

Important Analysis Account Information

On January 16, 2018, Puget Sound Bank merged with Heritage Bank, a subsidiary of Heritage Financial Corporation. The conversion of the two systems is scheduled for May 5, 2018, at which time your Puget Sound Bank accounts will convert to Heritage Bank accounts. To ensure a smooth transition, we wanted to provide you the following details regarding your Business Analysis Account and Statement.

The following is a summary of changes associated with your Business Analysis accounts.

Effective May 2018

Analysis Charge Posting Date	By the 15th of the month following the analysis period
Analysis Statement Delivery Date	Mailed or provided online within two business days after Charge Posting Date
Analysis Statement Layout	See enclosed
Deposit and Account Statement Delivery Date	No change

If you currently receive your Account Analysis statement in the mail, you will continue to receive your mailed statement. All statements will be available online making access to your statements fast, easy and convenient.

Again, welcome to Heritage Bank. We appreciate your business. If you have any questions about your account, please contact your Relationship Manager or Treasury Management at 877.898.5757.

Have my monthly fees changed?

No, your monthly fees will remain the same. The enhancements are simply to the statement layout and will make it easier for you to review and reconcile your monthly statement.

Why do some of my fees look different than they have in the past?

Many service line item descriptions have been updated to make it easier to understand the services you are using.

How do I receive my Account Analysis statement electronically?

If you'd like to switch to online statements, you have three options:

1. If you're already enrolled in online banking, log in to your business account after conversion at HeritageBankNW.com. Under the Account Activities & Reporting tab, click the link for Online Statements & Notices.
2. If you're not already enrolled in online banking, you can enroll after conversion and elect to receive your statement electronically following the steps above.
3. If you're not an online banking user, visit HeritageBankNW.com and select Online Statements from the drop-down box under "Sign In."

What should I do if I see services listed that I am no longer using?

If you notice services that your organization is no longer using, please contact your Relationship Manager or Treasury Management at 877.898.5757.



Heritage
BANK

HOW TO READ YOUR ACCOUNT ANALYSIS STATEMENT

A Account Information

Account number or service charge account. This section also includes contact information for the bank.

Note: the "F" denotes grouped analysis accounts known as a "Family."

B Account Analysis Statement

Analysis period of statement.

C Analysis Relationship Summary

Accounts included in relationship, their respective balances, earnings credit and charges, if applicable.

D Balance Information

Lists the Average Ledger Balance, Average Collected Balance and Balance Available to Support Services, which is used in the earnings credit calculation (see Calculations and Definitions).

E Compensation Information (Earnings Credit Summary)

Summary of earnings credit, analyzed charges and charged amount or deficit.

F Service Details

Shows product and service detail, volume, price of service and balance required to offset.



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1266 Bouslog Rd | Burlington, WA 98233

BUSINESS CUSTOMER
ADDRESS
CITY STATE ZIP

A Statement Date: 01/31/18
Account: F XXX01
Contact: Customer Service Center
Phone: 800-455-6126
Charge to: XXXXXX

B Account Analysis Statement

01/01/18 – 01/31/18

C Analysis Relationship Summary

Account Number	Average Ledger Balance	Average Collected Balance	Earnings Credit Amount	Analyzed Charges	Net Analysis Position
XX5000	1,188,793.48	1,188,793.48	181.24	196.92	15.68
XX7500	20,302.10	20,302.10	3.10	10.79	7.69

D Balance Information

Average Ledger Balance	1,209,095.58
Less Average Float	0.00
Average Collected Balance	1,209,095.58
Less DDA Balance Reserve Requirement (10.0000 %)	120,909.58
Balance Available To Support Services	1,088,186.02

E Compensation Information (Earnings Credit Summary)

Description	EC and Charges
Current Period Earnings Credit Rate (0.20 %)	184.34
Current Period Analyzed Charges	207.71
Analyzed Charges Due after Earnings Credit	23.37
Total Charges Debited	23.37

F Service Detail

Service Description	Volume	Unit Price	Charge	Balance Required
Account Services				
Account Monthly Maintenance	2	9.0000	18.00	106,258
Deposit Premium	1,209	.0833	100.71	594,514
Subtotal Acct Services			118.71	700,772
Depository Services				
ACH Credits Received	60	.0000	0.00	0
ACH Debits Received	13	.0600	0.78	4,605
Checks Paid	352	1200	42.24	249,352
Deposited Checks	103	.0600	6.18	36,482
Deposits	14	.2000	2.80	16,529
Subtotal Depository Services			52.00	306,968

Continued on the reverse

G Service Summary

Lists the total analyzed charges subtotal and the total waived charges if applicable.

H Balance Performance History

History over the last year showing the Average Collected Balance, Balance to Support Services, Balance Required, Excess/Deficit Balance (for offsetting fees), Earnings Credit Amount, Analyzed Charges, Other charges and Total Charges Due.

I Calculation and Definitions

More detailed information on the calculations used for balances and earnings credit.

Service Detail				
Service Description	Volume	Unit Price	Charge	Balance Required
ACH Origination Services				
ACH Origination Monthly Maint	1	25.0000	25.00 W	
Subtotal ACH Services			0.00	0
Online Banking Services				
Business Online Bnkg Monthly Maint	1	12.0000	12.00	70,839
Addtl Accts using Business Online	1	.0000	0.00	0
Subtotal Online Services			12.00	70,839
Remote Deposit Capture Services				
RDC Monthly Maintenance	1	25.0000	25.00 *	147,581
Subtotal RDC Services			25.00	147,581
Reporting Services				
Fed EDI Reporting Mthly Maint	1	.0000	0.00	0
Subtotal Reporting Services			0.00	0

Service Summary		
	Charge	Balance Required
Total Analyzed Charges	207.71	1,226,159
Total Waived Charges (code W)	25.00	
Total Savings Due to Special Price and Disc (*)	25.00	

\$5,903.23 in collected balance will offset \$1.00 of all analysis based charges. This factor includes a provision for reserves.

Balance Performance History								
MMYY	Average Collected Balance	Bal Avail To Support Services	Balance Required	Excess/Deficit Balance	Earnings Credit Amt	Analyzed Charges	Other Charges	Total Charges Due
10/17	1,163,423	1,047,081	1,485,533	-438,452	172	244	0	72
11/17	1,166,197	1,049,577	1,457,920	-408,342	178	247	0	69
12/17	1,209,096	1,088,186	1,226,159	-137,973	184	208	0	23
YTD	1,179,572	1,061,615	1,389,871	-328,256	534	698	0	164
Lst12	1,179,572	1,061,615	1,389,871	-328,256	534	698	0	164

*Up to 12 month history.

Calculations and Definitions	
Balance Available to Support Services: The Average Collected Balance available after deducting the Required Reserves which is used in the calculation of the Earnings Credit Amount. This excludes any balances that are not eligible for Earnings Credit.	
Balance Required: The Average Collected Balance to be maintained in the account to fully offset the analyzed service charges in the current analysis period.	
Earnings Credit Amount: The total credit which can be used to offset analyzed service charges incurred during the current analysis period. It 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. This Earnings Credit Amount will be applied against the Current Period Analyzed Charges to determine the Total Charges Due.	
$(\text{Balance Available to Support Services} \times \text{Earnings Credit Rate}) \times \frac{\text{Calendar Days in Period}}{\text{Calendar Days in Current Year}}$	