

MAY 2021



Jim Robinson
President & CEO

Dear Fellow Shareholder:

The management team at Heritage Financial Corporation would like to provide you, as shareholders, with an update of your Bank.

Through March 31, 2021 the corporation's net income

available to shareholders was \$546,000 or \$0.27 per share. The corporation's Return on Average Assets and Return on Equity through March 31, 2021 was 1.06% and 11.91%, respectively.

As you have heard us say, we try to "Make Your Lives Better" by providing exceptional customer service and products to meet your specific needs. These past 12 months, much of this has involved ensuring stability during a difficult period for our country and specifically the communities we serve. I was especially proud of our staff during this past year.

The Bank is celebrating 15 years of community banking in 2021 and we are excited to celebrate throughout the year.

The bank's official anniversary was March 6, 2021 and to commemorate that special occasion the bank created a commemorative recipe collection featuring recipes from customers, shareholders and community members. Let your banker know if you would like a recipe box.

We also released our commemorative quilt that is displayed in our lobby area at the Columbia office. Each square is unique and our employees signed the squares as a piece of our heritage. We are thankful for your continued support and are excited to continue to celebrate this milestone.

"I was especially proud of our staff during this past year."
- Robinson

In keeping with the fifteen year anniversary theme, each month we are giving away a \$15 gift card on social media. We partner with local businesses for this giveaway and the May business was Duck River Books. We also have a variety of promotional items that we are passing out throughout the year. We also hope you will visit our YouTube channel to see our anniversary video featuring some of the events over the past years.

We are pleased to continue to make improvements to our lobby area at the Columbia location. Once the renovations are complete we will showcase on social media and in this publication.

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.

Sincerely,

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

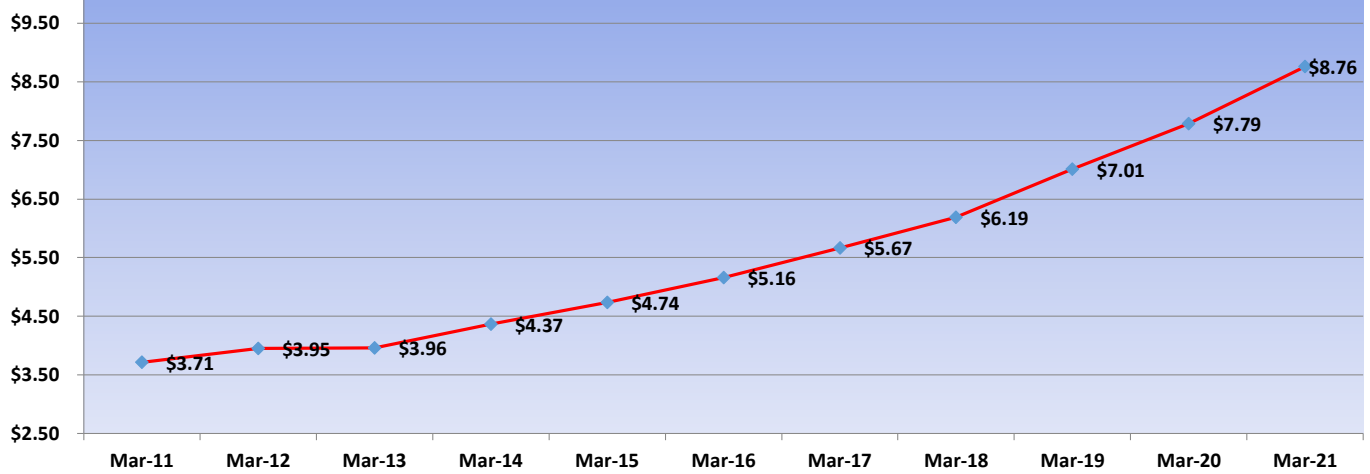
Jim Robinson
President & CEO

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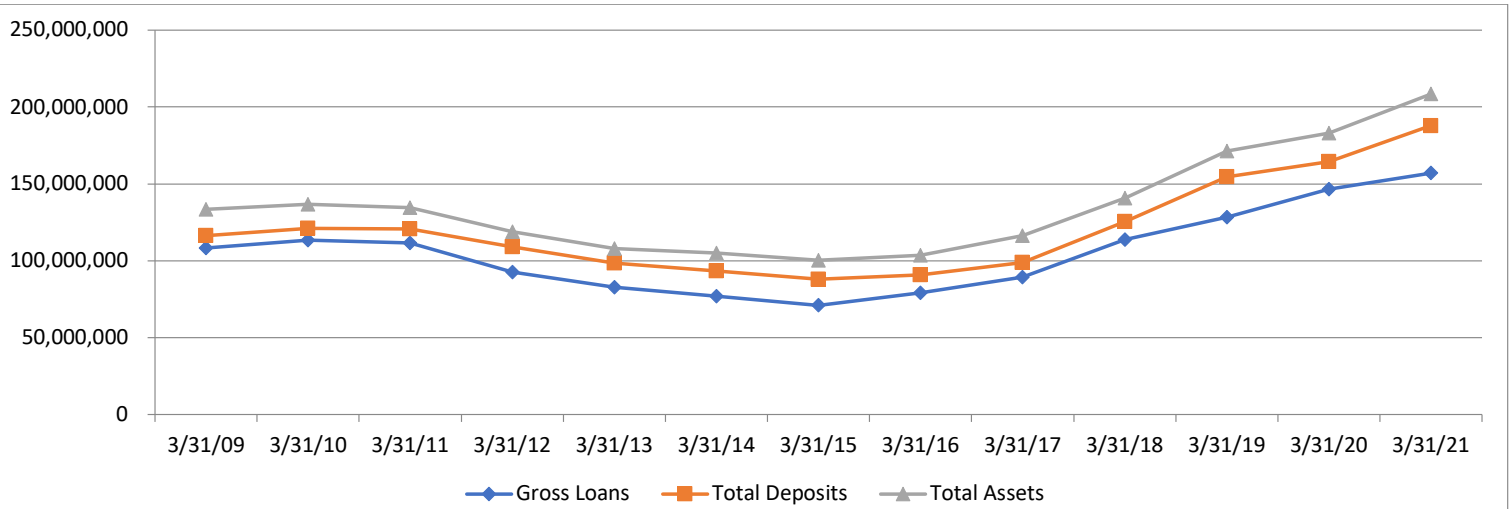


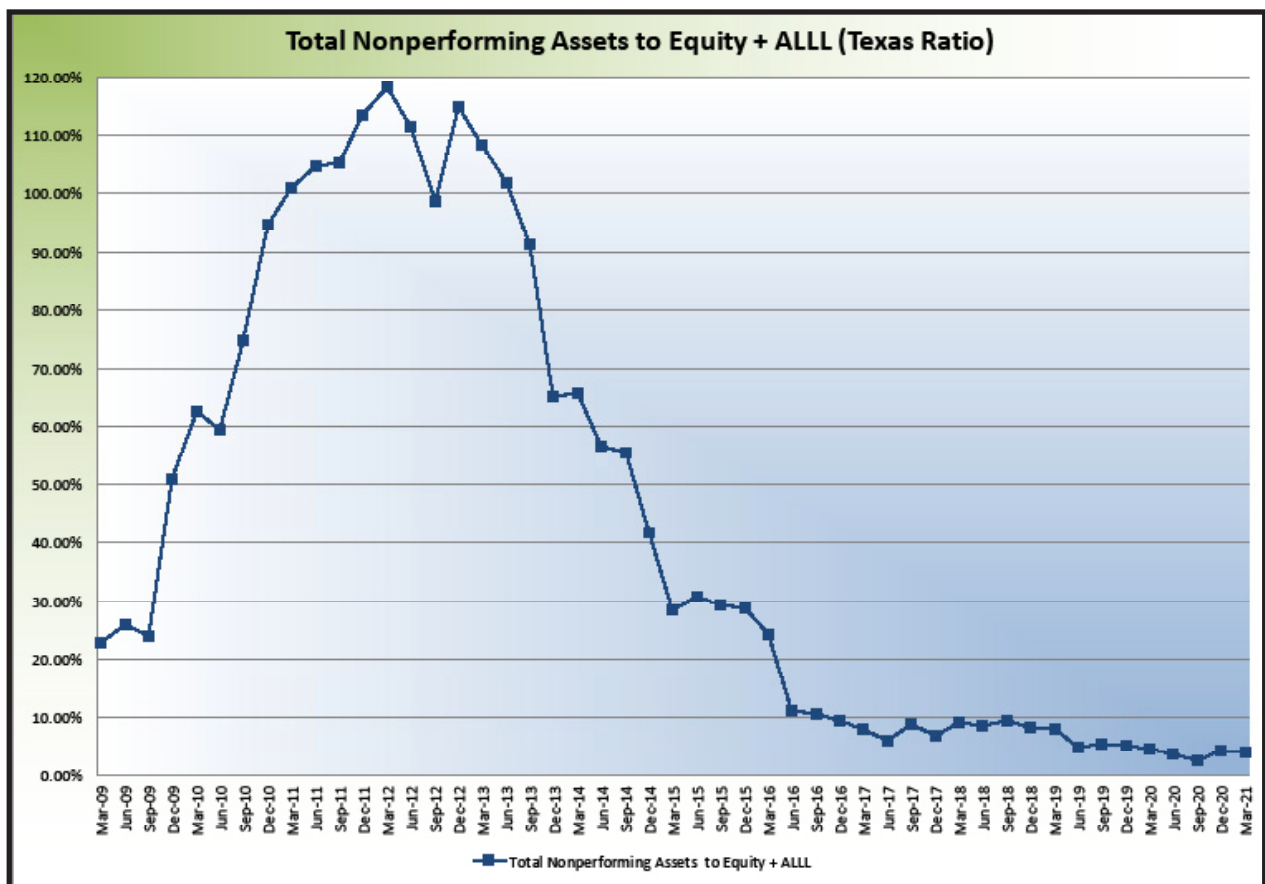
Member
FDIC

Book Value Per Share



Bank Growth 2021





The Bank's anniversary quilt is displayed at the Columbia location. Each square is unique and showcases the commitment Heritage Bank & Trust has to the communities we serve. Employees were able to sign the quilt squares as part of the Bank's heritage.

Heritage Bank & Trust Partners with Boys & Girls Clubs of South Central Tennessee in April

Heritage Bank & Trust partnered with the Boys & Girls Clubs of South Central Tennessee in April. The Bank paid five dollars to the club for each account that was opened in the month of April. The check totaling \$835 was presented to the Boys & Girls Clubs of South Central Tennessee Chief Development Officer Lauren La Porte by Heritage Bank & Trust President & CEO Jim Robinson.

“This is a great way to showcase our commitment to the communities we serve,” says Marketing Director Claire Hill.

