



The merger between Heritage Bank and Puget Sound Bank on January 16, 2018 provides an excellent opportunity to combine two strong and well-respected banks that share a deep commitment to our customers and local communities.

When the system conversion is completed on May 5, 2018, customers of both banks will have the added convenience of being able to use all of Heritage Bank’s 59 branch locations and ATMs from Portland, Oregon to Bellingham, Washington.

## Continue to bank as usual

There will be no interruption in access to your accounts or services at this time. You can continue to use your debit and credit cards, checks, online banking, and all other services. Please also continue to make loan payments as you always have.

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## General Questions

### Will there be any change to the Puget Sound Bank branch?

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 will still be available to assist you. The credit approval process will also remain local and with your current bankers.

### What kind of changes can I expect in the next few months?

We’ll be working to integrate the Puget Sound Bank system to the Heritage Bank system which is scheduled to be complete on May 5, 2018. At that time, Puget Sound Bank accounts will become Heritage Bank accounts. You will continue to receive important information regarding the conversion of your accounts, products, and services to those offered by Heritage Bank.

### Can I visit a Heritage Bank branch to conduct my daily banking?

Yes. Puget Sound Bank customers can visit any Heritage Bank branch to make deposits, loan payments, or cash checks.

### Can I visit a Heritage Bank branch to open a new account?

Until the system conversion on May 5, 2018, Puget Sound Bank products and services will be separate from those offered at Heritage Bank.

## Frequently Asked Questions

Puget Sound Bank



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You can choose to open an account at Heritage Bank, but please note that those accounts will reside on separate systems from your current accounts at Puget Sound Bank. You'll receive separate statements, a separate online banking login, and a separate ATM, debit, or credit card.

You can continue to open accounts at Puget Sound Bank but, beginning on May 5, 2018, all accounts will be migrated to Heritage Bank systems and all products and services will be converted to those offered by Heritage Bank. You will receive information regarding the conversion prior to any changes to your accounts or services.

### Can I use any Heritage Bank ATM without paying a fee?

Yes. Puget Sound Bank customers can use any Heritage Bank or MoneyPass<sup>®</sup> ATM free of charge. The MoneyPass<sup>®</sup> network offers customers access to more than 24,000 surcharge-free ATMs nationwide.

### Can I still visit the Puget Sound Bank website?

Yes. You can continue to use the Puget Sound Bank website at [PugetSoundBank.com](http://PugetSoundBank.com) to access account information as well as login to your online banking.

## Account Information

### Will my account numbers change?

If account numbers are affected, you will be notified prior to conversion in May 2018. At this time, we do not anticipate a change to account numbers.

### Can I continue to use my credit card?

You can continue to use your Puget Sound Bank credit card and should continue to make payments as usual.

### Can I continue to write checks, use my ATM or debit card, and access online banking or Bill Pay?

Yes. There will be no changes to how you access funds or pay bills until the system conversion. You will continue using your current supply of checks, access online banking and Bill Pay through the Puget Sound Bank website, and use your existing ATM or debit card.

### What if a merchant will not honor a check?

If you have a problem with a merchant refusing to accept a check, you should contact the Puget Sound Bank branch. Your banker can call the merchant to clear up any confusion about the validity of checks.

### Will direct deposits, automatic payments, savings-linked overdraft protection, and other automatic services continue?

Yes. All existing direct deposits, including Social Security deposits and other automatic payments, will continue without interruption.

Effective with the conversion on May 5, 2018, any newly established direct deposits, ACH, or other electronic transactions should include the routing (ABA) number 325170835 for Heritage Bank.



### Will the rates on my deposit account change?

Deposit rates and variable CD/IRA rates are subject to change at any time. Please check with your branch for current rate information. Fixed rate CD/IRA rates will remain the same until maturity as they are contractually agreed to in the deposit agreement.

### Will my Certificate of Deposit (CD) or IRA be affected?

The term, rate and the maturity date on your CD or IRA will remain the same until maturity. We will notify you in writing prior to any changes regarding the terms of your CD or IRA at maturity.

### I have accounts at both Puget Sound Bank and Heritage Bank. How does this affect the FDIC insurance coverage?

If you have deposits at both banks, they will be separately insured for at least six months after the merger. This six-month grace period gives you the opportunity to restructure accounts, if necessary.

Certificates of Deposits (CDs) are separately insured until the earliest maturity date after the end of the six-month grace period. CDs that mature during the six-month period and are renewed for the same term and in the same dollar amount (either with or without accrued interest) continue to be separately insured until the first maturity date after the six-month period. If a CD matures during the six-month grace period and is renewed on any other basis, it would be separately insured only until the end of the six-month grace period.

For the FDIC's Electronic Deposit Insurance Estimator, visit [www.fdic.gov/edie](http://www.fdic.gov/edie).

## Loan Information

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### I currently have a loan. Are the terms on my loan changing?

No. The terms of your loan will not change because they are contractually agreed to in a promissory note.

### How do I make my loan payments?

You will continue to make payments as usual. Checks should be made payable as usual and sent to the same address until further notice.

### I have a loan in process. How do I proceed?

Please contact the banker you have been working with directly.

## Online Banking Services

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### How do I access online banking and Bill Pay?

You can continue to access your accounts online through [PugetSoundBank.com](http://PugetSoundBank.com). You will not be able to access your online banking or Bill Pay accounts through [HeritageBankNW.com](http://HeritageBankNW.com) until after the system conversion is completed on May 5, 2018. We will notify you in advance of any changes to your online services and accounts.

### Has my user ID or password changed?

Your user IDs and passwords for your Puget Sound Bank accounts will remain the same at this time.



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## Business and Cash Management Services

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### What is changing with my business and cash management services at this time?

There are no immediate changes to your current business and cash management services. You'll receive details surrounding the conversion of your services to those offered by Heritage Bank over the course of the coming months.

### How can I find out what treasury management services are offered at Heritage Bank?

For questions and information about Heritage Bank's treasury management services, please contact your relationship manager or Heritage Bank's Commercial Account Services at 1-877-898-5757.

### When can I start using the services offered by Heritage Bank's treasury management?

Services offered by Heritage Bank will be available to Puget Sound Bank customers after the system conversion on May 5, 2018. If you have questions or would like more information about those services, please contact your relationship manager or Heritage Bank's Commercial Account Services at 1-877-898-5757.

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## Merchant Card Services

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### Will my merchant card services change?

There are no changes to your current merchant solutions. You should continue to use your merchant products as usual.

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## About Heritage Bank

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### Who is Heritage Bank?

Heritage Bank, a subsidiary of Heritage Financial Corporation (NASDAQ: HFWA), serves the Pacific Northwest with branches from Portland, Oregon to Bellingham, Washington as well as in the Yakima Valley where we operate under the name of Central Valley Bank and on Whidbey Island where we operate under the name of Whidbey Island Bank, both divisions of Heritage Bank. As a full-service community bank, we offer a complete array of business and personal banking tools designed with our customers and their financial goals in mind. With 90 years of strength, service, and community focus, we know the importance of a lasting commitment.

Heritage Bank has worked effectively to build a company with strong liquidity, capital, and credit quality. We are a true community bank, seeking deposits from our communities and making loans to customers who have local ties to our markets.

A full list of Heritage Bank's products, services, and locations is available online at [HeritageBankNW.com](http://HeritageBankNW.com).

### What sets Heritage Bank apart from the rest?

Heritage Bank has been creating financial solutions for the needs of our neighbors since 1927. Building relationships is essential to our growth as a community bank. So every day, we look for ways to pleasantly surprise customers by meeting their needs in ways they may not expect. We might introduce them to an account that's a better fit, a service that makes life easier, or we may simply remember them by name. We do whatever it takes to provide a level of satisfaction our customers may not have known

## Frequently Asked Questions

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they could get from a bank. At Heritage Bank, our mission is to continuously improve; it's our commitment to exceeding expectations.

We also focus on the importance of giving back to the communities we serve. By bridging the needs of our communities with Heritage resources, we improve the quality of life for our customers, partners, and local citizens.

### Where can I find more resources on the strategic merger?

For complete details on the merger, visit the [Puget Sound Bank merger page](#) on our website.

### Who can I contact for more information?

You can visit your local branch, call our toll-free number at 888-877-2226, or visit us online at [PugetSoundBank.com](http://PugetSoundBank.com).