

JUNE 2019



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.

The Bank has continued to see loan and deposit growth over the last twelve months. Loans have grown 13 percent, which equates to \$128 million in gross loans. Deposits have grown 23 percent, which equates to \$155 million in deposits. As of March 31, 2019, the total asset size of the Bank was \$171 million.

Although 2019's first quarter earnings outpaced the prior year by almost 10 percent, Return on Assets was down slightly to 0.79 percent for 2019, as compared to 0.84 percent for 2018 — due to the strong growth of the Bank over the last 12 months. (This is normal in the banking industry, in which the income statement follows the balance sheet). Speaking of the balance sheet, asset quality remains

very high as we continue to strive to maintain credit discipline and diversity.

"Making Your Life Better." That's the marketing messaging that our Bank will be focusing on for the next year. From providing convenient locations across southern Middle Tennessee to revamping our website with the ability to open an account online, we are striving to make your life better every day whether it be loan customers, deposit customers, shareholders or all of the above.

You will see this messaging throughout various marketing avenues and hear our team members showcasing our theme for the year in radio spots in both the Maury and Lawrence County markets.

The Bank is also advertising at both the Columbia and Lawrence County theaters as well as digital display ads throughout Maury County. I encourage you to visit our website to see our one minute advertisement showcasing your Bank.

Please let us know if there is anything we can do to help you make your life better.

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

"Asset quality remains very high as we continue to strive to maintain credit discipline and diversity."

- Jim Robinson

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Robinson".

Jim Robinson
President & CEO

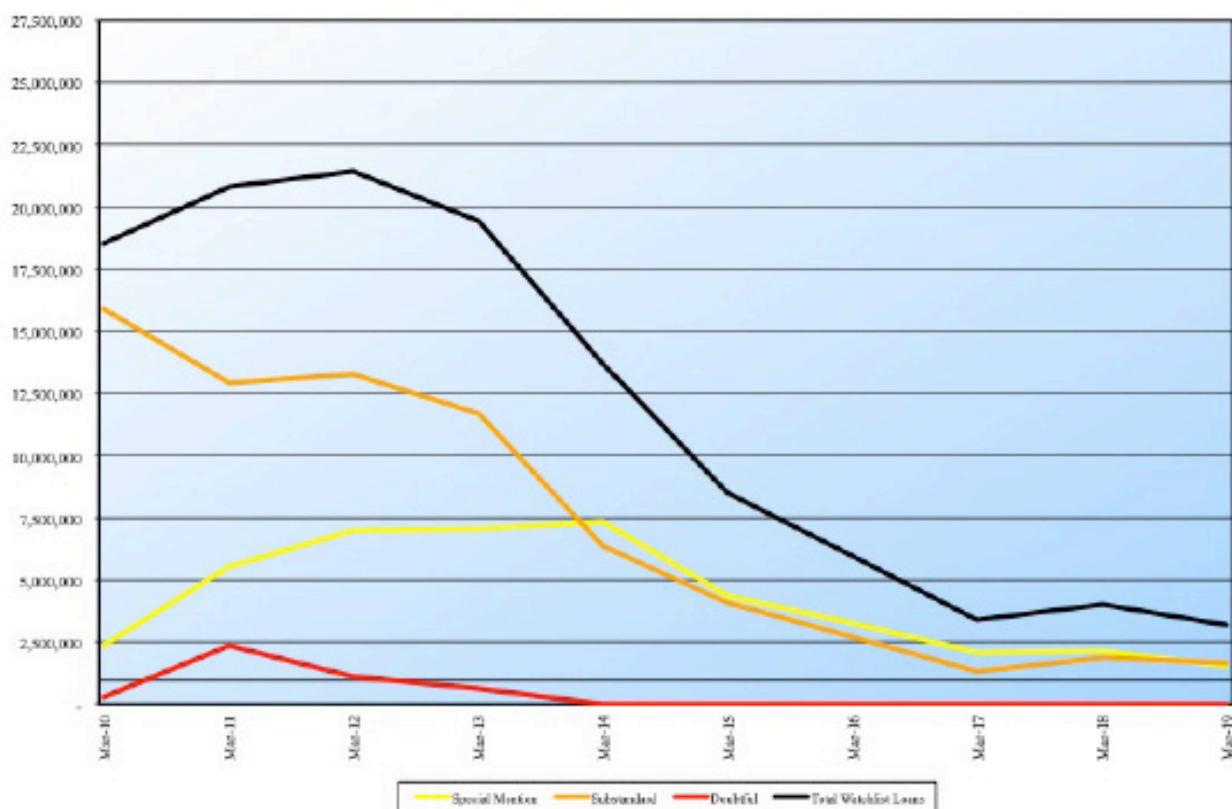
Columbia
217 South James Campbell Blvd.
Mount Pleasant
109 South Main Street
Lawrenceburg
2305 North Locust Ave.
931-388-1970
heritagebankandtrust.com

Ask for **KASASA**

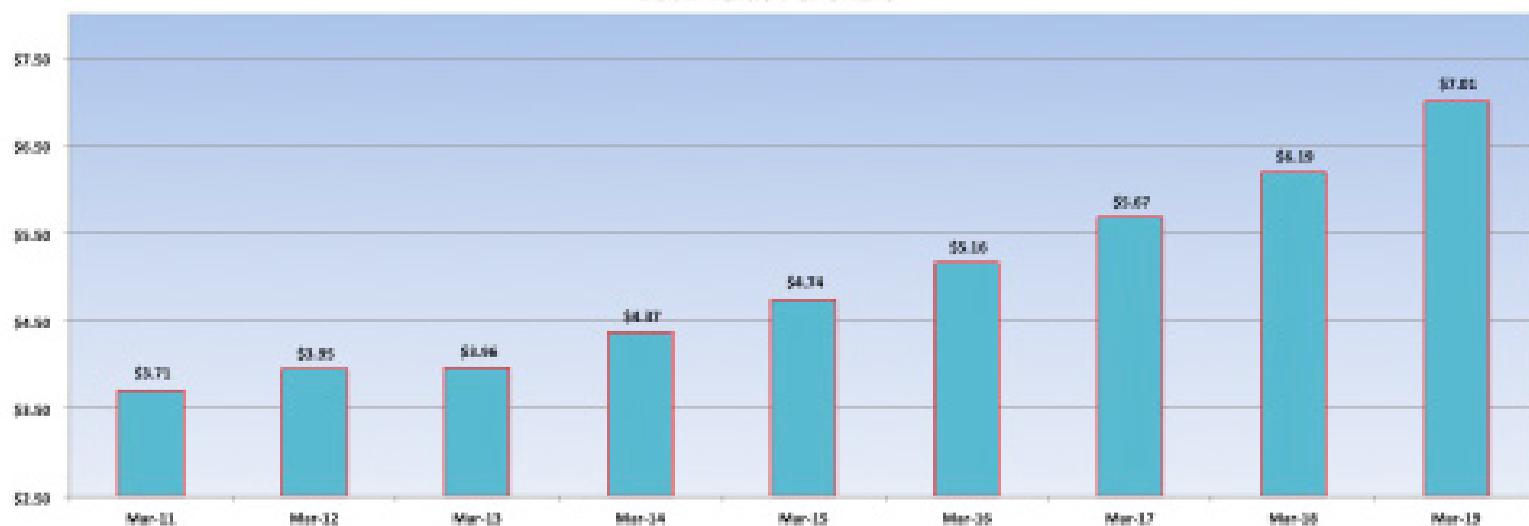


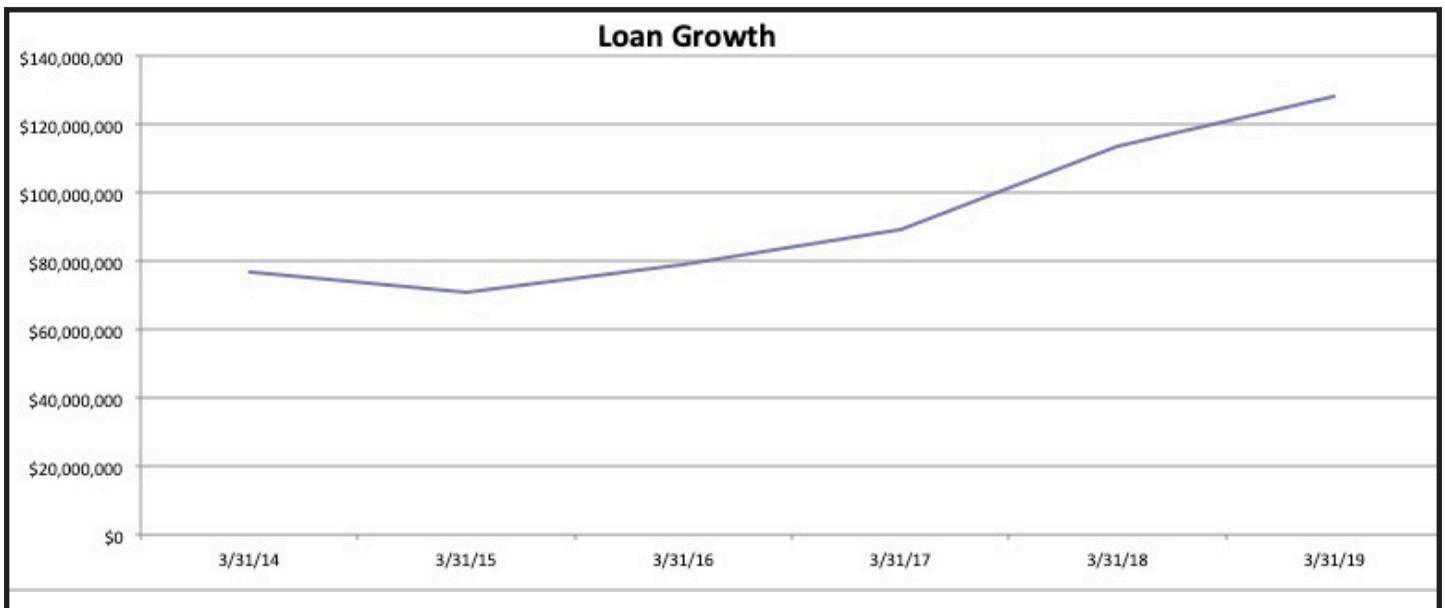
Member
FDIC

Watchlist Loan Totals



Book Value Per Share





Heritage Bank & Trust Honors Maury & Lawrence County Coloring Contest Winners

Heritage Bank & Trust honored the coloring contest student winners in Maury and Lawrence Counties in May. Students designed and colored a dollar bill and coin. Local artist Jennifer Britton designed the coloring sheet for the Bank.

First place winners won a pizza party for their class and \$50. Second place winners won \$25, and third place winners won \$15.

“As a community bank, we feel it’s important for us to be a partner with our local schools,” says President and CEO Jim Robinson. “We have a youth advisory board for high school students, an ornament contest for middle school students, and a coloring contest for elementary school students. We wanted to make sure we were encompassing all age groups with activities geared around financial literacy and community banking.”

“All of the student submissions were extremely creative and detailed,” says Marketing Director Claire Hill. “Judging the entries was a challenge. Maury County youth are extremely talented and we could tell that they put a lot of work into their submissions.”

Heritage Bank & Trust is proud to partner with Maury & Lawrence County schools. The Bank plans to do this coloring contest again in the 2019-2020 school year.

Mount Pleasant Branch Manager Valerie Henson helps with the pizza party at Mount Pleasant Elementary School.



Above: Marketing Director Claire Hill, left, is pictured with Marvin Wright Elementary winners and Columbia Branch Manager Nita Lentz.

Middle: Lawrenceburg Client Banker Kara Pack presents the winners with their prize money at Ingram Sowell Elementary School.

Bottom: Lawrenceburg Banking Officer Teresa Walker presents the winners with their prize money at Summertown Elementary School.

Heritage Bank & Trust Honors Youth Advisory Board Students

Heritage Bank & Trust honored the eighteen high school seniors that participated in their Youth Advisory Board on Wednesday, April 17 at their Columbia location. This is Heritage Bank & Trust's second year to have a Youth Advisory Board. The board was created in October of 2017 as a partnership with Maury County Public Schools, Agathos Classical School, Columbia Academy, and Zion Christian Academy.

"This was a great partnership with the schools in our community," says President and CEO Jim Robinson. "Giving back to the communities we serve is an important part of our mission and we are proud to have offered this opportunity for students in Maury County."

Each month, the students learned something new. Topics included careers in banking, information about community banks, what it means to be on a business or nonprofit board, college savings tips and more.

All of the Youth Advisory Board students participated in a service project. The group helped the Mule Day Committee and Maury County Parks & Rec by picking up trash at Maury County Park after the Mule Day festivities. Keep Maury Beautiful donated supplies to the students as well.

Heritage Bank & Trust also offered a \$500 scholarship to one student. The students were given the opportunity to write an essay about what they learned while serving on the Youth Advisory Board. Juliana Neelley, a senior at Zion Christian Academy, won the scholarship contest. Neelley has plans to attend Trinity University in San Antonio, Texas this fall.

The bank also set up job shadowing opportunities for the students.

Rising seniors are encouraged to apply for the Youth Advisory Board in the fall. Applications will be available with school guidance counselors and high school business teachers this August. The Bank will be creating a Youth Advisory Board in Lawrence County this fall as well.



Juliana Neelley, a senior at Zion Christian Academy, won the Youth Advisory Board Scholarship for 2019. Pictured, from left, are Heritage Bank & Trust Board Chairman Dr. Kent Pardon, President & CEO Jim Robinson, Zion Christian Academy senior Juliana Neelley, Columbia City Mayor Chaz Molder and Maury County Public Schools Superintendent Dr. Chris Marczak.

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