | -- | 21.6 | 5.3 | -- | 39.6 | 52.6 | -- | 0.0 | 21.1 | -- |
| Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | | | | | | | | | | | | |

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Heritage Bank Branches as of 4-1-2025

| UNINUM | Branch Number | Branch Name | Street Address | City | County | State | Zip | Service Type | Hours | Drive Up (Y-N) | Safe Deposit Boxes (Y-N) | Night Drop (Y-N) | ATM (Y-N) | ATM Takes Deposits (Y-N) | Tract Code | Tract Income | Established | Acquired |
|--------|---------------|------------------------------------|------------------------------|---------------|------------|-------|-------|---------------------------------|---------------|----------------|--------------------------|------------------|-----------|--------------------------|------------|--------------|-------------|-----------|
| 57174 | 120 | Allenmore | 1722 S Union Avenue | Tacoma | Pierce | WA | 98405 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0611.00 | Middle | 12/8/1997 | 11/5/2010 |
| 245352 | 150 | Anacortes | 2202 Commercial Avenue | Anacortes | Skagit | WA | 98221 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9405.00 | Middle | 3/30/1998 | 5/1/2014 |
| 61976 | 140 | Auburn North | 1001 D Street NE | Auburn | King | WA | 98002 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | N | | 0305.01 | Low | 1/11/1999 | 7/15/2013 |
| 432602 | 180 | Bellevue Commercial Banking Center | 10500 NE 8th Street | Bellevue | King | WA | 98004 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | N | N | | 0238.05 | Upper | 4/11/2005 | 1/16/2018 |
| 245351 | 149 | Bellingham | 265 York Street | Bellingham | Whatcom | WA | 98225 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0006.00 | Low | 3/3/1997 | 5/1/2014 |
| 654914 | 191 | Boise | 250 S 5th Street | Boise | Ada | ID | 83702 | Full Service - Brick and Mortar | By Appt. Only | N | N | N | N | | 0001.02 | Upper | 1/10/2023 | |
| 245350 | 148 | Burlington | 1800 S Burlington Blvd | Burlington | Skagit | WA | 98233 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9518.00 | Middle | 1/19/1994 | 5/1/2014 |
| 245346 | 145 | Camano Island | 165 E McElroy Drive | Camano Island | Island | WA | 98282 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9715.00 | Upper | 12/1/1975 | 5/1/2014 |
| 252509 | 138 | Canyon Road | 12803 Canyon Road E | Puyallup | Pierce | WA | 98373 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0713.10 | Upper | 10/2/1995 | 7/15/2013 |
| 12318 | 142 | Coupeville | 401 N Main | Coupeville | Island | WA | 98239 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9710.00 | Upper | 7/1/1961 | 5/1/2014 |
| 663389 | 194 | Eugene | 3011 N Delta Highway | Eugene | Lane | OR | 97408 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | N | N | | 0022.01 | Upper | 3/4/2024 | |
| 655180 | 192 | Everett | 2831 Colby Ave | Everett | Snohomish | WA | 98201 | Full Service - Brick and Mortar | 9am-5pm M-F | N | Y | Y | Y | Y | 0408.00 | Middle | 2/13/2023 | |
| 47809 | 110 | Federal Way | 32303 Pacific Highway S | Federal Way | King | WA | 98003 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | N | | 0303.14 | Low | 10/1/1992 | 6/1/2006 |
| 245356 | 152 | Freeland | 5590 S Harbor Avenue | Freeland | Island | WA | 98249 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9718.00 | Upper | 10/1/1998 | 5/1/2014 |
| 433916 | 157 | Friday Harbor | 535 Market Street | Friday Harbor | San Juan | WA | 98250 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9604.00 | Middle | 1/5/2005 | 5/1/2014 |
| 521981 | 123 | Gig Harbor | 5119 Olympic Drive | Gig Harbor | Pierce | WA | 98335 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | N | | 0724.08 | Upper | 2/17/2011 | |
| 41846 | 0 | Heritage Bank (Main Office) | 201 5th Avenue SW | Olympia | Thurston | WA | 98501 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0101.00 | Middle | 1/1/1927 | |
| 73837 | 182 | Hillsboro | 314 E Main Street | Hillsboro | Washington | OR | 97123 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | N | Y | N | | 0326.04 | Middle | 4/12/1999 | 7/2/2018 |
| 361529 | 124 | Kent | 415 W James Street | Kent | King | WA | 98032 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0292.03 | Moderate | 4/16/2001 | 5/27/2011 |
| 272318 | 2 | Lacey | 4400 Pacific Avenue SE | Lacey | Thurston | WA | 98503 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0112.00 | Moderate | 1/1/1927 | |
| 272323 | 103 | Lakewood | 10318 Gravelly Lake Drive SW | Lakewood | Pierce | WA | 98499 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0719.02 | Upper | 1/16/1996 | |
| 245349 | 147 | Langley | 105 1st Street | Langley | Island | WA | 98260 | Full Service - Brick and Mortar | 9am-5pm M-F | N | Y | Y | Y | Y | 9720.00 | Upper | 2/22/1993 | 5/1/2014 |
| 594813 | 187 | Lloyd | 1201 NE Lloyd Boulevard | Portland | Multnomah | OR | 97232 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | N | N | | 0024.02 | Upper | 2/5/2018 | 7/2/2018 |
| 15798 | 111 | Longview | 927 Commerce Avenue | Longview | Cowlitz | WA | 98632 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0021.00 | Middle | 5/1/1978 | 7/30/2010 |
| 252992 | 164 | Lynnwood | 19510 58th Avenue W | Lynnwood | Snohomish | WA | 98036 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0517.01 | Moderate | 2/4/1980 | 5/1/2014 |
| 419398 | 169 | Marysville | 1031 State Avenue | Marysville | Snohomish | WA | 98270 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | N | Y | Y | Y | 0529.03 | Low | 7/1/2002 | 5/1/2014 |
| 252998 | 167 | Mill Creek | 1504 132nd Street SE | Mill Creek | Snohomish | WA | 98012 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0417.04 | Middle | 11/4/1991 | 5/1/2014 |

Heritage Bank Branches as of 4-1-2025

| UNINUM | Branch | | Street Address | City | County | State | Zip | Service Type | Hours | Drive Up (Y-N) | Safe Deposit Boxes (Y-N) | Night Drop (Y-N) | ATM (Y-N) | ATM Takes Deposits (Y-N) | Tract Code | Tract Income | Established | Acquired |
|--------|--------|-------------------------------|-----------------------------|--------------|------------|-------|-------|-----------------------------------|-------------|-------------------|-----------------------------|---------------------|-----------|-----------------------------|---------------|-----------------|-------------|------------|
| | Number | Branch Name | | | | | | | | | | | | | | | | |
| 442531 | 108 | Mobile Branch | 201 5th Avenue SW | Olympia | Thurston | WA | 98501 | Limited Service - Mobile/Seasonal | 9am-5pm M-F | Y | Y | Y | Y | Y | 0101.00 | Middle | 8/1/2005 | |
| 357005 | 154 | Mount Vernon | 1700 Urban Avenue | Mount Vernon | Skagit | WA | 98273 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9522.00 | Moderate | 1/24/2000 | 5/1/2014 |
| 252999 | 168 | Mukilteo | 11832 Mukilteo Speedway | Mukilteo | Snohomish | WA | 98275 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0420.06 | Moderate | 4/6/1992 | 5/1/2014 |
| 456861 | 159 | Northwest Avenue - Bellingham | 920 W Bakerview Road | Bellingham | Whatcom | WA | 98226 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0002.03 | Moderate | 10/23/2006 | 5/1/2014 |
| 245344 | 143 | Oak Harbor | 450 SW Bayshore Drive | Oak Harbor | Island | WA | 98277 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9707.00 | Middle | 2/26/1968 | 5/1/2014 |
| 55113 | 116 | Portland | 1000 SW Broadway | Portland | Multnomah | OR | 97205 | Full Service - Brick and Mortar | 9am-5pm M-F | N | Y | N | N | | 0106.02 | Upper | 9/23/1994 | 7/30/2010 |
| 14683 | 133 | Puyallup East Main | 1307 E Main Avenue | Puyallup | Pierce | WA | 98372 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0734.06 | Upper | 10/1/1973 | 7/15/2013 |
| 521570 | 121 | Puyallup South Hill | 4627 S Meridian | Puyallup | Pierce | WA | 98373 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0712.11 | Middle | 9/9/2010 | |
| 570716 | 178 | Seattle | 1420 5th Avenue | Seattle | King | WA | 98101 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | Y | N | | 0082.00 | Upper | 8/3/2015 | |
| 272317 | 1 | Shelton | 301 E Wallace Kneeland Blvd | Shelton | Mason | WA | 98584 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9606.00 | Middle | 1/1/1927 | |
| 11452 | 162 | Shoreline | 20333 Ballinger Way NE | Shoreline | King | WA | 98155 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0204.01 | Middle | 7/9/1955 | 5/1/2014 |
| 492447 | 160 | Smokey Point - Arlington | 4220 172nd Street NE | Arlington | Snohomish | WA | 98223 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0528.03 | Middle | 1/5/2009 | 5/1/2014 |
| 419852 | 155 | Stanwood | 26317 72nd Avenue NW | Stanwood | Snohomish | WA | 98292 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0533.01 | Moderate | 8/5/2002 | 5/1/2014 |
| 450624 | 109 | Sumner | 1005 Wood Avenue | Sumner | Pierce | WA | 98390 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0733.01 | Middle | 2/15/2006 | |
| 272324 | 104 | Tacoma Downtown | 909 A Street | Tacoma | Pierce | WA | 98402 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | N | N | | 0616.01 | Moderate | 4/21/1997 | |
| 603999 | 189 | Tacoma Mall Blvd | 5801 Tacoma Mall Blvd | Tacoma | Pierce | WA | 98409 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | N | Y | N | | 0630.00 | Moderate | 8/27/2018 | |
| 365499 | 184 | Tanasbourne | 9515 NE Windsor Street | Beaverton | Washington | OR | 97006 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | N | | 0316.26 | Moderate | 9/30/2002 | 7/2/2018 |
| 662240 | 193 | Tigard | 10300 SW Greenburg Road | Portland | Multnomah | OR | 97223 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | Y | N | | 0309.00 | Moderate | 1/29/2024 | 12/21/1999 |
| 12501 | 127 | Toppenish | 537 West 2nd Avenue | Toppenish | Yakima | WA | 98948 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 9400.05 | Middle | 11/1/1962 | 6/20/2013 |
| 272319 | 3 | Tumwater | 850 Trosper Road SW | Tumwater | Thurston | WA | 98512 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0109.20 | Middle | 1/1/1927 | |
| 245883 | 129 | Union Gap | 2205 S First Street | Yakima | Yakima | WA | 98903 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0014.00 | Middle | 3/15/1994 | 6/20/2013 |
| 452965 | 119 | Vancouver | 700 Washington Street | Vancouver | Clark | WA | 98660 | Full Service - Brick and Mortar | 9am-5pm M-F | N | N | N | N | | 0424.00 | Unknown | 3/1/2006 | 7/30/2010 |
| 272321 | 101 | West Olympia | 900 Cooper Point Road SW | Olympia | Thurston | WA | 98502 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | Y | Y | 0105.10 | Moderate | 9/8/1994 | |
| 245884 | 130 | Yakima Downtown | 301 W Yakima Avenue | Yakima | Yakima | WA | 98902 | Full Service - Brick and Mortar | 9am-5pm M-F | Y | Y | Y | N | | 0001.00 | Low | 5/20/1996 | 6/20/2013 |

2025 Branch Openings and Closings - Last 2 years

| UNINUM | Branch Number | Name | Address | City | County | State | Zip | Service Type | MSA | MSA Code | Tract Code | Tract Income | Closed | Opened | Relocation (Y/N) |
|--------|---------------|------------|-----------------------|------------|------------|-------|-------|--------------|------------------------------|----------|------------|--------------|-----------|-----------|------------------|
| 654914 | 191 | Boise | 999 W Main St | Boise | Ada | ID | 83702 | Full Service | Boise City | 14260 | 0001.02 | Upper | | 1/10/2023 | N |
| 252994 | 165 | Everett | 5615 Evergreen Way | Everett | Snohomish | WA | 98203 | Full Service | Seattle-Bellevue-Kent | 42644 | 0411.00 | Moderate | 2/10/2023 | | N |
| 655180 | 192 | Everett | 2831 Colby Ave | Everett | Snohomish | WA | 98201 | Full Service | Seattle-Bellevue-Kent | 42644 | 0408.00 | Middle | | 2/13/2023 | N |
| 654914 | 191 | Boise | 999 W Main St | Boise | Ada | ID | 83702 | Full Service | Boise City | 14260 | 0001.02 | Upper | 3/31/2023 | | Y |
| 654914 | 191 | Boise | 250 S 5th St | Boise | Ada | ID | 83702 | Full Service | Boise City | 14260 | 0001.02 | Upper | | 4/3/2023 | Y |
| 452965 | 119 | Vancouver | 700 Washington St | Vancouver | Clark | WA | 98660 | Full Service | Portland-Vancouver-Hillsboro | 38900 | 0424.00 | Unknown | 5/5/2023 | | Y |
| 452965 | 119 | Vancouver | 700 Washington St | Vancouver | Clark | WA | 98660 | Full Service | Portland-Vancouver-Hillsboro | 38900 | 0424.00 | Unknown | | 5/8/2023 | Y |
| 357091 | 132 | Ellensburg | 100 N Main St | Ellensburg | Kittitas | WA | 98926 | Full Service | Washington State Non-MSA | NA | 9756.00 | Middle | 9/8/2023 | | N |
| 433589 | 185 | Durham | 7632 SW Durham Rd | Tigard | Washington | OR | 97224 | Full Service | Portland-Vancouver-Hillsboro | 38900 | 0308.06 | Upper | 1/26/2024 | | N |
| 662240 | 193 | Tigard | 10300 SW Greenburg Rd | Portland | Washington | OR | 97223 | Full Service | Portland-Vancouver-Hillsboro | 38900 | 0309.00 | Moderate | | 1/29/2024 | N |
| 650165 | 190 | Eugene | 149 W 12th St | Eugene | Lane | OR | 97401 | Full Service | Eugene-Springfield | 21660 | 0039.00 | Moderate | 3/1/2024 | | N |
| 663389 | 194 | Eugene | 3011 N Delta Hwy | Eugene | Lane | OR | 97408 | Full Service | Eugene-Springfield | 21660 | 0022.01 | Upper | | 3/4/2024 | N |

Effective June 1, 2025. All fees and service charges are subject to change.

The following is our schedule of fees for banking services. These are for elective services and may be assessed against your account should you use these services.

Fee Schedule

| | |
|---|--|
| Account Closed within 90 days | \$25.00 |
| Account Research/Reconciliation (per hour) | \$30.00 |
| Debit Card and ATM Fees | |
| Heritage Bank ATM ¹ | no charge |
| ATM Transaction Fee (Non-Heritage Bank ATM ¹) | \$2.50 |
| Debit Card Cash Advance Fee | \$2.50 |
| Foreign Exchange Fee ² | Up to 1% of transaction amount in US Dollars |
| ATM/Debit Card Replacement | \$10.00 |
| Bank Check (official/cashier's check) | \$9.00 each |
| Collection Item—Outgoing/Incoming | \$25.00 |
| Copy of Canceled Check | \$2.50 each |
| Counter Checks (per sheet of 4) | \$2.00 each |
| Dormant Account Fee (monthly) | \$10.00 |
| Foreign Currency | |
| Sell | \$10.00 |
| Purchase | \$10.00 |
| Foreign Drafts | \$30.00 |
| Garnishment/Levies | \$100.00 |
| Health Savings Account Setup Fee | \$10.00 |
| ICS Sweep Maintenance Fee (monthly) | \$100.00 |
| ICS Non-Sweep Maintenance Fee (monthly) | \$25.00/account |
| IRA Transfer/Closure | \$30.00 |
| Paper statement fee (monthly) ³ | \$3.00 |
| Paper statement with check images (monthly) ³ | \$5.00 |

| | |
|---|---------|
| Purchase Rolled Coin (each) | \$10 |
| Purchase Currency (per \$100) | \$10 |
| Returned Deposited Item | \$12.00 |
| Special Statement cutoff or duplicate | \$4.00 |
| Stop Payment | \$34.00 |
| Undeliverable Mail Fee | \$5.00 |
| Wire Transfer | |
| Domestic | |
| Outgoing | \$30.00 |
| Incoming | \$15.00 |
| Foreign | |
| Outgoing | \$50.00 |
| Incoming | \$20.00 |

Insufficient Funds & Overdrafts

| | |
|--|--------------|
| Insufficient funds/overdraft fee (each) ⁴ | \$34.00 each |
|--|--------------|

- Heritage Bank ATM includes transactions at MoneyPass network ATMs.
- Visa charges an International Service Assessment (ISA) fee up to 1% of the total transaction to purchase goods or services in a foreign currency or in U.S. dollars with a foreign merchant (a "Foreign Transaction"). Foreign Transactions include internet transactions made in the U.S. but with a merchant who processes the transaction in a foreign country. This is not a Heritage Bank fee.
- Not applicable to all accounts; consult your Truth in Savings Disclosure.
- There is a limit of 6 insufficient funds/overdraft fees per day. Overdrafts may be created by checks issued by you, in person, ATM, ACH, or other electronic withdrawals authorized by you or published fees or charges for bank products & services.



SCHEDULE OF ANALYSIS FEES & SERVICE CHARGES

Effective June 1, 2025. All fees and service charges are subject to change.

Business Analysis Checking

Account Services

| | |
|---|-----------------------|
| Minimum Balance to Open..... | \$100.00 |
| Account Maintenance (monthly) | \$20.00/account |
| Analysis Statement – Mailed (monthly) | \$6.00 |
| No charge for online statements | |
| Earnings Credit | Variable ¹ |
| Deposit Premium | Variable ² |
| Uncollected Funds Usage Rate | WSJ Prime + 3% |

Depository Services

| | |
|---|-------------------------------|
| ACH Credits Received..... | \$0.16 each |
| ACH Debits Received | \$0.16 each |
| Cash Deposited Fee (per statement cycle) | \$0.0010 per \$1.00 deposited |
| Checks Paid..... | \$0.20 each |
| Deposited Checks..... | \$0.15 each |
| Deposits..... | \$0.45 each |
| Purchased Currency (per \$100)..... | \$0.10 |
| Purchased Rolled Coin..... | \$0.10 each |
| Returned Deposited Items | \$12.00 each |
| Stop Payment Fee | \$34.00 each |

ACH Origination Services

| | |
|---|-----------------|
| ACH Setup Fee | \$50.00 |
| ACH Origination Maintenance (monthly) | \$35.00/profile |
| ACH Online Batch Fee | \$5.00 each |
| ACH Returned Items..... | \$5.00 each |
| ACH Originated Credits..... | \$0.15 each |
| ACH Originated Debits | \$0.15 each |
| Same Day ACH Originated Credits..... | \$1.50 each |
| Same Day ACH Originated Debits | \$1.50 each |
| ACH Direct Transmission Setup | \$350.00 |
| ACH Direct Transmission Maintenance (monthly) | \$200.00 |

Reporting Services

| | |
|--|-----------------|
| Fed EDI Reporting Service Maintenance (monthly) | \$20.00/profile |
|--|-----------------|

Fraud Prevention Services

| | |
|---|--|
| ACH Block Maintenance (monthly) | \$10.00/account |
| ACH Filter Maintenance (monthly) | \$15.00/account |
| ACH Positive Pay Maintenance (monthly) | \$20.00/account |
| Check Positive Pay Maintenance (monthly – first account) | \$50.00/account |
| Each Additional Check Positive Pay Account (monthly) | \$15.00/account |
| Payee Positive Pay Maintenance (monthly) | \$10.00/account (in addition to Check Positive Pay) |

Debtor in Possession

| | |
|---|------------------|
| Debtor in Possession Setup Fee | \$100.00/account |
| Debtor in Possession Maintenance (monthly)..... | \$95.00/account |

International Services

| | |
|----------------------|--------------|
| Foreign Drafts | \$30.00 each |
|----------------------|--------------|

Lockbox Services

| | |
|---------------|-----------------------|
| Lockbox | Variable ³ |
|---------------|-----------------------|

Online Banking Services

| | |
|--|-----------------|
| Heritage Direct SMB Maintenance (monthly)..... | No charge |
| Heritage Direct Corporate Maintenance (monthly)... | \$35.00/profile |
| Online Stop Payment Fee..... | \$30.00 |

Bill Pay Services

| | |
|--|-----------------|
| Business Bill Pay (monthly) | \$7.50/profile |
| Business Bill Pay with Payroll (monthly) | \$12.50/profile |

Remote Deposit Capture (RDC) Services

| | |
|---|-----------------|
| RDC Setup Fee | \$100.00 |
| RDC Maintenance (monthly – first scanner) | \$50.00/profile |
| Each Additional Scanner (monthly)..... | \$25.00/scanner |
| RDC Deposited Items..... | \$0.10 each |

Continued on back >

All pricing is subject to change without notice, except as otherwise provided by applicable law. Not all fees and charges are eligible for offset through your earnings credit. Some fees and charges may be directly charged to your analyzed account.





SCHEDULE OF ANALYSIS FEES & SERVICE CHARGES

Effective June 1, 2025. All fees and service charges are subject to change.

Wire Services

| | |
|---|-----------------|
| Online Wire Maintenance (monthly) | \$25.00/profile |
| Online – Originated Domestic Wire | \$15.00/wire |
| Online – Originated Foreign Wire (USD) | \$30.00/wire |
| Online – Originated Foreign Wire (FX) | \$30.00/wire |
| In Branch – Originated Domestic Wire | \$30.00/wire |
| In Branch – Originated Foreign Wire (USD) | \$50.00/wire |
| In Branch – Originated Foreign Wire (FX) | \$50.00/wire |
| Phone/Email – Originated Domestic Wire | \$50.00/wire |
| Phone/Email – Originated Foreign Wire (USD) | \$80.00/wire |
| Phone/Email – Originated Foreign Wire (FX) | \$80.00/wire |
| Incoming Domestic Wire | \$15.00/wire |
| Incoming Foreign Wire | \$20.00/wire |

Funds Management Services

| | |
|--|-----------------|
| Business Sweep Maintenance (monthly) | \$75.00 |
| Line of Credit (LOC) Sweep Maintenance (monthly) | \$150.00 |
| LOC and Business Sweep Maintenance (monthly) | \$175.00 |
| ICS Sweep Maintenance Fee (monthly) | \$100.00 |
| ICS Non-Sweep Maintenance Fee (monthly) | \$25.00/account |
| ZBA Parent Account Maintenance (monthly) | \$30.00/account |
| ZBA Subsidiary Account Maintenance (monthly) | \$15.00/account |

Other Fees & Services

| | |
|---|--|
| Account Closed within 90 days | \$25.00 |
| Account Research/Reconciliation (per hour) | \$30.00 |
| Debit Card and ATM Fees | |
| Heritage Bank ATM ⁴ | No charge |
| ATM Transaction Fee (Non-Heritage Bank ATM ⁴) | \$2.50 |
| Debit Card Cash Advance Fee | \$2.50 |
| Foreign Exchange Fee ⁵ | Up to 1% of transaction amount in US Dollars |
| ATM/Debit Card Replacement | \$10.00 |
| Bank Check (official/cashier's check) | \$9.00 |
| Collection Item—Outgoing/Incoming | \$25.00 |
| Copy of Paid Check | \$2.50 each |
| Counter Checks (per sheet of 4) | \$2.00 each |

| | |
|-------------------------------------|----------|
| Dormant Account Fee (monthly) | \$10.00 |
| Duplicate Bank Statement | \$4.00 |
| Foreign Currency: | |
| Sell | \$10.00 |
| Purchase | \$10.00 |
| Garnishment/Levies | \$100.00 |
| Undeliverable Mail Fee | \$5.00 |

Insufficient Funds & Overdrafts

| | |
|--|---------|
| Insufficient Funds & Overdraft Fee (each) ⁶ | \$34.00 |
|--|---------|

Health Savings Accounts for Employees

| | |
|-----------------------|----------------|
| <25 Employees | \$25.00/month |
| Set Up Fee | \$50.00 |
| 25-50 Employees | \$50.00/month |
| Set Up Fee | \$100.00 |
| 50-75 Employees | \$75.00/month |
| Set Up fee | \$150.00 |
| >75 Employees | \$100.00/month |
| Set Up Fee | \$150.00 |

1 The rate is periodically set based on current market conditions and is subject to change without notice. Analyzed account service charges may be offset by collected balances and some may be subject to direct charges. The Earnings Credit amount is calculated by multiplying the Balance Available to Support Services by the Earnings Credit Rate for the analysis period times the number of calendar days in the analysis period, divided by the number of calendar days in the current year. The Earnings Credit Amount will be applied against the Current Period Analyzed Charges to determine the Total Charges Due. For more information please contact your treasury management relationship officer.

2 Deposit Premium is a fee based on the average monthly adjusted ledger balance of your analyzed account, which is based in part on what the bank is assessed and charged for deposit insurance. This premium may vary from the assessment as it is not wholly tied to the same assessment base and may not reflect rebates, credits or exceptions. This fee is subject to change without notice.

3 Contact your relationship manager, treasury management relationship officer or local branch for more information.

4 Heritage Bank ATM includes transactions at MoneyPass network ATMs.

5 Visa charges an International Service Assessment (ISA) fee up to 1% of the total transaction to purchase goods or services in a foreign currency or in U.S. dollars with a foreign merchant (a "Foreign Transaction"). Foreign Transactions include internet transactions made in the U.S. but with a merchant who processes the transaction in a foreign country. This is not a Heritage Bank fee.

6 Overdrafts may be created by checks issued by you, in person, ATM, ACH, or other electronic withdrawals authorized by you or published fees or charges for bank products & services.

All pricing is subject to change without notice, except as otherwise provided by applicable law. Not all fees and charges are eligible for offset through your earnings credit. Some fees and charges may be directly charged to your analyzed account.





SCHEDULE OF BUSINESS FEES & SERVICE CHARGES

Effective June 1, 2025. All fees and service charges are subject to change.

Business Checking Accounts

Small Business Checking

| | |
|---|----------------|
| Minimum Balance to Open..... | \$100.00 |
| Maintenance Fee (monthly)..... | \$8.00/account |
| Maintenance fee will not be charged if a \$1,500 minimum daily balance is maintained or with 5 or more debit card transactions per cycle. | |
| Combined Transactions ¹ (more than 200)..... | \$0.35 each |
| Paper Statement Fee (monthly) | \$5.00/account |
| No charge for online statements | |

Nonprofit Interest Checking

| | |
|---|----------------|
| Minimum Balance to Open..... | \$100.00 |
| Maintenance Fee (monthly)..... | \$6.00/account |
| Maintenance fee will not be charged if a \$100 minimum daily balance is maintained or with 5 or more debit card transactions per cycle. | |
| Minimum Balance to Earn Interest | All balances |
| Combined Transactions ¹ (more than 200)..... | \$0.35 each |
| Paper Statement Fee (monthly) | \$5.00/account |
| No charge for online statements | |

Nonprofit Interest Plus Checking

| | |
|---|-----------------|
| Minimum Balance to Open..... | \$500.00 |
| \$50,000 in combined deposit and outstanding commercial loan balances required to open. | |
| Maintenance Fee (monthly)..... | \$30.00/account |
| Maintenance fee will not be charged with combined monthly average balance of \$50,000 or more in deposit accounts and outstanding commercial loan balances. | |
| Minimum Balance to Earn Interest | All balances |
| Combined Transactions ¹ (more than 400)..... | \$0.35 each |
| Paper Statement Fee (monthly) | \$5.00/account |
| No charge for online statements | |

Business Interest/Public Now Checking

| | |
|---|-----------------|
| Minimum Balance to Open..... | \$100.00 |
| Maintenance Fee (monthly)..... | \$12.00/account |
| Maintenance fee will not be charged if a \$2,500 minimum daily balance is maintained or with 5 or more debit card transactions per cycle. | |
| Minimum Balance to Earn Interest | \$2,500 |
| Combined Transactions ¹ (more than 200)..... | \$0.35 each |
| Paper Statement Fee (monthly) | \$5.00/account |
| No charge for online statements | |

Business Savings & Money Market Accounts

Business Savings

| | |
|---|----------------|
| Minimum Balance to Open..... | \$500.00 |
| Maintenance Fee (monthly)..... | \$8.00/account |
| Maintenance fee will not be charged if a \$500 minimum daily balance is maintained. | |
| Minimum Balance to Earn Interest | All balances |

Business Money Market/Public Money Market

| | |
|---|-----------------|
| Minimum Balance to Open..... | \$1,000.00 |
| Maintenance Fee (monthly)..... | \$12.00/account |
| Maintenance fee will not be charged if a \$2,500 minimum daily balance is maintained. | |
| Minimum Balance to Earn Interest | All balances |
| Excess Debit Transaction Fee (more than 10 per statement cycle) ⁵ | \$6.50 each |

Public Savings

| | |
|---|----------------|
| Minimum Balance to Open..... | \$5,000.00 |
| Maintenance Fee (monthly)..... | \$8.00/account |
| Maintenance fee will not be charged if a \$5,000 minimum daily balance is maintained. | |
| Minimum Balance to Earn Interest | \$100.00 |

Treasury Management Solutions

Online Banking Services

| | |
|--|-----------------|
| Heritage Direct SMB Maintenance (monthly)..... | No charge |
| Heritage Direct Corporate Maintenance (monthly) | \$35.00/profile |

Bill Pay Services

| | |
|--|------------------|
| Business Bill Pay (monthly) | \$7.50/customer |
| Business Bill Pay with Payroll (monthly) | \$12.50/customer |

ACH Origination Services

| | |
|---|-----------------|
| ACH Setup Fee | \$50.00 |
| ACH Origination Maintenance (monthly) | \$35.00/profile |
| ACH Direct Transmission Setup | \$350.00 |
| ACH Direct Transmission Maintenance (monthly) | \$200.00 |

Continued on back >

The above outlined fees may not be applicable to all customers. Depending on your type of account, fees may vary.





SCHEDULE OF BUSINESS FEES & SERVICE CHARGES

Effective June 1, 2025. All fees and service charges are subject to change.

Reporting Services

Fed EDI Reporting Service Maintenance (monthly) ...\$20.00/profile

Fraud Prevention Services

ACH Block Maintenance (monthly)\$10.00/account

ACH Filter Maintenance (monthly)\$15.00/account

ACH Positive Pay Maintenance (monthly)\$20.00/account

Check Positive Pay Maintenance (monthly)\$20.00/account

Payee Positive Pay Maintenance (monthly)\$10.00/account
(in addition to Check Positive Pay)

Remote Deposit Capture (RDC) Services

RDC Setup Fee\$100.00

RDC Maintenance (monthly – first scanner)\$50.00/profile

Each Additional Scanner (monthly)\$25.00/scanner

Wire Services

Online Wire Maintenance (monthly)\$25.00/profile

Online – Originated Domestic Wire\$15.00/wire

Online – Originated Foreign Wire\$30.00/wire

In Branch – Originated Domestic Wire\$30.00/wire

In Branch – Originated Foreign Wire\$50.00/wire

Phone/Email – Originated Domestic Wire\$50.00/wire

Phone/Email – Originated Foreign Wire (USD)\$80.00/wire

Phone/Email – Originated Foreign Wire (FX)\$80.00/wire

Incoming Domestic Wire\$15.00/wire

Incoming Foreign Wire\$20.00/wire

Funds Management Services

Business Sweep Maintenance (monthly)\$75.00

Line of Credit (LOC) Sweep Maintenance (monthly)\$150.00

LOC and Business Sweep Maintenance (monthly)\$175.00

ICS Sweep Maintenance Fee (monthly)\$100.00

ICS Non-Sweep Maintenance Fee (monthly)\$25.00/account

ZBA Parent Account Maintenance (monthly)\$30.00/account

ZBA Subsidiary Account Maintenance (monthly)\$15.00/account

Other Fees & Services

Account Closed within 90 days\$25.00

Account Research/Reconciliation\$30.00 per hour

Debit Card and ATM Fees

Heritage Bank ATM² No charge

ATM Transaction Fee (Non-Heritage Bank ATM²)\$2.50

Debit Card Cash Advance Fee\$2.50

Foreign Exchange Fee³ Up to 1% of transaction
amount in US Dollars

Debit Card Replacement\$10.00

Bank Check (official/cashier's check)\$9.00

Collection Item Outgoing/Incoming\$25.00

Copy of Paid Check\$2.50 each

Counter Checks (per sheet of 4)\$2.00 each

Dormant Account Fee (monthly)\$10.00

Foreign Currency

Sell\$10.00

Purchase\$10.00

Foreign Drafts\$30.00 per draft

Garnishment/Levies\$100.00 per occurrence

Purchased Rolled Coin\$1.10 each

Purchased Currency (per \$100)\$1.10

Returned Deposited Items\$12.00 per item

Special Statement Cutoff or Duplicate\$4.00

Stop Payment\$34.00

Undeliverable Mail Fee\$5.00

Insufficient Funds & Overdrafts

Insufficient funds/overdraft fee (each)⁴\$34.00 each

1 Transactions include deposits, deposited items, checks, withdrawals, ACH credits and ACH debits. Excludes debit card transactions.

2 Heritage Bank ATM includes transactions at MoneyPass network ATMs.

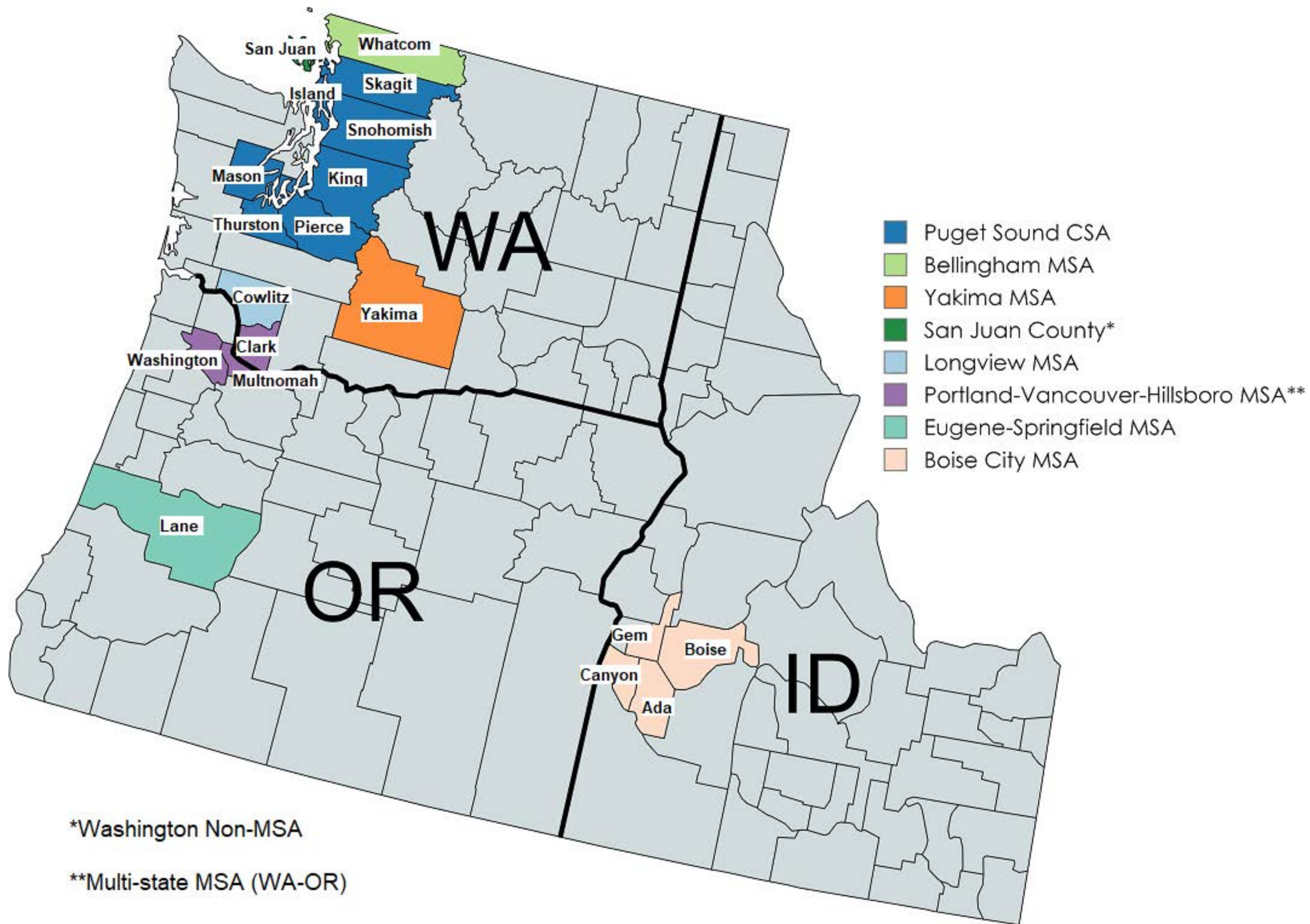
3 Visa charges an International Service Assessment (ISA) fee up to 1% of the total transaction to purchase goods or services in a foreign currency or in U.S. dollars with a foreign merchant (a "Foreign Transaction"). Foreign Transactions include internet transactions made in the U.S. but with a merchant who processes the transaction in a foreign country. This is not a Heritage Bank fee.

4 There is a limit of 6 insufficient funds/overdraft fees per day. Overdrafts may be created by checks issued by you, in person, ATM, ACH, or other electronic withdrawals authorized by you or published fees or charges for bank products & services.

5 Debits include in-branch withdrawals, ATM withdrawals, POS (point of sale) and debit card withdrawals, checks, ACH debits, wire transfers, one-time or preauthorized transfer to another account of yours or a third party, automatic transfers, and transfers initiated by telephone order or computer transfer.

The above outlined fees may not be applicable to all customers. Depending on your type of account, fees may vary.





Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: ALASKA (02)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| JUNEAU CITY AND BOROUGH (110), AK | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 1 | 186 | 0 | 0 | 1 | 186 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 1 | 186 | 0 | 0 | 1 | 186 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 0 | 0 | 1 | 186 | 0 | 0 | 1 | 186 | 0 | 0 |
| STATE TOTAL | 0 | 0 | 1 | 186 | 0 | 0 | 1 | 186 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: ARIZONA (04)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| MARICOPA COUNTY (013), AZ | | | | | | | | | | |
| MSA 38060 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 2 | 150 | 0 | 0 | 0 | 0 | 2 | 150 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income ≥ 120% | 0 | 0 | 0 | 0 | 2 | 1,635 | 1 | 635 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 2 | 150 | 0 | 0 | 2 | 1,635 | 3 | 785 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 2 | 150 | 0 | 0 | 2 | 1,635 | 3 | 785 | 0 | 0 |
| STATE TOTAL | 2 | 150 | 0 | 0 | 2 | 1,635 | 3 | 785 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: CALIFORNIA (06)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|-----------------------------------|--|---------------|---|---------------|--|---------------|--|---------------|--------------------------------|---------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| SAN DIEGO COUNTY (073), CA | | | | | | | | | | |
| MSA 41740 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income ≥ 120% | 1 | 29 | 0 | 0 | 0 | 0 | 1 | 29 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 29 | 0 | 0 | 0 | 0 | 1 | 29 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: CALIFORNIA (06)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|-------------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| SANTA CLARA COUNTY (085), CA | | | | | | | | | | |
| MSA 41940 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income ≥ 120% | 1 | 19 | 0 | 0 | 0 | 0 | 1 | 19 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 19 | 0 | 0 | 0 | 0 | 1 | 19 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 2 | 48 | 0 | 0 | 0 | 0 | 2 | 48 | 0 | 0 |
| STATE TOTAL | 2 | 48 | 0 | 0 | 0 | 0 | 2 | 48 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: HAWAII (15)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| MAUI COUNTY (009), HI | | | | | | | | | | |
| MSA 27980 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 2 | 820 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 0 | 0 | 2 | 820 | 0 | 0 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 0 | 0 | 0 | 0 | 2 | 820 | 0 | 0 | 0 | 0 |
| STATE TOTAL | 0 | 0 | 0 | 0 | 2 | 820 | 0 | 0 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: IDAHO (16)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| ADA COUNTY (001), ID | | | | | | | | | | |
| MSA 14260 | | | | | | | | | | |
| Inside AA 0007 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 323 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 0 | 0 | 1 | 323 | 0 | 0 | 0 | 0 |
| CANYON COUNTY (027), ID | | | | | | | | | | |
| MSA 14260 | | | | | | | | | | |
| Inside AA 0007 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 7 | 276 | 3 | 433 | 5 | 2,003 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 7 | 276 | 3 | 433 | 5 | 2,003 | 0 | 0 | 0 | 0 |
| JEROME COUNTY (053), ID | | | | | | | | | | |
| MSA 46300 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 350 | 0 | 0 | 0 | 0 |
| Upper Income | 2 | 143 | 1 | 170 | 2 | 562 | 1 | 284 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 2 | 143 | 1 | 170 | 3 | 912 | 1 | 284 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: IDAHO (16)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| KOOTENAI COUNTY (055), ID | | | | | | | | | | |
| MSA 17660 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 675 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 0 | 0 | 1 | 675 | 0 | 0 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 7 | 276 | 3 | 433 | 6 | 2,326 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 2 | 143 | 1 | 170 | 4 | 1,587 | 1 | 284 | 0 | 0 |
| STATE TOTAL | 9 | 419 | 4 | 603 | 10 | 3,913 | 1 | 284 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: MONTANA (30)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| GALLATIN COUNTY (031), MT | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 1 | 177 | 0 | 0 | 1 | 177 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 1 | 177 | 0 | 0 | 1 | 177 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 0 | 0 | 1 | 177 | 0 | 0 | 1 | 177 | 0 | 0 |
| STATE TOTAL | 0 | 0 | 1 | 177 | 0 | 0 | 1 | 177 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: OREGON (41)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|-----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| CLACKAMAS COUNTY (005), OR | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 1 | 50 | 0 | 0 | 0 | 0 | 1 | 50 | 0 | 0 |
| Middle Income | 3 | 198 | 1 | 237 | 4 | 2,278 | 2 | 985 | 0 | 0 |
| Upper Income | 1 | 30 | 2 | 261 | 2 | 800 | 1 | 300 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 5 | 278 | 3 | 498 | 6 | 3,078 | 4 | 1,335 | 0 | 0 |
| COLUMBIA COUNTY (009), OR | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 1 | 100 | 2 | 373 | 1 | 500 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 100 | 2 | 373 | 1 | 500 | 0 | 0 | 0 | 0 |
| DESCHUTES COUNTY (017), OR | | | | | | | | | | |
| MSA 13460 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 2 | 164 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 1 | 50 | 0 | 0 | 0 | 0 | 1 | 50 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 3 | 214 | 0 | 0 | 0 | 0 | 1 | 50 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: OREGON (41)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|---------------------------------|--|---------------|---|---------------|--|---------------|--|---------------|--------------------------------|---------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| JACKSON COUNTY (029), OR | | | | | | | | | | |
| MSA 32780 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 1 | 26 | 0 | 0 | 0 | 0 | 1 | 26 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 26 | 0 | 0 | 0 | 0 | 1 | 26 | 0 | 0 |
| LANE COUNTY (039), OR | | | | | | | | | | |
| MSA 21660 | | | | | | | | | | |
| Inside AA 0006 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 1 | 50 | 0 | 0 | 2 | 1,403 | 2 | 732 | 0 | 0 |
| Middle Income | 6 | 357 | 2 | 326 | 8 | 4,808 | 1 | 775 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 1 | 300 | 1 | 300 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 7 | 407 | 2 | 326 | 11 | 6,511 | 4 | 1,807 | 0 | 0 |
| MARION COUNTY (047), OR | | | | | | | | | | |
| MSA 41420 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 1 | 71 | 0 | 0 | 1 | 700 | 1 | 700 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 71 | 0 | 0 | 1 | 700 | 1 | 700 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: OREGON (41)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|-----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| MULTNOMAH COUNTY (051), OR | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Inside AA 0005 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 1 | 500 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 0 | 0 | 1 | 1,000 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 0 | 0 | 4 | 900 | 2 | 1,356 | 1 | 856 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 2 | 110 | 1 | 150 | 2 | 1,209 | 2 | 110 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income ≥ 120% | 2 | 200 | 2 | 375 | 1 | 1,000 | 1 | 100 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 1 | 1,000 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 4 | 310 | 7 | 1,425 | 8 | 6,065 | 4 | 1,066 | 0 | 0 |
| UNION COUNTY (061), OR | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 2 | 104 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 2 | 104 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: OREGON (41)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|------------------------------------|--|---------------|---|---------------|--|---------------|--|---------------|--------------------------------|---------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| WASHINGTON COUNTY (067), OR | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Inside AA 0005 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 3 | 195 | 0 | 0 | 1 | 400 | 2 | 120 | 0 | 0 |
| Median Family Income 60-70% | 1 | 80 | 0 | 0 | 3 | 1,759 | 1 | 778 | 0 | 0 |
| Median Family Income 70-80% | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 1 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 90-100% | 1 | 100 | 1 | 200 | 2 | 1,130 | 2 | 1,130 | 0 | 0 |
| Median Family Income 100-110% | 3 | 188 | 3 | 634 | 3 | 936 | 1 | 48 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 1 | 470 | 1 | 470 | 0 | 0 |
| Median Family Income ≥ 120% | 9 | 422 | 5 | 1,095 | 6 | 2,600 | 5 | 575 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 19 | 1,155 | 9 | 1,929 | 16 | 7,295 | 12 | 3,121 | 0 | 0 |
| YAMHILL COUNTY (071), OR | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 1 | 200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 400 | 1 | 400 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 1 | 200 | 1 | 400 | 1 | 400 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 30 | 1,872 | 18 | 3,680 | 35 | 19,871 | 20 | 5,994 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 13 | 793 | 6 | 1,071 | 9 | 4,678 | 8 | 2,511 | 0 | 0 |
| STATE TOTAL | 43 | 2,665 | 24 | 4,751 | 44 | 24,549 | 28 | 8,505 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| BENTON COUNTY (005), WA | | | | | | | | | | |
| MSA 28420 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 1 | 65 | 0 | 0 | 0 | 0 | 1 | 65 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 65 | 0 | 0 | 0 | 0 | 1 | 65 | 0 | 0 |
| CHELAN COUNTY (007), WA | | | | | | | | | | |
| MSA 48300 | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 1 | 639 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 0 | 0 | 1 | 639 | 0 | 0 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|---------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| CLARK COUNTY (011), WA | | | | | | | | | | |
| MSA 38900 | | | | | | | | | | |
| Inside AA 0005 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 0 | 0 | 1 | 500 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 1 | 90 | 0 | 0 | 0 | 0 | 1 | 90 | 0 | 0 |
| Median Family Income 80-90% | 0 | 0 | 0 | 0 | 1 | 500 | 0 | 0 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 0 | 0 | 0 | 0 | 1 | 390 | 0 | 0 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 0 | 0 | 3 | 1,597 | 0 | 0 | 0 | 0 |
| Median Family Income ≥ 120% | 0 | 0 | 0 | 0 | 2 | 975 | 0 | 0 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 90 | 0 | 0 | 8 | 3,962 | 1 | 90 | 0 | 0 |
| COWLITZ COUNTY (015), WA | | | | | | | | | | |
| MSA 31020 | | | | | | | | | | |
| Inside AA 0008 | | | | | | | | | | |
| Low Income | 0 | 0 | 1 | 240 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 3 | 178 | 1 | 150 | 2 | 677 | 1 | 82 | 0 | 0 |
| Middle Income | 3 | 182 | 0 | 0 | 2 | 800 | 0 | 0 | 0 | 0 |
| Upper Income | 1 | 87 | 0 | 0 | 0 | 0 | 1 | 87 | 0 | 0 |
| Income Not Known | 1 | 30 | 0 | 0 | 0 | 0 | 1 | 30 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 8 | 477 | 2 | 390 | 4 | 1,477 | 3 | 199 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| GRANT COUNTY (025), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 337 | 1 | 337 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 0 | 0 | 1 | 337 | 1 | 337 | 0 | 0 |
| ISLAND COUNTY (029), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 3 | 172 | 5 | 997 | 7 | 3,219 | 7 | 2,610 | 0 | 0 |
| Upper Income | 5 | 199 | 3 | 510 | 1 | 342 | 9 | 1,051 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 8 | 371 | 8 | 1,507 | 8 | 3,561 | 16 | 3,661 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| KING COUNTY (033), WA | | | | | | | | | | |
| MSA 42644 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 1 | 48 | 3 | 578 | 2 | 1,175 | 1 | 275 | 0 | 0 |
| Median Family Income 40-50% | 1 | 75 | 3 | 691 | 2 | 700 | 3 | 841 | 0 | 0 |
| Median Family Income 50-60% | 0 | 0 | 3 | 473 | 1 | 750 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 2 | 82 | 0 | 0 | 3 | 1,996 | 3 | 1,314 | 0 | 0 |
| Median Family Income 70-80% | 2 | 99 | 0 | 0 | 5 | 2,915 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 1 | 50 | 0 | 0 | 7 | 5,366 | 4 | 3,366 | 0 | 0 |
| Median Family Income 90-100% | 6 | 238 | 1 | 250 | 4 | 2,522 | 4 | 1,571 | 0 | 0 |
| Median Family Income 100-110% | 5 | 452 | 2 | 297 | 5 | 4,417 | 2 | 1,667 | 0 | 0 |
| Median Family Income 110-120% | 2 | 131 | 2 | 322 | 3 | 2,158 | 3 | 830 | 0 | 0 |
| Median Family Income ≥ 120% | 16 | 1,089 | 5 | 843 | 18 | 11,070 | 6 | 3,407 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 1 | 200 | 1 | 516 | 2 | 716 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 36 | 2,264 | 20 | 3,654 | 51 | 33,585 | 28 | 13,987 | 0 | 0 |
| KITTITAS COUNTY (037), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Inside AA 0004 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 4 | 246 | 1 | 150 | 1 | 500 | 2 | 130 | 0 | 0 |
| Upper Income | 0 | 0 | 2 | 327 | 0 | 0 | 1 | 127 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 4 | 246 | 3 | 477 | 1 | 500 | 3 | 257 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| LEWIS COUNTY (041), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 1 | 100 | 1 | 120 | 2 | 949 | 4 | 1,169 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 100 | 1 | 120 | 2 | 949 | 4 | 1,169 | 0 | 0 |
| MASON COUNTY (045), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| PIERCE COUNTY (053), WA | | | | | | | | | | |
| MSA 45104 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 3 | 1,899 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 3 | 167 | 1 | 250 | 4 | 2,800 | 0 | 0 | 0 | 0 |
| Median Family Income 60-70% | 5 | 321 | 3 | 577 | 3 | 1,706 | 1 | 656 | 0 | 0 |
| Median Family Income 70-80% | 1 | 15 | 0 | 0 | 5 | 2,750 | 0 | 0 | 0 | 0 |
| Median Family Income 80-90% | 3 | 150 | 2 | 231 | 5 | 1,963 | 1 | 47 | 0 | 0 |
| Median Family Income 90-100% | 2 | 179 | 2 | 306 | 2 | 1,100 | 2 | 950 | 0 | 0 |
| Median Family Income 100-110% | 6 | 380 | 1 | 200 | 0 | 0 | 2 | 80 | 0 | 0 |
| Median Family Income 110-120% | 1 | 70 | 0 | 0 | 2 | 1,670 | 2 | 1,670 | 0 | 0 |
| Median Family Income ≥ 120% | 10 | 646 | 5 | 830 | 20 | 12,200 | 11 | 3,741 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 31 | 1,928 | 14 | 2,394 | 44 | 26,088 | 19 | 7,144 | 0 | 0 |
| SAN JUAN COUNTY (055), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Inside AA 0004 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 3 | 203 | 3 | 440 | 2 | 998 | 4 | 599 | 0 | 0 |
| Upper Income | 2 | 135 | 1 | 250 | 0 | 0 | 1 | 60 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 5 | 338 | 4 | 690 | 2 | 998 | 5 | 659 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|-----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| SKAGIT COUNTY (057), WA | | | | | | | | | | |
| MSA 34580 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 1 | 150 | 0 | 0 | 1 | 150 | 0 | 0 |
| Middle Income | 11 | 459 | 9 | 1,509 | 12 | 6,174 | 9 | 2,107 | 0 | 0 |
| Upper Income | 0 | 0 | 1 | 188 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 11 | 459 | 11 | 1,847 | 12 | 6,174 | 10 | 2,257 | 0 | 0 |
| SNOHOMISH COUNTY (061), WA | | | | | | | | | | |
| MSA 42644 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Median Family Income < 10% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 10-20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 20-30% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 30-40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 40-50% | 0 | 0 | 0 | 0 | 1 | 261 | 0 | 0 | 0 | 0 |
| Median Family Income 50-60% | 1 | 50 | 2 | 357 | 5 | 3,204 | 2 | 716 | 0 | 0 |
| Median Family Income 60-70% | 0 | 0 | 4 | 808 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 70-80% | 2 | 117 | 0 | 0 | 3 | 1,797 | 2 | 966 | 0 | 0 |
| Median Family Income 80-90% | 4 | 214 | 5 | 836 | 7 | 5,695 | 2 | 1,594 | 0 | 0 |
| Median Family Income 90-100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 100-110% | 0 | 0 | 1 | 236 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income 110-120% | 0 | 0 | 2 | 365 | 1 | 800 | 1 | 115 | 0 | 0 |
| Median Family Income ≥ 120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median Family Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 7 | 381 | 14 | 2,602 | 17 | 11,757 | 7 | 3,391 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| THURSTON COUNTY (067), WA | | | | | | | | | | |
| MSA 36500 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 5 | 335 | 6 | 957 | 4 | 2,535 | 4 | 1,738 | 0 | 0 |
| Middle Income | 10 | 618 | 6 | 1,019 | 4 | 2,427 | 9 | 2,126 | 0 | 0 |
| Upper Income | 2 | 100 | 1 | 125 | 1 | 577 | 2 | 627 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 17 | 1,053 | 13 | 2,101 | 9 | 5,539 | 15 | 4,491 | 0 | 0 |
| WAHIAKUM COUNTY (069), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 1 | 240 | 1 | 400 | 2 | 640 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 1 | 240 | 1 | 400 | 2 | 640 | 0 | 0 |
| WHATCOM COUNTY (073), WA | | | | | | | | | | |
| MSA 13380 | | | | | | | | | | |
| Inside AA 0002 | | | | | | | | | | |
| Low Income | 0 | 0 | 1 | 110 | 0 | 0 | 1 | 110 | 0 | 0 |
| Moderate Income | 2 | 71 | 1 | 121 | 4 | 3,286 | 5 | 2,947 | 0 | 0 |
| Middle Income | 9 | 586 | 6 | 1,063 | 7 | 3,612 | 10 | 1,791 | 0 | 0 |
| Upper Income | 1 | 65 | 0 | 0 | 5 | 2,260 | 1 | 300 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 12 | 722 | 8 | 1,294 | 16 | 9,158 | 17 | 5,148 | 0 | 0 |

Loans by County

Small Business Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Businesses with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|--------------------------------|--|------------------|--|------------------|--|------------------|---|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| YAKIMA COUNTY (077), WA | | | | | | | | | | |
| MSA 49420 | | | | | | | | | | |
| Inside AA 0003 | | | | | | | | | | |
| Low Income | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 1 | 40 | 2 | 362 | 3 | 1,172 | 5 | 1,074 | 0 | 0 |
| Middle Income | 3 | 280 | 11 | 1,896 | 3 | 2,436 | 0 | 0 | 0 | 0 |
| Upper Income | 4 | 257 | 6 | 946 | 4 | 2,140 | 8 | 1,965 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 9 | 677 | 19 | 3,204 | 10 | 5,748 | 13 | 3,039 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 150 | 9,106 | 116 | 20,160 | 182 | 108,547 | 137 | 44,323 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 2 | 165 | 2 | 360 | 5 | 2,325 | 8 | 2,211 | 0 | 0 |
| STATE TOTAL | 152 | 9,271 | 118 | 20,520 | 187 | 110,872 | 145 | 46,534 | 0 | 0 |
| TOTAL ACROSS ALL STATES | | | | | | | | | | |
| TOTAL INSIDE AA | 187 | 11,254 | 137 | 24,273 | 223 | 130,744 | 157 | 50,317 | 0 | 0 |
| TOTAL OUTSIDE AA | 21 | 1,299 | 11 | 1,964 | 22 | 11,045 | 24 | 6,202 | 0 | 0 |
| TOTAL INSIDE & OUTSIDE | 208 | 12,553 | 148 | 26,237 | 245 | 141,789 | 181 | 56,519 | 0 | 0 |

2023 Institution Disclosure Statement - Table 2-1

PAGE: 1 OF 2

Loans by County

Small Farm Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Farms with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|--|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| KITTITAS COUNTY (037), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Inside AA 0004 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 1 | 60 | 0 | 0 | 0 | 0 | 1 | 60 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 60 | 0 | 0 | 0 | 0 | 1 | 60 | 0 | 0 |
| LEWIS COUNTY (041), WA | | | | | | | | | | |
| MSA NA | | | | | | | | | | |
| Outside Assessment Area | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 1 | 310 | 1 | 310 | 0 | 0 |
| Upper Income | 0 | 0 | 1 | 200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 0 | 0 | 1 | 200 | 1 | 310 | 1 | 310 | 0 | 0 |
| SKAGIT COUNTY (057), WA | | | | | | | | | | |
| MSA 34580 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 0 | 0 | 1 | 164 | 1 | 325 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 1 | 100 | 1 | 164 | 1 | 325 | 0 | 0 | 0 | 0 |

2023 Institution Disclosure Statement - Table 2-1

PAGE: 2 OF 2

Loans by County

Small Farm Loans - Originations

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

State: WASHINGTON (53)

| Area Income Characteristics | Loan Amount at Origination ≤\$100,000 | | Loan Amount at Origination >\$100,000 But ≤\$250,000 | | Loan Amount at Origination >\$250,000 | | Loans to Farms with Gross Annual Revenues ≤ \$1 Million | | Memo Item: Loans by Affiliates | |
|----------------------------------|--|------------------|--|------------------|--|------------------|--|------------------|--------------------------------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| THURSTON COUNTY (067), WA | | | | | | | | | | |
| MSA 36500 | | | | | | | | | | |
| Inside AA 0001 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 2 | 185 | 0 | 0 | 0 | 0 | 2 | 185 | 0 | 0 |
| Middle Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upper Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 2 | 185 | 0 | 0 | 0 | 0 | 2 | 185 | 0 | 0 |
| YAKIMA COUNTY (077), WA | | | | | | | | | | |
| MSA 49420 | | | | | | | | | | |
| Inside AA 0003 | | | | | | | | | | |
| Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Income | 3 | 145 | 3 | 479 | 0 | 0 | 4 | 371 | 0 | 0 |
| Upper Income | 2 | 178 | 1 | 219 | 4 | 1,402 | 6 | 1,580 | 0 | 0 |
| Income Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tract Not Known | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Total | 5 | 323 | 4 | 698 | 4 | 1,402 | 10 | 1,951 | 0 | 0 |
| TOTAL INSIDE AA IN STATE | 9 | 668 | 5 | 862 | 5 | 1,727 | 13 | 2,196 | 0 | 0 |
| TOTAL OUTSIDE AA IN STATE | 0 | 0 | 1 | 200 | 1 | 310 | 1 | 310 | 0 | 0 |
| STATE TOTAL | 9 | 668 | 6 | 1,062 | 6 | 2,037 | 14 | 2,506 | 0 | 0 |
| TOTAL ACROSS ALL STATES | | | | | | | | | | |
| TOTAL INSIDE AA | 9 | 668 | 5 | 862 | 5 | 1,727 | 13 | 2,196 | 0 | 0 |
| TOTAL OUTSIDE AA | 0 | 0 | 1 | 200 | 1 | 310 | 1 | 310 | 0 | 0 |
| TOTAL INSIDE & OUTSIDE | 9 | 668 | 6 | 1,062 | 6 | 2,037 | 14 | 2,506 | 0 | 0 |

2023 Institution Disclosure Statement - Table 3
Assessment Area/Non-Assessment Area Activity
Small Business Loans
Institution: Heritage Bank

PAGE: 1 OF 1

Respondent ID: 0000029012
Agency: FDIC - 3

| ASSESSMENT AREA LOANS | Originations | | Originations to Businesses with <= \$1 million revenue | | Purchases | |
|--|--------------|---------------|--|---------------|--------------|---------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| WA - ISLAND COUNTY (029) - MSA NA | 24 | 5,439 | 16 | 3,661 | 0 | 0 |
| WA - KING COUNTY (033) - MSA 42644 | 107 | 39,503 | 28 | 13,987 | 0 | 0 |
| WA - MASON COUNTY (045) - MSA NA | 1 | 100 | 0 | 0 | 0 | 0 |
| WA - PIERCE COUNTY (053) - MSA 45104 | 89 | 30,410 | 19 | 7,144 | 0 | 0 |
| WA - SKAGIT COUNTY (057) - MSA 34580 | 34 | 8,480 | 10 | 2,257 | 0 | 0 |
| WA - SNOHOMISH COUNTY (061) - MSA 42644 | 38 | 14,740 | 7 | 3,391 | 0 | 0 |
| WA - THURSTON COUNTY (067) - MSA 36500 | 39 | 8,693 | 15 | 4,491 | 0 | 0 |
| WA - WHATCOM COUNTY (073) - MSA 13380 | 36 | 11,174 | 17 | 5,148 | 0 | 0 |
| WA - YAKIMA COUNTY (077) - MSA 49420 | 38 | 9,629 | 13 | 3,039 | 0 | 0 |
| WA - KITTITAS COUNTY (037) - MSA NA | 8 | 1,223 | 3 | 257 | 0 | 0 |
| WA - SAN JUAN COUNTY (055) - MSA NA | 11 | 2,026 | 5 | 659 | 0 | 0 |
| OR - MULTNOMAH COUNTY (051) - MSA 38900 | 19 | 7,800 | 4 | 1,066 | 0 | 0 |
| OR - WASHINGTON COUNTY (067) - MSA 38900 | 44 | 10,379 | 12 | 3,121 | 0 | 0 |
| WA - CLARK COUNTY (011) - MSA 38900 | 9 | 4,052 | 1 | 90 | 0 | 0 |
| OR - LANE COUNTY (039) - MSA 21660 | 20 | 7,244 | 4 | 1,807 | 0 | 0 |
| ID - ADA COUNTY (001) - MSA 14260 | 1 | 323 | 0 | 0 | 0 | 0 |
| ID - CANYON COUNTY (027) - MSA 14260 | 15 | 2,712 | 0 | 0 | 0 | 0 |
| WA - COWLITZ COUNTY (015) - MSA 31020 | 14 | 2,344 | 3 | 199 | 0 | 0 |

2023 Institution Disclosure Statement - Table 4
Assessment Area/Non-Assessment Area Activity
Small Farm Loans
Institution: Heritage Bank

Respondent ID: 0000029012
Agency: FDIC - 3

| ASSESSMENT AREA LOANS | Originations | | Originations to Farms with <= \$1 million revenue | | Purchases | |
|--|-----------------|------------------|--|------------------|-----------------|------------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| WA - SKAGIT COUNTY (057) - MSA 34580 | 3 | 589 | 0 | 0 | 0 | 0 |
| WA - THURSTON COUNTY (067) - MSA 36500 | 2 | 185 | 2 | 185 | 0 | 0 |
| WA - YAKIMA COUNTY (077) - MSA 49420 | 13 | 2,423 | 10 | 1,951 | 0 | 0 |
| WA - KITTITAS COUNTY (037) - MSA NA | 1 | 60 | 1 | 60 | 0 | 0 |

2023 Institution Disclosure Statement - Table 5
Community Development/Consortium-Third Party Activity
Institution: Heritage Bank

Respondent ID: 0000029012
Agency: FDIC - 3

| Memo Item: Loans by Affiliates | | | | |
|---|--------------|---------------|--------------|---------------|
| | Num of Loans | Amount (000s) | Num of Loans | Amount (000s) |
| Community Development Loans | | | | |
| Originated | 26 | 141,563 | 0 | 0 |
| Purchased | 0 | 0 | 0 | 0 |
| Total | 26 | 141,563 | 0 | 0 |
| Consortium/Third Party Loans (optional) | | | | |
| Originated | 14 | 20,719 | | |
| Purchased | 0 | 0 | | |
| Total | 14 | 20,719 | | |

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

ASSESSMENT AREA - 0001**ISLAND COUNTY (029), WA****MSA: NA****Moderate Income**

9702.00* 9709.00*

Middle Income

9701.00* 9703.00* 9704.01* 9704.02 9705.00 9706.01* 9706.02* 9707.00 9708.00 9711.00*

Upper Income

9710.00 9713.01* 9713.02 9714.00 9715.00 9716.00 9717.00 9718.00* 9719.00* 9720.00 9721.00*

Income Not Known

9922.01*

KING COUNTY (033), WA**MSA: 42644****Median Family Income 30-40%**

0075.03 0091.00* 0092.00* 0290.04* 0295.06* 0300.07* 0305.01

Median Family Income 40-50%

0001.01* 0004.04* 0107.02* 0110.02* 0112.00* 0118.02* 0253.02* 0264.00* 0265.00* 0268.01* 0271.00*

0282.00* 0292.06 0294.07* 0303.13 0303.14 0308.01*

Median Family Income 50-60%

0012.01* 0043.02* 0090.00* 0254.01* 0260.03* 0280.00* 0284.02* 0284.03* 0288.02* 0289.02* 0290.03

0292.08* 0295.04 0295.05* 0296.04* 0297.01* 0297.02* 0300.06* 0300.08* 0302.03* 0305.04 0309.02*

0311.02*

Median Family Income 60-70%

0006.01* 0100.01* 0100.02* 0110.01* 0117.00 0232.02* 0254.02* 0255.00* 0256.01* 0257.03* 0258.03*

0261.02* 0263.00* 0268.02* 0273.00* 0275.00* 0281.00* 0292.03* 0292.05* 0293.09* 0294.08* 0298.03*

0300.03* 0302.01* 0302.04* 0303.04* 0303.05* 0303.08* 0303.12* 0304.07* 0305.03 0306.00 0307.00

0308.02* 0309.01* 0311.01* 0313.02*

Median Family Income 70-80%

0007.00 0094.00* 0104.01* 0108.00* 0111.01* 0114.01 0114.02* 0203.01* 0207.00* 0220.05* 0228.04*

2023 Institution Disclosure Statement - Table 6

PAGE: 2 OF 18

Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0258.04* | 0258.05* | 0258.06* | 0261.01* | 0262.00 | 0267.00* | 0270.00* | 0272.00* | 0274.00* | 0285.00* | 0288.01* |
| 0291.01* | 0291.02* | 0294.03* | 0299.01* | 0300.05* | 0301.01* | 0303.09* | 0303.11* | 0304.06* | 0312.02 | 0312.06* |
| 0312.08* | 0317.08* | 0319.08* | | | | | | | | |

Median Family Income 80-90%

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0002.01* | 0004.03* | 0006.02 | 0012.02* | 0013.00* | 0017.01* | 0052.02 | 0053.06* | 0099.00 | 0101.01* | 0104.02* |
| 0118.01* | 0119.02* | 0213.00* | 0218.04* | 0219.05* | 0232.01* | 0253.03* | 0257.02* | 0257.04* | 0276.00* | 0279.02* |
| 0289.01* | 0290.01 | 0293.04* | 0293.05 | 0294.05* | 0295.07* | 0296.03* | 0298.04* | 0298.05 | 0298.06* | 0304.05* |
| 0312.07* | 0316.04* | 0317.04* | 0319.10* | 0320.05* | 0321.03 | 0327.06* | | | | |

Median Family Income 90-100%

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0002.02* | 0003.00* | 0036.01* | 0047.01 | 0054.02* | 0083.00* | 0103.01* | 0103.02* | 0107.01* | 0113.00* | 0202.00* |
| 0203.02* | 0204.01 | 0210.00* | 0211.00* | 0219.04* | 0226.05* | 0236.04* | 0238.01* | 0251.01 | 0251.03* | 0252.01* |
| 0252.02* | 0260.01* | 0260.04* | 0266.00 | 0277.02* | 0279.01* | 0283.00* | 0287.00* | 0293.06* | 0293.07* | 0293.08* |
| 0294.06* | 0295.08* | 0301.02* | 0303.06* | 0304.03 | 0304.04* | 0312.04* | 0313.01 | 0314.00 | 0315.01* | 0317.09* |
| 0317.10* | 0319.09* | 0319.11* | 0319.12* | 0320.02* | 0320.06* | | | | | |

Median Family Income 100-110%

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0004.02 | 0008.00* | 0011.00* | 0017.02* | 0018.00* | 0036.02* | 0067.03* | 0073.03* | 0085.00* | 0086.00 | 0089.00* |
| 0093.00 | 0115.00* | 0119.01* | 0204.02 | 0205.00* | 0206.00* | 0209.00* | 0217.02 | 0218.02* | 0219.03* | 0219.06* |
| 0220.03* | 0222.04* | 0222.05* | 0244.00* | 0247.01* | 0278.00* | 0286.00* | 0292.07* | 0303.10* | 0315.02* | 0316.01* |
| 0316.03* | 0317.05* | 0319.06* | 0320.08* | 0320.11 | 0322.22* | 0323.19* | 0323.25* | 0326.01* | 0327.03 | 0327.05* |
| 0328.00* | | | | | | | | | | |

Median Family Income 110-120%

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0001.02* | 0010.00* | 0014.00* | 0050.00* | 0058.01* | 0058.04* | 0071.02 | 0073.01* | 0074.03* | 0076.00* | 0077.00 |
| 0079.01* | 0080.03* | 0081.02 | 0098.02* | 0101.02* | 0105.01* | 0105.02* | 0106.01* | 0109.00 | 0116.02* | 0216.00 |
| 0218.03* | 0222.01* | 0227.03* | 0233.00* | 0234.01 | 0236.03* | 0238.06* | 0238.08* | 0243.01 | 0248.00* | 0253.04* |
| 0277.01* | 0310.00* | 0316.05* | 0318.00* | 0319.04* | 0320.07* | 0320.10* | 0323.27* | | | |

Median Family Income >= 120%

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0005.00* | 0009.00* | 0015.00* | 0016.00* | 0019.00 | 0020.00* | 0021.00* | 0022.00* | 0024.00* | 0025.00* | 0026.00* |
| 0027.00* | 0028.00 | 0029.00* | 0030.00* | 0031.00* | 0032.02* | 0033.01* | 0033.02* | 0034.00 | 0035.00* | 0038.00* |
| 0039.00* | 0040.00* | 0041.01* | 0041.02* | 0042.01* | 0042.02* | 0043.01* | 0044.01* | 0045.00* | 0046.00* | 0047.02* |

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0047.03 | 0048.00* | 0049.01* | 0049.02* | 0051.00* | 0054.01* | 0056.00* | 0057.00* | 0058.03 | 0059.01* | 0059.02* |
| 0060.00 | 0061.00 | 0062.00* | 0063.00* | 0064.00 | 0065.00* | 0066.00* | 0067.01* | 0067.02* | 0068.00* | 0069.00* |
| 0070.01* | 0070.02* | 0072.01* | 0072.02 | 0072.03* | 0073.02* | 0074.04* | 0074.06* | 0075.01* | 0078.00 | 0080.02* |
| 0080.04* | 0081.01 | 0082.00 | 0087.00* | 0088.00* | 0095.00* | 0096.00* | 0097.01* | 0097.02* | 0098.01* | 0102.00 |
| 0106.02* | 0111.02* | 0116.01* | 0120.00* | 0121.00* | 0201.00* | 0208.00 | 0214.00* | 0215.00* | 0217.01* | 0220.01 |
| 0220.06* | 0221.01* | 0221.02* | 0222.03* | 0223.00* | 0224.01 | 0224.02* | 0225.01* | 0225.02* | 0226.03* | 0226.04* |
| 0226.06* | 0227.01* | 0227.02* | 0228.02* | 0228.03* | 0228.05* | 0229.01* | 0229.02* | 0230.00* | 0231.00* | 0234.03* |
| 0234.04* | 0235.00* | 0236.01* | 0237.01 | 0237.02* | 0238.05* | 0238.07* | 0239.01* | 0239.02* | 0240.01 | 0240.02* |
| 0241.00* | 0242.00 | 0243.02* | 0245.00* | 0246.01* | 0246.02* | 0247.03* | 0247.04* | 0249.01* | 0249.02* | 0249.04* |
| 0249.05* | 0250.01* | 0250.05* | 0250.06* | 0250.07* | 0250.08* | 0251.04* | 0256.02* | 0296.02 | 0299.02 | 0317.07 |
| 0319.13* | 0320.03* | 0321.02* | 0321.04 | 0322.07* | 0322.11* | 0322.13* | 0322.15* | 0322.16* | 0322.17* | 0322.18* |
| 0322.19* | 0322.20* | 0322.21 | 0322.23* | 0322.24* | 0322.25* | 0323.07* | 0323.11* | 0323.13* | 0323.15* | 0323.16* |
| 0323.17* | 0323.18* | 0323.20* | 0323.21 | 0323.22* | 0323.23* | 0323.24* | 0323.26* | 0323.28* | 0323.30 | 0323.31* |
| 0323.32* | 0323.33* | 0324.01* | 0324.02* | 0325.00* | 0326.03* | 0326.04* | 0326.05* | 0327.04* | | |

Median Family Income Not Known

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0032.01* | 0044.02* | 0052.01* | 0053.03* | 0053.04* | 0053.05* | 0053.07* | 0071.01* | 0074.05* | 0075.02* | 0079.02* |
| 0084.01* | 0084.02 | 9901.00* | | | | | | | | |

MASON COUNTY (045), WA**MSA: NA****Moderate Income**

| | | | | |
|----------|----------|----------|----------|----------|
| 9400.00* | 9602.01* | 9607.00* | 9608.00* | 9609.00* |
|----------|----------|----------|----------|----------|

Middle Income

| | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| 9601.00* | 9602.02* | 9603.02* | 9604.01* | 9604.02* | 9604.03* | 9606.00* | 9611.01* | 9611.02* | 9613.00 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|

Upper Income

| | | | |
|----------|----------|----------|----------|
| 9603.01* | 9605.00* | 9610.00* | 9612.00* |
|----------|----------|----------|----------|

PIERCE COUNTY (053), WA**MSA: 45104****Median Family Income 30-40%**

| | |
|----------|----------|
| 0614.00* | 9400.06* |
|----------|----------|

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

Median Family Income 40-50%

0628.01 0633.02* 0717.04* 0718.06 0718.08* 0720.00* 0729.07* 0729.08*

Median Family Income 50-60%

0613.00* 0634.02* 0716.04 0717.03* 0718.05 0718.07 0729.01* 0729.03

Median Family Income 60-70%0615.01 0619.00* 0625.02* 0626.00 0634.01 0635.02* 0715.03* 0715.04* 0716.03 0717.05* 0717.06*
0718.03 0734.07**Median Family Income 70-80%**0616.01 0616.02 0620.00 0624.00* 0630.00* 0631.00* 0632.00* 0633.01* 0712.12* 0714.09* 0714.16*
0716.01* 0717.07* 0719.01 0721.06* 0730.05* 0734.05* 9400.07***Median Family Income 80-90%**0609.04* 0618.00* 0623.00* 0625.01* 0628.02* 0629.01* 0629.02* 0713.05 0714.03* 0721.08* 0723.11
0726.02* 0726.03* 0731.14* 0731.28 0733.01 9400.12**Median Family Income 90-100%**0610.02* 0612.00* 0617.00* 0635.01 0702.05* 0702.09* 0704.01* 0704.03* 0711.00 0712.11* 0713.04*
0713.09* 0714.08* 0714.11* 0714.12* 0721.12* 0723.07* 0723.12* 0730.01* 0731.11* 0731.18* 0732.00*
0733.02* 9400.02* 9400.05 9400.10**Median Family Income 100-110%**0609.03* 0609.07* 0611.00 0615.02 0703.08* 0704.04* 0712.07* 0713.06* 0714.14* 0714.17* 0715.05*
0715.06* 0723.05 0723.10* 0723.14* 0725.08* 0728.02* 0730.06* 0731.17* 0731.19* 0731.20 0731.21*
0731.24 0731.26* 0731.27* 0731.31* 0731.33* 0734.04**Median Family Income 110-120%**0603.00* 0609.06* 0701.00* 0702.06* 0702.07 0703.10* 0707.03* 0721.05* 0721.07* 0721.09* 0723.09*
0725.07* 0731.22* 0731.29* 0731.30 0734.08 9400.13***Median Family Income >= 120%**0602.00 0604.00* 0605.00* 0606.00* 0607.00* 0608.00* 0609.08* 0610.01 0702.04* 0702.08* 0703.07
0703.09* 0703.11* 0703.12* 0703.13 0703.14 0703.15 0703.16 0712.05 0712.06* 0712.09* 0712.10
0713.07 0713.10 0714.13 0714.15* 0719.02* 0721.11* 0723.13 0723.15* 0724.05 0724.06* 0724.07*
0724.08 0724.09* 0724.10* 0725.03* 0725.04* 0725.06* 0725.09* 0726.01* 0728.01* 0731.10* 0731.15*
0731.16* 0731.23 0731.32 0734.06 0735.01* 0735.02 9400.01* 9400.04 9400.08* 9400.09 9400.11*

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

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Respondent ID: 0000029012

Agency: FDIC - 3

Median Family Income Not Known

0729.09*

SKAGIT COUNTY (057), WA

MSA: 34580

Moderate Income

9511.01* 9511.02* 9514.00* 9515.01 9522.00* 9523.01* 9524.04* 9525.00

Middle Income

9402.01* 9404.02* 9405.00 9406.00 9407.00* 9408.01* 9408.02* 9501.00 9508.02* 9508.03 9509.00*

9510.00* 9513.00* 9515.02* 9515.03* 9516.00 9517.00* 9518.00 9519.00 9521.00* 9523.03* 9524.01

9524.03* 9524.05* 9526.00 9527.00

Upper Income

9403.01* 9403.02* 9404.01* 9404.03* 9508.01* 9512.00 9523.04*

Income Not Known

9901.00*

SNOHOMISH COUNTY (061), WA

MSA: 42644

Median Family Income 30-40%

0418.14* 0419.06*

Median Family Income 40-50%

0402.00* 0407.00* 0418.09* 0419.04* 0419.07* 0529.03

Median Family Income 50-60%

0418.08* 0418.10* 0514.01* 0514.02 0515.00 0518.03* 0522.08* 0529.05 0535.09

Median Family Income 60-70%

0404.00* 0405.00* 0412.02* 0415.00* 0416.06* 0418.13* 0418.15* 0419.01 0501.02* 0513.02* 0517.01*

0524.01 0529.06* 0531.02* 0535.11 0537.00* 0538.02* 0538.03*

Median Family Income 70-80%

0411.00* 0412.01* 0413.03* 0414.00* 0417.01* 0418.05* 0418.12* 0419.05* 0420.06 0510.00* 0513.01*

0516.02* 0517.02* 0519.28* 0519.36* 0522.11* 0525.06* 0528.07* 0529.04* 0531.01* 0532.01* 0533.01

0535.06* 0535.10 9400.02

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

Median Family Income 80-90%

0408.00* 0410.00* 0504.04* 0505.01* 0509.00* 0511.00 0512.00* 0516.01* 0518.04* 0519.29* 0519.30*
0522.04 0522.10* 0524.02 0526.04* 0526.05 0527.09* 0527.10* 0527.11 0528.03 0528.05* 0528.08*
0533.02 0534.00* 0535.05* 0536.04* 0538.01* 9400.01*

Median Family Income 90-100%

0403.00* 0409.00* 0416.05* 0416.09* 0420.04* 0504.02* 0508.00* 0518.02* 0519.21* 0519.35* 0521.04*
0525.04* 0525.05* 0526.06* 0526.07* 0527.01* 0527.06* 0527.07* 0527.08* 0528.09* 0528.10* 0535.08*
0536.05* 0536.06*

Median Family Income 100-110%

0401.00* 0416.01* 0417.03* 0417.04* 0418.16* 0420.01 0501.01* 0502.00* 0505.02* 0507.00* 0519.14*
0519.34* 0519.38* 0521.21* 0521.22* 0522.07* 0523.01* 0525.02* 0532.02* 0535.07* 0536.03*

Median Family Income 110-120%

0413.01 0416.10* 0504.03* 0519.12 0519.13* 0519.17* 0519.27* 0519.33 0520.06* 0520.07* 0520.10*
0521.05* 0521.20* 0522.03* 0523.02* 0526.03*

Median Family Income >= 120%

0413.04* 0416.07* 0420.03* 0420.05* 0503.00* 0506.00* 0519.16* 0519.18* 0519.22* 0519.26* 0519.31*
0519.32* 0519.37* 0520.04* 0520.05* 0520.08* 0520.09* 0521.07* 0521.08* 0521.12* 0521.13* 0521.14*
0521.19* 0522.06*

Median Family Income Not Known

9900.02* 9901.00*

THURSTON COUNTY (067), WA**MSA: 36500****Moderate Income**

0103.00 0105.10* 0105.20 0108.01 0112.00 0113.00* 0114.10 0116.25* 0118.21 0122.23 0123.30
0124.22* 0126.20 0127.20*

Middle Income

0101.00 0102.00* 0106.00 0107.00* 0108.02* 0109.10 0109.20 0110.00 0111.00* 0114.21* 0114.22*
0115.00* 0116.22* 0116.23* 0116.24* 0116.26 0116.27* 0116.28 0117.20* 0117.21* 0117.22* 0118.22*
0119.01 0120.01 0122.11* 0122.21* 0122.24* 0122.25 0122.26 0123.20* 0123.31* 0123.32* 0124.12*

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

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Respondent ID: 0000029012

Agency: FDIC - 3

0124.20* 0124.21* 0125.10* 0125.30* 0125.32* 0127.10* 0127.30*

Upper Income

0104.00 0118.10* 0119.02* 0120.02* 0121.00* 0125.31* 0126.10

Income Not Known

9901.00*

ASSESSMENT AREA - 0002

WHATCOM COUNTY (073), WA

MSA: 13380

Low Income

0006.00

Moderate Income

0002.03 0003.02* 0007.00 0009.03 0010.00* 0012.03 0101.02* 0101.03* 0104.11* 0105.04* 9400.01*

9400.02*

Middle Income

0001.01* 0001.02 0002.02* 0003.01 0004.01* 0005.01 0005.02* 0008.03 0008.04 0008.05* 0008.09*

0101.01 0102.01 0102.02* 0103.01 0103.02* 0103.03* 0104.05* 0104.06* 0104.08* 0104.09 0104.10*

0105.03* 0105.05 0105.06* 0107.02*

Upper Income

0004.02 0008.07 0008.08* 0009.02* 0009.04* 0011.01 0011.02* 0012.02 0012.04* 0104.07* 0106.00*

0107.01* 0109.00* 0110.00*

Income Not Known

0002.01*

ASSESSMENT AREA - 0003

YAKIMA COUNTY (077), WA

MSA: 49420

Low Income

0001.00

Moderate Income

0002.00 0003.01* 0006.00* 0007.00 0012.01* 0015.02 0015.03* 0015.04* 0019.02* 0020.03* 0020.05*

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

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Respondent ID: 0000029012

Agency: FDIC - 3

0021.03* 0027.01* 9400.07* 9400.08*

Middle Income

0003.02* 0005.00 0009.02* 0009.03 0012.02* 0013.00 0014.00 0016.01* 0017.01* 0018.01* 0018.02*

0019.01* 0020.04* 0020.06* 0021.04* 0028.04* 0029.00 9400.01 9400.02 9400.03 9400.05 9400.06*

Upper Income

0004.01* 0004.02 0008.00 0009.04* 0010.00 0011.00* 0016.02 0017.02 0021.01* 0022.01 0022.02

0028.01 0028.03* 0030.02 0030.03* 0030.04* 0031.00* 0032.00 0034.00

ASSESSMENT AREA - 0004

KITTITAS COUNTY (037), WA

MSA: NA

Moderate Income

9751.03*

Middle Income

9754.02* 9755.00* 9756.00 9757.00

Upper Income

9751.01* 9751.04* 9752.01* 9752.02 9752.03 9753.00* 9754.03* 9754.04*

Income Not Known

9751.02*

SAN JUAN COUNTY (055), WA

MSA: NA

Middle Income

9601.01* 9601.03* 9604.00 9605.01* 9605.02

Upper Income

9601.02* 9603.01 9603.02

Income Not Known

9901.00*

ASSESSMENT AREA - 0005

MULTNOMAH COUNTY (051), OR

MSA: 38900

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

Median Family Income 30-40%

0041.04* 0049.02* 0082.04* 0090.02*

Median Family Income 40-50%

0097.04* 0098.01* 0100.01 0104.08* 0104.10*

Median Family Income 50-60%

0040.03* 0074.00* 0081.00 0082.03* 0083.01* 0084.00* 0090.01* 0091.01* 0092.02* 0092.03* 0093.01*

0096.04* 0096.06* 0097.01* 0097.03* 0098.03* 0104.11*

Median Family Income 60-70%0006.01* 0033.01* 0056.02* 0076.00* 0083.02* 0086.00* 0088.00* 0089.04* 0096.03* 0096.05* 0103.04*
0104.05***Median Family Income 70-80%**

0006.02* 0012.04* 0016.02* 0017.03* 0020.01* 0021.02* 0077.00* 0079.00* 0080.01* 0085.00* 0092.04*

0093.02* 0094.00* 0095.01* 0095.02* 0098.04* 0101.01*

Median Family Income 80-90%

0005.02* 0007.02* 0017.04* 0027.02* 0029.03* 0033.02* 0034.01 0037.01* 0041.02* 0041.03* 0048.00*

0073.00 0075.00* 0087.00* 0089.02* 0099.04* 0099.05* 0100.02* 0103.03*

Median Family Income 90-100%

0004.01* 0004.02* 0008.02* 0009.02* 0012.03* 0017.02* 0018.02* 0020.02* 0029.02* 0035.01* 0036.01*

0036.03* 0039.03* 0039.04* 0071.00* 0078.00* 0080.02* 0082.01* 0091.02* 0099.07* 0102.00* 0103.05*

0103.06* 0104.07* 0104.13*

Median Family Income 100-110%

0003.01* 0005.01* 0007.01* 0010.00 0011.01* 0023.03 0025.02* 0029.01* 0051.03* 0052.02 0055.00*

0057.02 0064.03* 0067.02* 0072.02 0101.02* 0105.00*

Median Family Income 110-120%

0002.02* 0016.01* 0022.03* 0035.02* 0038.01* 0038.03* 0039.02* 0040.02* 0042.00* 0056.01* 0066.02*

0072.01* 0089.03* 0099.03* 0104.02* 0104.12*

Median Family Income >= 120%

0001.01* 0001.02* 0002.01* 0003.02* 0008.01* 0009.01* 0011.02* 0012.02* 0013.01* 0013.02* 0014.00*

0015.00* 0018.01* 0019.00* 0021.01* 0024.01* 0024.02* 0025.01* 0026.00* 0027.01* 0028.01* 0028.02*

0030.00* 0031.00* 0032.00* 0034.02* 0036.02* 0037.02* 0038.02* 0043.00* 0045.00* 0046.01* 0046.02*

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

0047.00* 0049.01 0050.01* 0050.02 0051.01* 0051.02* 0052.01* 0057.01 0058.00* 0059.01* 0059.02*
0059.03* 0060.01* 0060.02* 0061.00* 0062.00* 0063.00* 0064.02* 0064.04* 0065.01* 0065.02* 0066.01*
0067.01* 0068.01 0068.02* 0069.00* 0070.01* 0070.02* 0099.06* 0106.02

Median Family Income Not Known

0106.01 9800.00*

WASHINGTON COUNTY (067), OR**MSA: 38900****Median Family Income 40-50%**

0324.09*

Median Family Income 50-60%

0320.03 0320.05* 0325.01 0332.01*

Median Family Income 60-70%

0307.00 0309.00 0310.05* 0310.11* 0311.00* 0312.01* 0316.26* 0317.03* 0317.05* 0317.08* 0329.03*
0329.04*

Median Family Income 70-80%

0312.02* 0314.02* 0316.06* 0316.12* 0316.15* 0316.17* 0317.06* 0319.14* 0326.06 0332.02*

Median Family Income 80-90%

0301.05* 0313.01* 0316.16* 0316.19* 0316.20* 0316.25* 0319.13* 0324.04* 0324.10* 0324.12* 0329.01
0333.01*

Median Family Income 90-100%

0304.01* 0308.01* 0308.03 0310.12* 0313.02 0314.03* 0315.04* 0316.22* 0316.23* 0316.24* 0317.07*
0318.06* 0318.16* 0318.18* 0326.04 0331.01* 0331.02*

Median Family Income 100-110%

0308.05* 0310.08* 0314.04* 0319.11* 0320.01 0320.04* 0321.10 0324.07* 0324.11* 0324.13* 0325.02*
0325.03 0326.10* 0330.00 0334.00*

Median Family Income 110-120%

0301.03* 0305.01 0306.00* 0315.06* 0315.17* 0316.14* 0316.18* 0318.07* 0318.19* 0321.12* 0323.01*
0323.02* 0326.03* 0335.00* 0336.00*

Median Family Income >= 120%

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

0301.04 0301.06* 0302.00* 0303.00* 0304.02* 0305.02* 0308.06 0310.07* 0310.09* 0310.10* 0315.07*
0315.09* 0315.11 0315.14 0315.15* 0315.16 0315.18* 0315.19* 0315.20* 0316.21 0318.04 0318.13
0318.14* 0318.17* 0318.20* 0318.21* 0319.04* 0319.09* 0319.12* 0319.15* 0319.16* 0319.17* 0319.18*
0321.04 0321.07 0321.08* 0321.09* 0321.11* 0322.01 0322.02* 0324.14* 0326.08* 0326.09* 0326.11*
0326.12* 0327.00 0328.00* 0333.02*

CLARK COUNTY (011), WA**MSA: 38900****Median Family Income 40-50%**

0411.11*

Median Family Income 50-60%

0407.06* 0410.05* 0410.10* 0411.13* 0413.23 0416.00* 0417.00* 0427.00*

Median Family Income 60-70%

0405.07* 0407.14* 0409.04* 0411.04* 0411.14* 0412.06* 0412.07* 0413.13* 0413.20* 0413.22* 0413.36*
0418.00* 0425.00* 0426.02*

Median Family Income 70-80%

0407.03* 0408.08* 0408.09* 0410.07* 0410.09* 0410.11 0412.03* 0412.05* 0413.12* 0413.17* 0413.31*
0413.37* 0415.00* 0426.01*

Median Family Income 80-90%

0401.02 0404.07* 0404.11* 0404.13* 0404.15* 0407.07* 0407.11* 0411.12* 0413.26* 0413.30* 0413.33*
0423.00* 0430.00*

Median Family Income 90-100%

0401.01* 0402.02* 0403.05* 0404.14* 0405.09* 0406.04* 0407.12* 0410.03* 0411.05* 0411.10* 0413.09*
0413.10* 0413.21* 0421.00* 0429.00*

Median Family Income 100-110%

0402.03* 0404.03* 0404.16* 0405.04* 0407.09* 0407.15* 0408.03* 0408.06* 0412.08* 0413.19* 0413.28
0413.29* 0414.00* 0419.00* 0420.00* 0431.00*

Median Family Income 110-120%

0403.03* 0404.08 0404.09* 0405.12* 0405.13* 0408.11* 0408.12 0409.05* 0409.09* 0410.08* 0411.07*
0413.25* 0413.32* 0413.34* 0413.35*

Median Family Income >= 120%

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

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Respondent ID: 0000029012

Agency: FDIC - 3

0402.01* 0403.01* 0403.04* 0404.12* 0405.05* 0405.10* 0405.11* 0406.03* 0406.05* 0406.08* 0406.09*
0406.10* 0407.13* 0408.10* 0409.07* 0409.08* 0409.10 0428.00*

Median Family Income Not Known

0424.00*

ASSESSMENT AREA - 0006

LANE COUNTY (039), OR

MSA: 21660

Moderate Income

0005.00* 0007.05* 0009.03 0012.02* 0013.01* 0015.00* 0019.02* 0021.03* 0021.04* 0025.04* 0026.00*
0031.04* 0032.01* 0033.01* 0033.02* 0034.00* 0039.00* 0040.00* 0042.00 0044.03* 0044.07 0048.00*
0051.00*

Middle Income

0001.00* 0003.00 0004.02* 0004.03* 0004.04* 0007.02* 0007.06* 0007.07* 0007.08* 0009.02* 0009.04*
0010.01* 0010.02* 0011.01* 0011.02* 0012.01* 0013.02 0014.00* 0016.00* 0018.01* 0018.03 0019.03*
0019.04* 0020.02* 0021.01* 0023.01* 0023.02* 0024.03 0024.04* 0025.01* 0025.05* 0027.00* 0028.00*
0029.02* 0030.00* 0032.02* 0035.00* 0037.00* 0041.00* 0043.00 0044.04 0044.06* 0045.01* 0046.00*

Upper Income

0002.00* 0008.00* 0017.00* 0018.04* 0020.01* 0022.01* 0022.03* 0022.04* 0024.01* 0025.06* 0029.03*
0029.04 0031.01* 0031.03* 0036.00* 0038.02* 0044.05* 0047.00* 0049.00* 0050.00* 0052.00* 0053.00*
0054.00*

Income Not Known

0038.01* 0045.02* 9900.00*

ASSESSMENT AREA - 0007

ADA COUNTY (001), ID

MSA: 14260

Low Income

0009.02* 0020.00*

Moderate Income

0004.01* 0008.07* 0010.03* 0011.00* 0012.04* 0014.01* 0014.02* 0017.01* 0017.02* 0023.17* 0023.19*

2023 Institution Disclosure Statement - Table 6

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Assessment Area(s) by Tract**Respondent ID: 0000029012***** denotes no loans made in specified tracts****Agency: FDIC - 3****Institution: Heritage Bank**

0103.51* 0103.67* 0103.68* 0104.05*

Middle Income

0001.01* 0003.02* 0003.03* 0003.05* 0005.01* 0008.06* 0008.10* 0009.01* 0012.01* 0012.03* 0015.00*
0016.00* 0018.00* 0019.00* 0021.00* 0022.25* 0022.26* 0022.28* 0022.29* 0022.31* 0023.13* 0023.14*
0023.15* 0023.16* 0023.18* 0024.12* 0024.14* 0024.15* 0024.16* 0024.17* 0024.18* 0024.19* 0102.26*
0102.27* 0102.28* 0102.29* 0102.34* 0102.35* 0102.36* 0102.37* 0103.38* 0103.40* 0103.45* 0103.46*
0103.47* 0103.48* 0103.50* 0103.52* 0103.54* 0103.61* 0103.64* 0103.65* 0103.66* 0103.71* 0104.04*
0104.06 0104.07* 0104.09* 0104.10* 0104.11*

Upper Income

0001.02* 0002.01* 0002.02* 0003.06* 0004.02* 0005.02* 0006.01* 0006.02* 0007.01* 0007.03* 0007.04*
0008.03* 0008.05* 0008.08* 0008.09* 0010.01* 0022.23* 0022.27* 0022.30* 0101.01* 0101.02* 0102.24*
0102.30* 0102.31* 0102.32* 0102.33* 0103.36* 0103.37* 0103.39* 0103.41* 0103.42* 0103.43* 0103.44*
0103.49* 0103.53* 0103.55* 0103.56* 0103.57* 0103.58* 0103.59* 0103.60* 0103.62* 0103.63* 0103.69*
0103.70* 0104.03* 0104.08* 0105.01* 0105.03* 0105.05* 0105.06*

Income Not Known

0010.02*

BOISE COUNTY (015), ID**MSA: 14260****Moderate Income**

9502.02* 9502.03*

Upper Income

9502.01*

CANYON COUNTY (027), ID**MSA: 14260****Low Income**

0204.05* 0205.06*

Moderate Income

0201.00* 0202.00* 0203.00* 0204.04* 0205.01* 0205.05* 0210.07* 0211.01 0211.03* 0212.02* 0213.00
0215.00* 0216.00* 0217.01* 0217.02* 0219.01* 0219.04* 0221.00*

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

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Respondent ID: 0000029012

Agency: FDIC - 3

Middle Income

0204.03* 0204.06* 0205.03* 0206.01* 0206.03* 0206.04* 0207.00* 0209.03* 0209.04* 0209.05* 0209.06*
0209.08* 0209.09* 0209.10* 0210.03* 0210.04* 0210.05* 0210.06* 0210.08* 0211.02* 0211.04* 0211.05*
0212.01* 0218.01* 0218.02* 0219.05* 0222.00* 0223.01*

Upper Income

0209.07* 0219.06* 0219.07* 0223.02* 0223.03* 0224.00*

GEM COUNTY (045), ID

MSA: 14260

Moderate Income

9602.00* 9603.02*

Middle Income

9601.00* 9603.01*

ASSESSMENT AREA - 0008

COWLITZ COUNTY (015), WA

MSA: 31020

Low Income

0005.02* 9800.00

Moderate Income

0004.00* 0006.01* 0007.05* 0011.00 0013.00*

Middle Income

0005.01* 0006.02 0007.02* 0007.03* 0007.06* 0008.02* 0012.00* 0015.01* 0015.04* 0017.00* 0018.00*
0020.01* 0020.03* 0021.00

Upper Income

0008.01* 0009.01* 0009.02* 0015.03* 0016.01* 0016.02 0019.00* 0020.04*

Income Not Known

0010.00

OUTSIDE ASSESSMENT AREA

JUNEAU CITY AND BOROUGH (110), AK

MSA: NA

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

Middle Income

0004.00

MARICOPA COUNTY (013), AZ

MSA: 38060

Median Family Income 100-110%

0405.16

Median Family Income >= 120%

2168.29 2168.43

SAN DIEGO COUNTY (073), CA

MSA: 41740

Median Family Income >= 120%

0170.61

SANTA CLARA COUNTY (085), CA

MSA: 41940

Median Family Income >= 120%

5024.00

MAUI COUNTY (009), HI

MSA: 27980

Middle Income

0304.03

JEROME COUNTY (053), ID

MSA: 46300

Middle Income

9704.00

Upper Income

9705.02

KOOTENAI COUNTY (055), ID

MSA: 17660

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

Middle Income

0004.02

GALLATIN COUNTY (031), MT

MSA: NA

Upper Income

0011.02

CLACKAMAS COUNTY (005), OR

MSA: 38900

Moderate Income

0229.07

Middle Income

0221.05 0221.08 0221.09 0223.01 0226.06

Upper Income

0203.04 0204.01 0204.04

COLUMBIA COUNTY (009), OR

MSA: 38900

Middle Income

9703.00 9706.00 9708.00

DESCHUTES COUNTY (017), OR

MSA: 13460

Middle Income

0008.00

Upper Income

0013.01

JACKSON COUNTY (029), OR

MSA: 32780

Upper Income

0020.00

MARION COUNTY (047), OR

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

*** denotes no loans made in specified tracts**

Institution: Heritage Bank

Respondent ID: 0000029012

Agency: FDIC - 3

MSA: 41420

Middle Income

0011.00 0012.00

UNION COUNTY (061), OR

MSA: NA

Middle Income

9708.00

YAMHILL COUNTY (071), OR

MSA: 38900

Moderate Income

0302.02

Middle Income

0305.01

BENTON COUNTY (005), WA

MSA: 28420

Upper Income

0108.14

CHELAN COUNTY (007), WA

MSA: 48300

Moderate Income

9610.02

GRANT COUNTY (025), WA

MSA: NA

Middle Income

0110.01

LEWIS COUNTY (041), WA

MSA: NA

Middle Income

2023 Institution Disclosure Statement - Table 6

Assessment Area(s) by Tract

* denotes no loans made in specified tracts

Institution: Heritage Bank

9710.00 9717.00 9718.00

Upper Income

9711.00

WAHAKIAKUM COUNTY (069), WA

MSA: NA

Middle Income

9501.00

Respondent ID: 0000029012

Agency: FDIC - 3

2023 Institution Disclosure Statement - Table E-1

Error Status Information

Respondent ID: 0000029012

Institution: Heritage Bank

Agency: FDIC - 3

| Record Identifier: ¹¹ | Total Composite Records on File | Total Composite Records Without Errors | Total Validity ¹⁰ Errors | Percentage of Validity Errors |
|---|------------------------------------|--|--|----------------------------------|
| Transmittal Sheet | 1 | 1 | 0 | 0.00% |
| Small Business Loans | 346 | 346 | 0 | 0.00% |
| Small Farm Loans | 14 | 14 | 0 | 0.00% |
| Community Development Loans | 1 | 1 | 0 | 0.00% |
| Consortium/Third Party Loans (Optional) | 1 | 1 | 0 | 0.00% |
| Assessment Area | 20 | 20 | 0 | 0.00% |
| Total | 383 | 383 | 0 | 0.00% |

Footnote:

10. A validity edit helps to verify the accuracy of the data reported. An institution's CRA submission that passes all validity edits does not ensure 100% accurate data. True accuracy is determined during the examination process.

11. A record represents one row of data reported to the Federal Reserve Board. This does not in any way represent the number of loans originated or purchased by the institution.



Heritage
BANK

HOME MORTGAGE DISCLOSURE ACT NOTICE

Home Mortgage Disclosure Act Notice **The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.**



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