dollar figures in thousands	Heritage Bank NA 9/30/2014
Total employees (full-time equivalent)	145
Total assets	**385,810**
Cash and due from depository institutions	11,207
Interest-bearing balances	1477
Securities	54,403
Federal funds sold & reverse repurchase agreements	0
Net loans & leases	303,645
Loan loss allowance	4,504
Trading account assets	0
Bank premises and fixed assets	4,275
Other real estate owned	1778
Goodwill and other intangibles	1,835
All other assets	8,667
Total liabilities and capital	385,810
Total liabilities	**343,125**
Total deposits	312,217
Interest-bearing deposits	242,364
Deposits held in domestic offices	312,217
% insured (estimated)	1
Federal funds purchased & repurchase agreements	14000
Trading liabilities	0
Other borrowed funds	12,291
Subordinated debt	0
All other liabilities	4,617
Total equity capital	**42,685**
Total bank equity capital	42,685
Perpetual preferred stock	0
Common stock	970
Surplus	28,050
Undivided profits	13,665
Noncontrolling interests in consolidated subsidiaries	0
Memoranda:	
Noncurrent loans and leases	6,927
Noncurrent loans that are wholly or partially guaranteed by the U.S. government	2,084
Income earned, not collected on loans	2,864
Earning assets	359,525
Long-term assets (5+ years)	104,682
Average Assets, year-to-date	400,897
Average Assets, quarterly	384,217
Total risk weighted assets	333,201
Adjusted average assets for leverage capital purposes	383,793
Life insurance assets	2,611
General account life insurance assets	2,611
Separate account life insurance assets	0
Hybrid life insurance assets	0
Volatile liabilities	18,739
Insider loans	2,724
FHLB advances	12,291
Loans and leases held for sale	1,157
Unused loan commitments	89,231
Tier 1 (core) risk-based capital	42,541
Tier 2 risk-based capital	4,170
Total unused commitments	89,231
Derivatives	2,289
Restructured Loans and leases	0
Past due and nonaccrual assets	0
Fiduciary and related services	0

Income and Expense	Heritage Bank NA 9/30/2014
Number of institutions reporting	1
Total interest income	12,087
Total interest expense	1,134
Net interest income	10,953
Provision for loan and lease losses	0
Total noninterest income	2,100
Fiduciary activities	0
Service charges on deposit accounts	687
Trading account gains & fees	0
Additional noninterest income	1,413
Total noninterest expense	10,406
Salaries and employee benefits	6,613
Premises and equipment expense	1,062
Additional noninterest expense	2,731
Pre-tax net operating income	2,647
Securities gains (losses)	193
Applicable income taxes	78
Income before extraordinary items	2,762
Extraordinary gains - net	0
Net income attributable to bank	2,762
Net income attributable to noncontrolling interests	0
Net income attributable to bank and noncontrolling interests	2,762
Net charge-offs	587
Cash dividends	2,230
Sale, conversion, retirement of capital stock, net	0
Net operating income	2,575

Performance Ratios (%)	Heritage Bank NA 9/30/2014
Yield on earning assets	4.35%
Cost of funding earning assets	0.41%
Net interest margin	3.94%
Noninterest income to assets	0.70%
Noninterest expense to assets	3.46%
Loan and lease loss provision to assets	0
Net operating income to assets	0.86%
Return on assets (ROA)	0.92%
Pretax return on assets	0.94%
Return on equity (ROE)	8.72%
Retained earnings to average equity (YTD only)	1.68%
Net charge-offs to loans and leases	0.26%
Loan and lease loss provision to net charge-offs	0
Earnings coverage of net loan charge-offs (x)	4.51
Efficiency ratio	79.44%
Assets per employee ($ millions)	2.66
Cash dividends to net income (YTD only)	80.74%

Condition Ratios (%)	Heritage Bank NA 9/30/2014
Loss allowance to loans and leases	1.46%
Loss allowance to noncurrent loans and leases	65.02%
Noncurrent assets plus other real estate owned to assets	2.26%
Noncurrent loans to loans	2.25%
Net loans and leases to assets	78.70%
Net loans and leases to deposits	97.25%
Net loans and leases to core deposits	111.72%
Domestic deposits to total assets	80.93%
Equity capital to assets	11.06%
Core capital (leverage) ratio	11.08%
Tier 1 risk-based capital ratio	12.77%
Total risk-based capital ratio	14.02%