



January 16, 2018

Dear Customer,

We are pleased to announce the completion of the merger of Puget Sound Bank and Heritage Bank effective January 16, 2018. You will continue to see the Puget Sound Bank name on statements and other documents until we convert to a single financial-operating system in May 2018. At that time, your Puget Sound Bank accounts will become Heritage Bank accounts. Until the system conversion in May, there are two important points for you to know:

1. You will see minimal changes at Puget Sound Bank, so please continue to do your banking as usual. Your relationship managers and credit analysts as well as the cash management and customer service teams are still available to assist you. The credit approval process will be handled by the same credit administration team.
2. Once the system conversion is complete, you will have access to all 59 Heritage Bank branches in Washington and Oregon as well as access to all of Heritage Bank's products and services. As we work towards integrating the two banks over the next four months, we will keep you updated on any changes that may occur as a result of the conversion.

This merger is an excellent opportunity to combine two well-respected banks that share a deep commitment to our customers and local communities. While we are excited and optimistic, we also understand the merger will bring some change, particularly for Puget Sound Bank customers. Please know you can count on the same banking and business values you've grown to trust over the years. In addition, you can expect to work with the same team of experienced bankers who will continue to operate out of the current downtown Bellevue location.

We appreciate your loyalty and your business. If you have any questions, please contact your existing Relationship Manager or the Heritage Bank customer service center at 800.455.6126.

Sincerely,

James R. Mitchell
CEO
Puget Sound Bank

Brian L. Vance
CEO
Heritage Bank