

March 2018



Jim Robinson
President & CEO

Dear Fellow Shareholder:

The management team at Heritage Bank & Trust would like to provide you, as shareholders, with an update of your Bank. We are proud to announce record earnings of \$1,046,000 for 2017, for a Return on Assets of 0.86% and Return on Equity of 8.82%. This is the fourth straight year of

record earnings and is a result of several years of hard work. This translates to increasing your book value by \$0.51 per share to \$6.05 at December 31, 2017.

The year 2017 proved to be very eventful. The Bank opened a loan production office in Lawrenceburg last spring. Then management was pleased to open a full service branch in Mount Pleasant in August. For shareholders in the Mount Pleasant and Hampshire markets, especially, we hope you will continue to support us with your business.

The banking landscape continues to evolve and as we analyzed our productivity, we concluded that there would be more efficient use of your capital in moving the Northside facility to Lawrenceburg. We began that process in December and anticipate having a full service branch in Lawrenceburg in the second quarter of 2018. With this in



The Lawrenceburg team, from left, are Kara Yocom, Teresa Walker, Gayla Glass, Colton Smith, Carrie Goolsby and Brent Wheeley.

mind, we have been hiring staff members to support the Lawrenceburg location.

We welcomed Bank Officer Teresa Walker, Management Trainee Colton Smith and Client Banker Kara Yocom to the bank's team earlier this year.

During 2017 we also managed to grow the loan portfolio, which is the engine of a community bank, by \$18.2 million or 21%.

With this in mind, we have added what we feel is the most attractive deposit account in Maury County. When you get to page 3, we feel you will agree.

We are very excited about the future of Heritage Bank & Trust. Please let us know if there is anything we can do to help you reach your financial goals.

Should you have any questions, please contact me at (931) 388-1970.

Jim Robinson
President & CEO

"This is the fourth straight year of record earnings and is a result of several years of hard work."

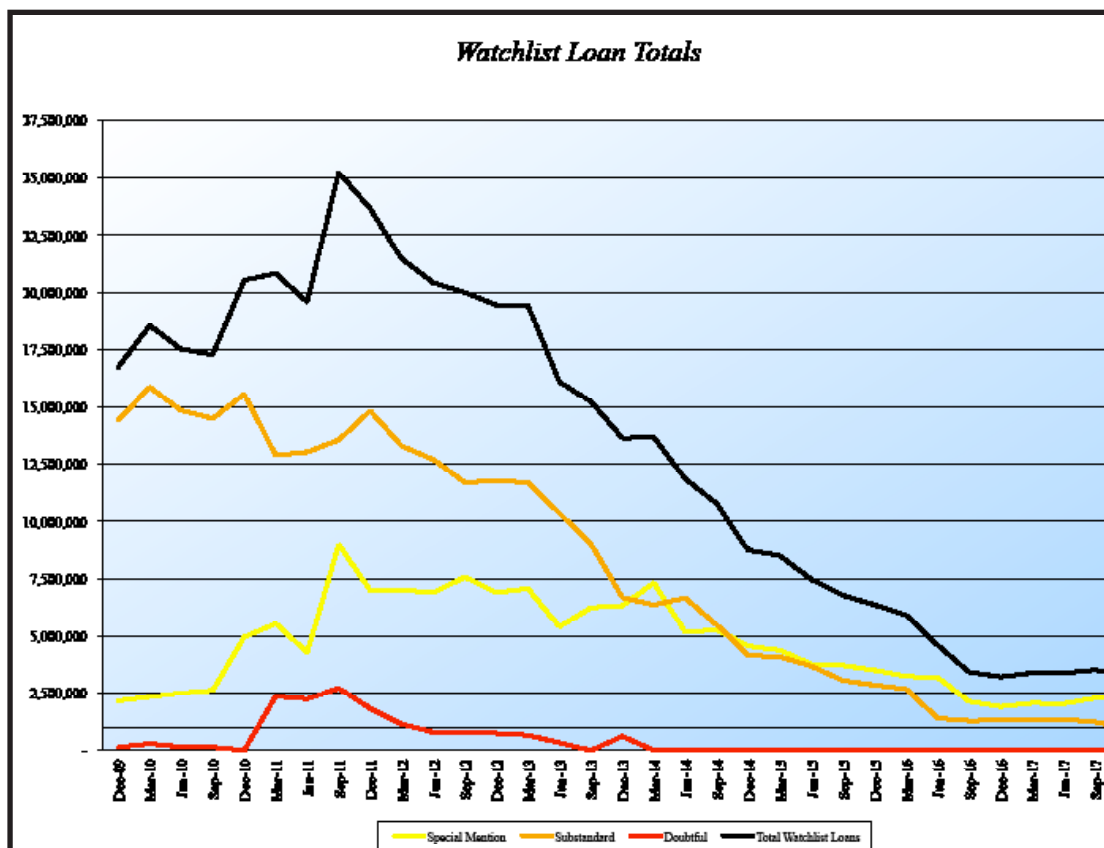
- Robinson

Columbia
217 South James Campbell Blvd.
Mount Pleasant
109 South Main Street
Lawrenceburg
106 Weakley Creek Road
931-388-1970
heritagebankandtrust.com

Ask for **KASASA**



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Heritage Bank & Trust Promotes Saving Money to Boys & Girls Club

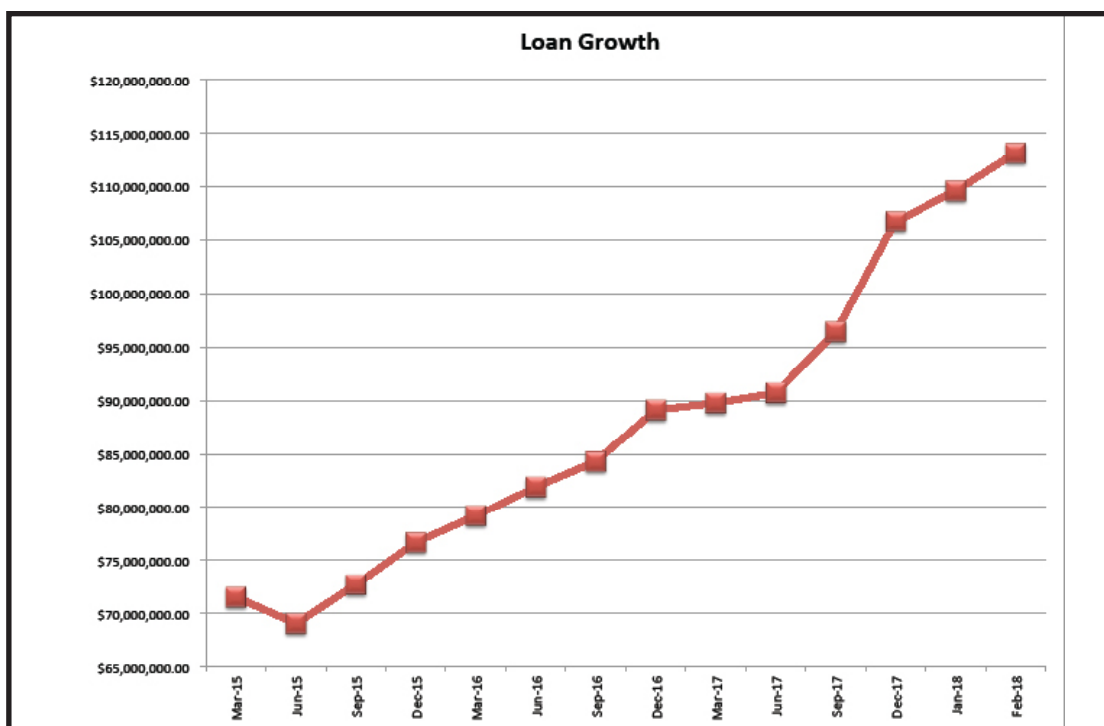
Heritage Bank & Trust has partnered with the Maury County Boys & Girls Club to help with their Money Matters program. Each Wednesday, employees from Heritage Bank & Trust visit the Wayne Street location in Columbia for a financial literacy program for kindergarten to second graders.

The Bank has provided piggy banks to the children and emphasized the importance of saving money. Marketing Director Claire Hill and Main Office Branch Manager Nita Lentz provide the financial literacy curriculum and do different activities with the students each week.



“As a community bank, giving back to the community is important to us,” says Heritage Bank & Trust President & CEO Jim Robinson.

Main Office Branch Manager Nita Lentz is pictured with our Youth Advisory Board students and members of the Boys & Girls Clubs.



Heritage Bank & Trust Shares Fraud Awareness Tips

Identity theft continues to be one of the fastest growing crimes in the United States. In 2013, an American fell victim to identity fraud every two seconds. Heritage Bank & Trust recommends following these tips to keep your information – and your money – safe.

- Don't share your Social Security number or account information to anyone who contacts you online or over the phone. Protect your PINs and passwords. Don't share them with anyone.
- Shred sensitive papers. Shred receipts, bank statements and unused credit card offers before throwing them away.
- Use online banking to protect yourself. Monitor your financial accounts regularly for fraudulent transactions. Download the My Mobile Money app for certain types of transactions, such as online purchases or transactions of more than \$500.
- Protect your mobile device. Use the passcode lock on your smartphone and other devices.

Remember that Heritage Bank & Trust will never call you and request your account or password information. The Bank has certain policies and procedures set in place to ensure your financial safety.

If you do receive a call from Heritage Bank & Trust, verify that it is from the Bank. Remember that our number is 931-388-1970.

Ask for free
checking that
**REWARDS YOU
IN CASH.**

3.00 % APY*
on balances up to \$25,000

0.02 % APY*
on all balances even if

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To earn the higher rate, just do the following simple transactions and activities within your free Kasasa Cash checking account during each monthly qualification cycle:

- Have at least 12 debit card purchases post and settle
- Have at least 1 automatic payment (ACH) or 1 direct deposit (ACH) post and settle
- Be enrolled in and agree to receive e-Statements
- Be enrolled in and log into online banking or mobile banking



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*Qualification Information: To earn your rewards just do the following transactions and activities in your Kasasa account during each Monthly Qualification Cycle: Have at least one (1) direct deposit or ACH credit transactions post and settle. Have at least 12 (twelve) debit card purchases post and settle. Maintain a valid email address on record with Heritage Bank & Trust. Be enrolled in and agree to receive e-statements. Be enrolled in and log into online/mobile banking. Account transactions and activities may take one or more days to post and settle to the account and all must do so during the Monthly Qualification Cycle in order to qualify for the account's rewards. The following activities do not count toward earning account rewards: ATM-passed transactions; transfers between accounts; debit card purchases processed by merchants and received by our bank as ATM transactions; non-retail payment transactions; and purchases made with debit card not issued by our bank. "Monthly Qualification Cycle" means a period beginning one (1) business day prior to the first day of the current statement cycle through one (1) business day prior to the close of the current statement cycle. Reward Information: When your Kasasa Cash account qualifications are met during a Monthly Qualification Cycle, (1) Balances up to \$25,000 receive APY of 3.00%; and balances over \$25,000 earn 0.25% interest rate on the portion of balance over \$25,000 resulting in a range from 3.00% to 0.80% APY depending on the account's balance. When Kasasa Cash qualifications are not met, all balances in the account earn 0.02% APY. Interest will be credited to your Kasasa Cash account on the last day of the current statement cycle. APY = Annual Percentage Yield. APYs accurate as of 03/14/2018. Rates and rewards are variable and may change after account is opened. Fees may reduce earnings. Additional Information: Account approval, conditions, qualifications, limits, timeframes, enrollments, log-ins and other requirements apply. A \$25.00 minimum deposit is required to open the account. A monthly Direct Deposit or ACH credit, enrollment in online banking, receipt of electronic statements are conditions of these accounts. Enrollment in electronic services (e.g. online banking, electronic statements) and log-ins may be required to meet some of the account's qualifications. Limit one (1) account per social security number. There are no recurring monthly service charges or fees to open or close this account. Contact a Heritage Bank & Trust representative for additional information, details, restrictions, processing limitations and enrollment instructions. Member FDIC. Kasasa and Kasasa Cash are trademarks of Kasasa, Ltd., registered in the U.S.A.

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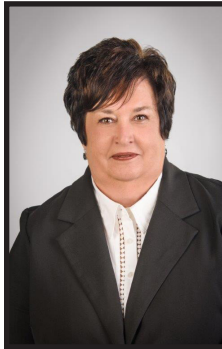


Walker Joins Heritage Bank & Trust as Banking Officer

Heritage Bank & Trust is pleased to welcome Teresa Walker as the newest member of the bank's team. She serves as a banking officer for the bank's new Lawrenceburg branch.

Walker will be instrumental in the development and growth of the new Lawrenceburg branch. Her duties include deposit acquisition, lending, and management of the Lawrenceburg branch client bankers.

Heritage Bank & Trust currently has a loan production office, located at 106 Weakley Creek Road in Lawrenceburg. A new full service location will be opening this spring at 2305 North Locust Street.



Teresa Walker

Follow Us on Instagram

The Bank now has an Instagram account. Please follow along to keep up with what's going on at Heritage Bank & Trust. Simply search for "heritagebank-andtrust" and click "Follow."

"Instagram is a great way to engage with people of all ages," says Marketing Director Claire Hill.



Celebrate Heritage Bank & Trust's Birthday with a CD Special



Annual Percentage Yield (APY) is accurate as of 2/22/2018 and will remain fixed until the maturity date. Interest will be paid annually. APY is applicable to CD principal balances up to \$1 million. The required minimum opening deposit is \$1,000.

Early withdrawal penalties apply. Fees may reduce earnings.



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HERITAGE
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