



Heritage
Financial
CORPORATION

INVESTOR PRESENTATION

Q1 2024





FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, are based on certain assumptions and often include the words “believes,” “expects,” “anticipates,” “estimates,” “forecasts,” “intends,” “plans,” “targets,” “potentially,” “probably,” “projects,” “outlook” or similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.” These statements relate to Heritage Financial Corporation’s (“we”, “us”, “our”, or the “Company”) financial condition, results of operations, beliefs, plans, objectives, goals, expectations, assumptions and statements about future performance or business. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause our actual results for future periods to differ materially from those expressed in any forward-looking statements by, or on behalf of, the Company and could negatively affect the Company’s operating results and stock price performance. Factors that may cause such a difference include, but are not limited to:

- potential adverse impacts to economic conditions nationally or in our local market areas, other markets where the Company has lending relationships, or other aspects of the Company’s business operations or financial markets, including, without limitation, as a result of employment levels, labor shortages and the effects of inflation, a potential recession or slowed economic growth;
- changes in the interest rate environment, including past increases in the Federal Reserve benchmark rate and the duration at which increased interest rate levels are maintained, which could adversely affect our revenues and expenses, the value of assets and obligations, and the availability and cost of capital and liquidity;
- the impact of continuing inflation and the current and future monetary policies of the Board of Governors of the Federal Reserve System in response thereto;
- the impact of bank failures or adverse developments at other banks and related negative publicity about the banking industry in general on investor and depositor sentiment regarding the stability and liquidity of banks;
- the effects of any federal government shutdown;
- legislative or regulatory changes that adversely affect our business, including changes in banking, securities and tax law, in regulatory policies and principles, or the interpretation of regulatory capital or other rules;
- credit and interest rate risks associated with the Company’s businesses, customers, borrowings, repayment, investment, and deposit practices;
- fluctuations in deposits;
- liquidity issues, including our ability to borrow funds or raise additional capital, if necessary;
- disruptions, security breaches, or other adverse events, failures or interruptions in, or attacks on, our information technology systems or on the third-party vendors who perform several of our critical processing functions;
- effects of critical accounting policies and judgments, including the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; and
- the effects of climate change, severe weather events, natural disasters, pandemics, epidemics and other public health crises, acts of war or terrorism, and other external events on our business.

Further you should also consider the risks, assumptions and uncertainties set forth in the “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2023, as well as those set forth in other reports we file with or furnish to the Securities and Exchange Commission. These risks, assumptions and uncertainties should be considered in evaluating any forward-looking statements, and undue reliance should not be placed on such statements. Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statement, whether to reflect events or circumstances after the date on which the statement is made, to reflect new information or the occurrence of unanticipated events, or otherwise.

Non-GAAP Financial Information

The Company reports its results in accordance with United States generally accepted accounting principles (“GAAP”). However, management believes that certain non-GAAP performance measures used in managing the business may provide meaningful information about underlying trends in its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company’s reported results prepared in accordance with GAAP. Slides containing a discussion and reconciliation of non-GAAP financial measures are contained at the end of this presentation.

All dollars throughout the entire presentation are in millions unless otherwise noted, except per share amounts.

COMPANY OVERVIEW





Metropolitan Statistical Areas

	Seattle-Tacoma-Bellevue, WA		Eugene-Springfield, OR
	Portland-Vancouver-Hillsboro, OR-WA		Boise-Nampa, Idaho

- Map obtained from S&P Global Market Intelligence; certain locations of branches overlap on the map.
- Market information as of April 22, 2024.
- Refer to Appendix for calculation of non-GAAP financial measure.
- Return on average equity ("ROAE").
- Return on average tangible common equity ("ROATCE").

Overview

NASDAQ symbol	HFWA
Stock price	\$18.12
Market capitalization	\$628 million
Institutional ownership	78.5%
Headquarters	Olympia, WA
# of branches	50
Year established	1927

Q1 2024 Financial Highlights

Assets	\$7.1 billion
Deposits	\$5.5 billion
Loans receivable	\$4.4 billion
Net income (GAAP)	\$5.7 million
Pre-tax, pre-provision income (non-GAAP)	\$8.3 million
Net interest margin	3.32%
ROAE (GAAP)	2.73%
ROATCE (non-GAAP)	4.07%
Efficiency ratio (GAAP)	83.0%
Adjusted efficiency ratio (non-GAAP)	68.9%
Leverage ratio	10.0%
Total capital ratio	13.9%



Allocate capital to organically grow our core banking business

- Successful hiring of individuals and teams of bankers in high-growth and dynamic Seattle and Portland markets as well as other key markets in and adjacent to our current footprint including our recent branch openings in Eugene, Oregon and Boise, Idaho
- Disciplined approach to concentration risk and active portfolio management

Improve operational efficiencies and rationalize branch network

- Focused on achieving increased efficiencies with operational scale, internal focus on improving processes and technology solutions
- Closed/Consolidated 36 branches since the beginning of 2010, including 12 branches in 2021 and one branch in 2023.
- Average assets per full-time equivalent employee increased to \$9.3 million at March 31, 2024 compared to \$8.9 million at December 31, 2023

Generate stable profitability and risk adjusted returns

- Reduced noninterest expense to average assets to 2.29% in Q1 2024 as compared to 2.39% at Q1 2023.
- Five-year growth in tangible book value (non-GAAP) of \$3.33, or 23.7%, to \$17.36 at March 31, 2024 from \$14.03 at March 31, 2019

Active and disciplined in M&A

- Five acquisitions in Washington and Oregon since 2013
- Target Metrics = IRR of >15% with earnbacks < 3 years

Maintain conservative underwriting standards and actively manage the loan portfolio

- Long track record of strong underwriting with conservative risk profile
- Disciplined approach to concentration risk
- Nonaccrual loans to loans receivable at 0.11% at March 31, 2024.

Focus on core deposits is key to franchise value over the long term

- 29.5% noninterest demand deposits to total deposits
- 1.19% cost of total deposits; top 20% performance among US publicly traded banks in Q4 2023

Proactive capital management

- History of increasing regular dividends and utilizing special dividends to manage capital
- Strong capital ratios: Leverage ratio = 10.0%; Total capital ratio = 13.9%

– Refer to Appendix for calculation of non-GAAP financial measures.

– Comparable cost of total deposits information provided by S&P Global Market Intelligence for the fourth quarter of 2023 quarter of 2024 and includes banks nationwide with shares on NASDAQ or NYSE and total assets less than \$100 billion; excluding pending merger targets.

– Current quarter capital ratios are estimates pending completion and filing of the Company's regulatory reports.



Balance Sheet Repositioning

- In the Q1 2024, the Company sold \$144.0 million in investment securities with an estimated weighted average book yield of 2.37% and purchased \$33.1 million of investment securities with an estimated weighted average book yield of 6.05%.
- In Q4 2023, the Company sold \$151.8 million in investment securities with an estimated weighted average book yield of 2.41% and purchased \$140.7 million of investment securities with an estimated weighted average book yield of 6.08%.

See below for additional details.

	Q4 2023 Investment Activity		Q1 2024 Investment Activity	
	Loss on sale	Estimated Profitability Improvement (Annualized)	Loss on sale	Estimated Profitability Improvement (Annualized)
Investment sales	\$(10.0)	\$(3.9)	\$(10.0)	\$(3.4)
Investment purchases		8.6		2.0
Investment of cash proceeds in interest earning deposits		0.6		6.0
Total Pre-Tax Financial Impact	\$(10.0)	\$5.3	\$(10.0)	\$4.6
Estimated EPS Impact	\$(0.22)	\$0.12	\$(0.22)	\$0.10

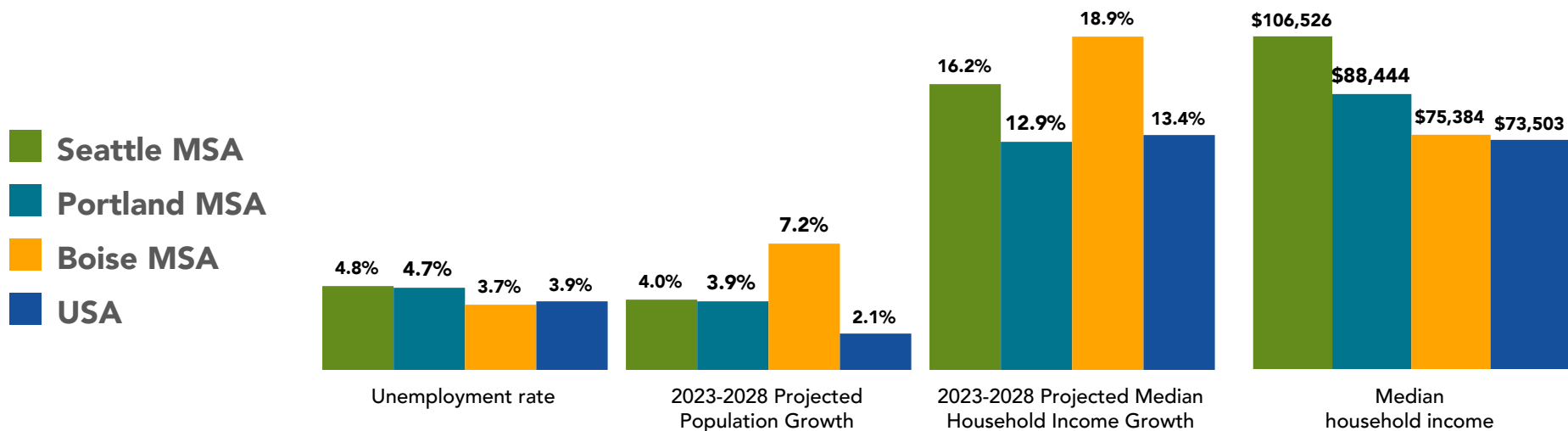
Expense Management Measures

Costs relating to expense management measures totaling \$2.0 million were recognized in the fourth quarter relating to contract renewal negotiations, contract cancellations and severance payments. In the first quarter of 2024, an additional \$1.1 million of severance costs were recognized due to staff reductions. See below for additional details.

	Q4 2023 Expense	Q1 2024 Expense	Estimated Profitability Improvement (Annualized)
Contract renewal costs resulting in lower annual cost on renewed contract	\$(1.5)		\$1.3
Contract cancellations resulting in annual cost savings on canceled contracts	(0.3)		0.5
Severance costs resulting in lower compensation expense due to reduced FTE	(0.2)	(1.1)	3.5
Total Pre-Tax Financial Impact	\$(2.0)	\$(1.1)	\$5.3
Estimated EPS Impact	\$(0.04)	\$(0.02)	\$0.12



STRONG AND DIVERSE ECONOMIC LANDSCAPE



Major Employers in the Pacific Northwest



PACCAR Inc



Microsoft



T-Mobile

amazon



Deloitte
Digital



Alaska
AIRLINES



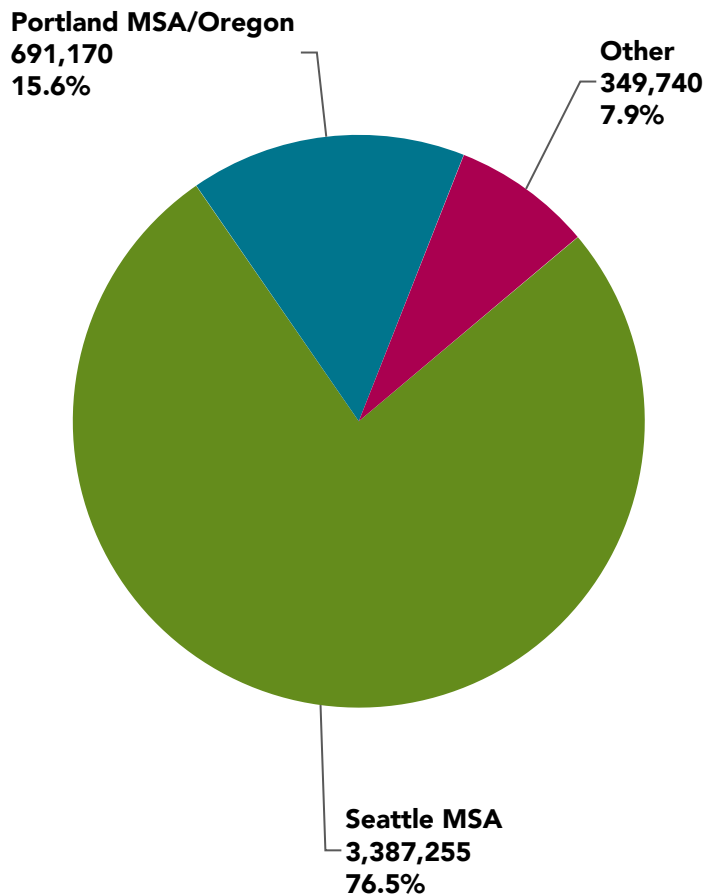
COSTCO
WHOLESALE



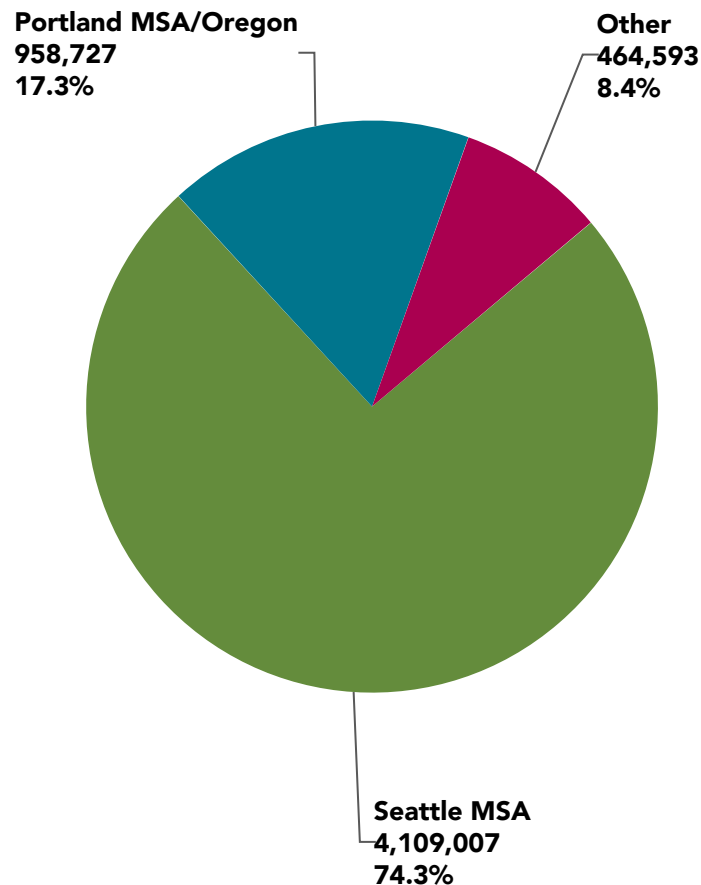
NORDSTROM



Loans by MSA

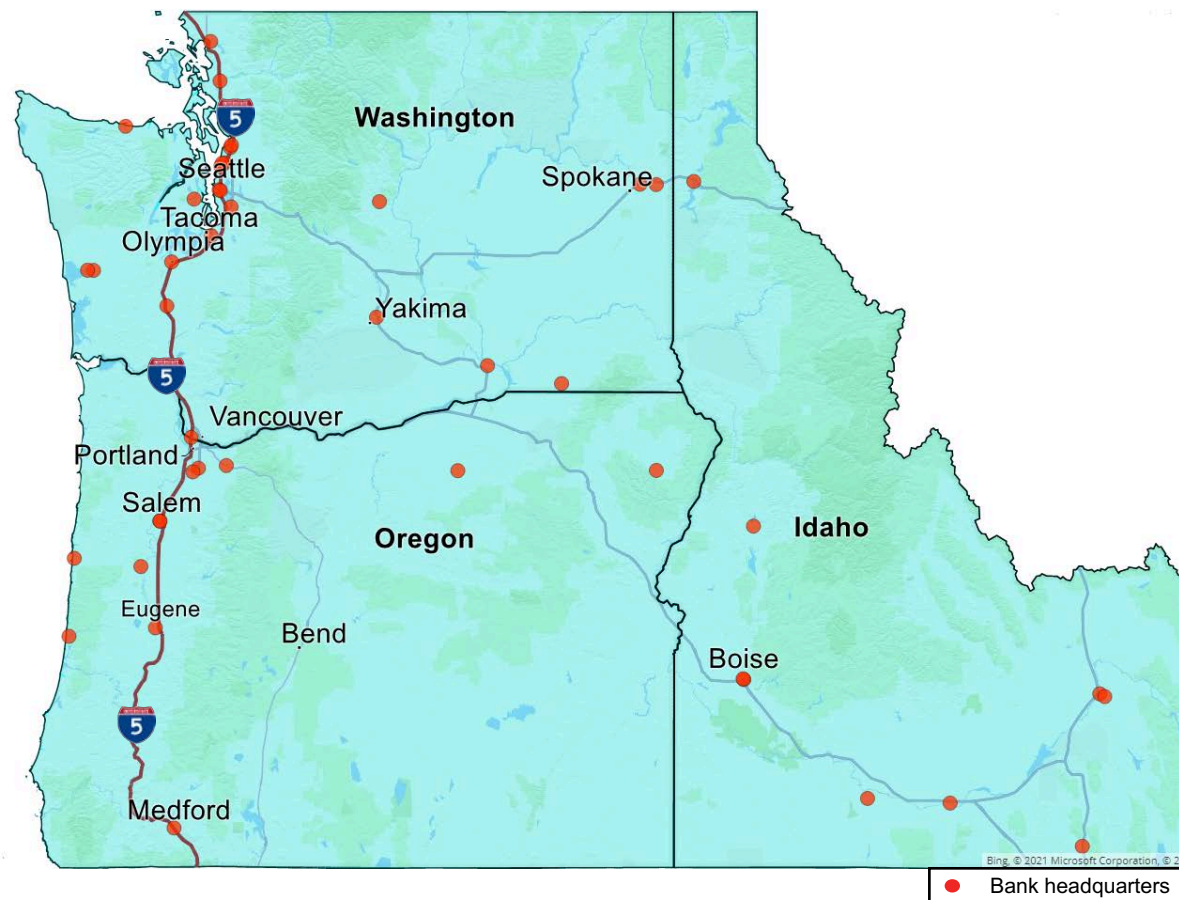


Deposits by MSA





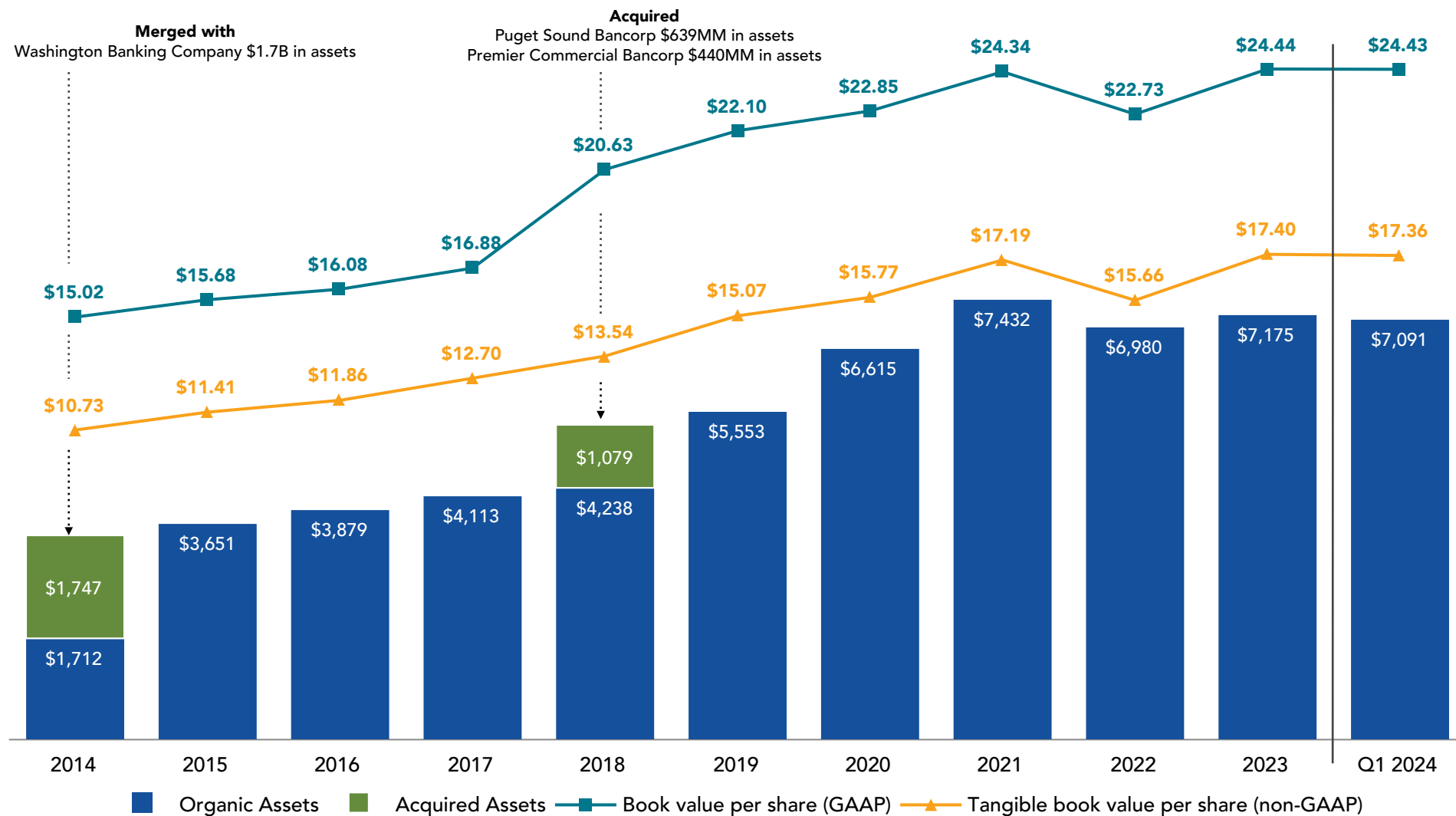
POTENTIAL GROWTH OPPORTUNITIES



- Long-term goal to build a PNW regional commercial community bank; potential opportunities for M&A and production team lift-outs in OR and ID in addition to WA.
- Significant number of banks remaining in HFWA footprint; further consolidation is expected.
 - 10 banks between \$200 million and \$500 million in assets
 - 18 banks between \$500 million and \$1.0 billion in assets
 - 16 banks between \$1.0 billion and \$3.5 billion in assets
- Financial parameters include 15% IRR and earnback of < 3 years.



HISTORICAL GROWTH ORGANIC AND ACQUISITIVE





Bank Acquisitions and Team Additions

YEAR	ACTIVITY
2013	<ul style="list-style-type: none">• Acquired Valley Community Bancshares - \$254MM in assets• Acquired Northwest Commercial Bank - \$65MM in assets
2014	<ul style="list-style-type: none">• Merged with Washington Banking Company - \$1.7B in assets
2015	<ul style="list-style-type: none">• Added a commercial banking team in Seattle, Washington• Formed our Capital Markets Group as result of the added expertise
2017	<ul style="list-style-type: none">• Added a commercial banking team in Portland, Oregon• Expanded expertise in non-profit lending and added a commercial position focused on deposit production
2018	<ul style="list-style-type: none">• Acquired Puget Sound Bancorp - \$639MM in assets• Acquired Premier Commercial Bancorp - \$440MM in assets
2019	<ul style="list-style-type: none">• Added a commercial banking team in the greater Portland, Oregon area• Expanded expertise in the dental and healthcare fields
2022	<ul style="list-style-type: none">• Added new commercial banking team in Vancouver, Washington• Added new commercial banking team in Portland, Oregon• Expanded into a new market with addition of commercial banking team and full service branch in Eugene, Oregon
2023	<ul style="list-style-type: none">• Expanded into a new market with addition of commercial banking team and full service branch in Boise, Idaho (branch opened January 10, 2023)



Bank Acquisition



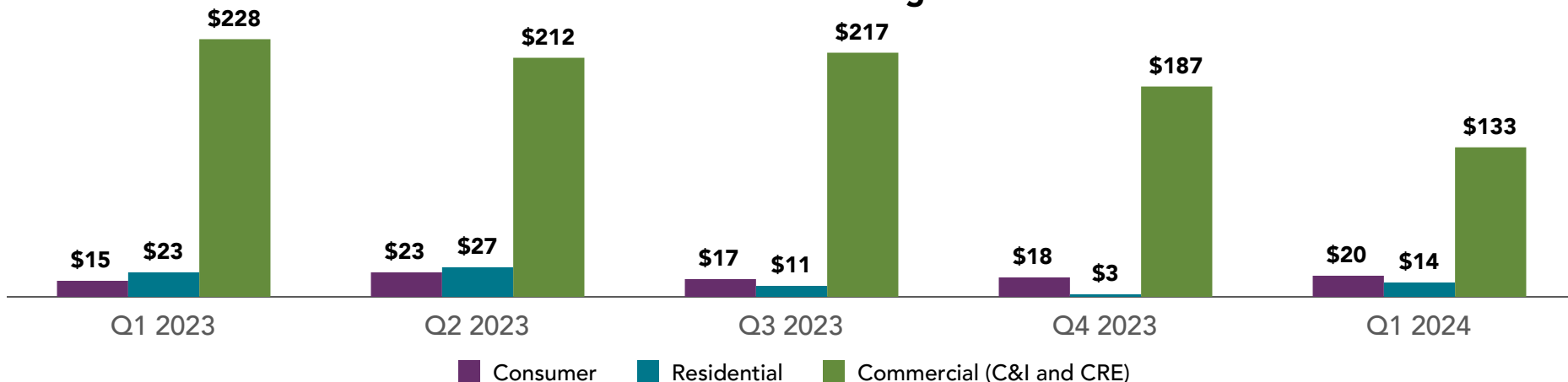
Team Addition

FINANCIAL UPDATE

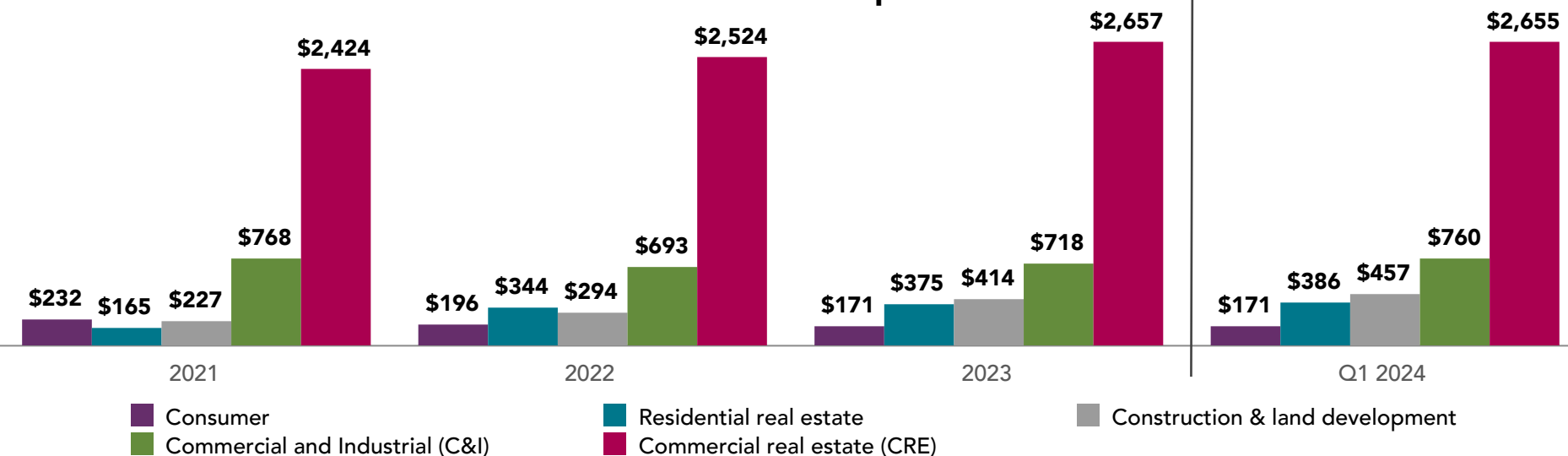




New Commitments Originated



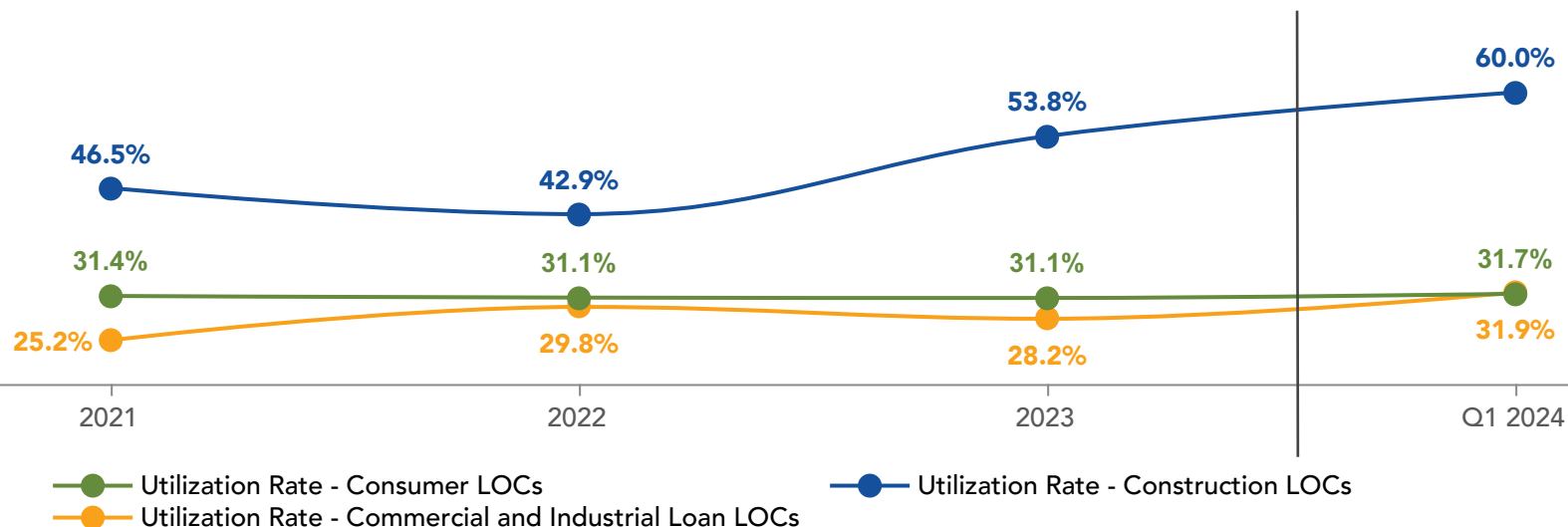
Loan Portfolio Composition





LINE OF CREDIT ("LOC") UTILIZATION

LOC Utilization Rates



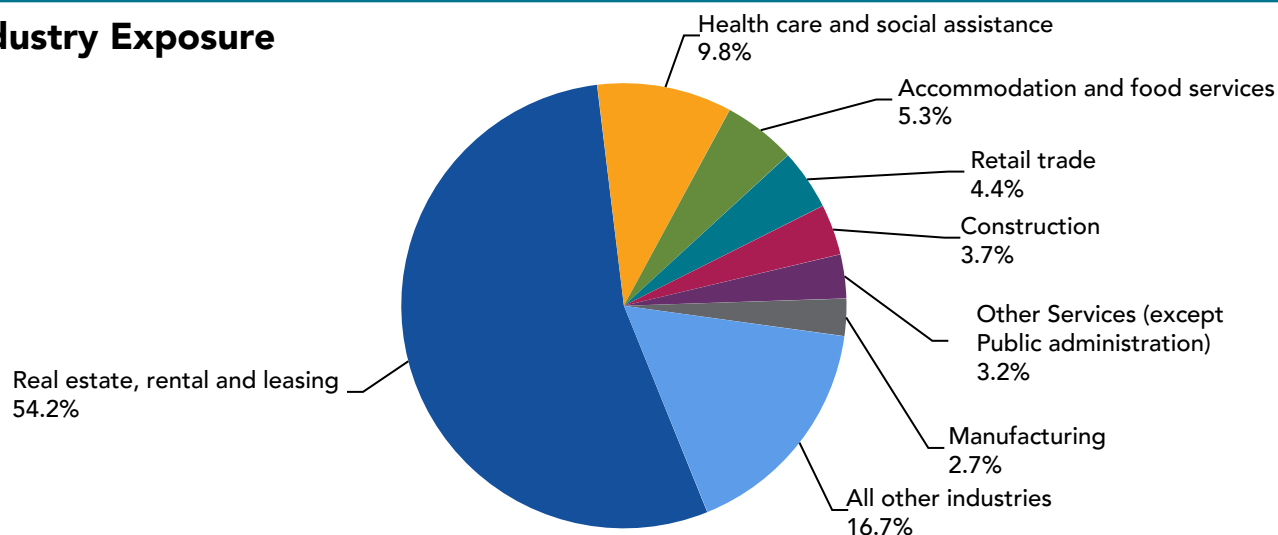
Construction Commitments





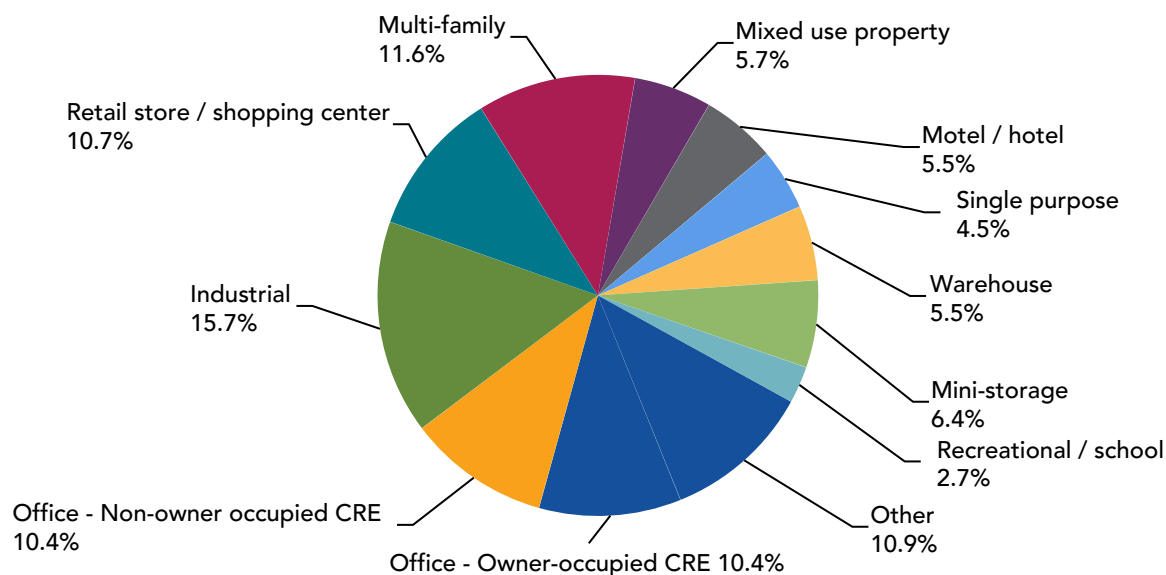
Commercial Business Loans by Industry Exposure

Industry	Amount	WARR at 03/31/24
Real estate, rental and leasing	\$1,850	4.4
Health care and social assistance	334	4.5
Accommodation and food services	180	5.1
Retail trade	149	4.5
Construction	126	4.7
Other services (except Public administration)	109	4.7
Manufacturing	91	4.9
All other industries	576	4.5
Total	\$3,415	4.5



CRE Loans only by Collateral Type

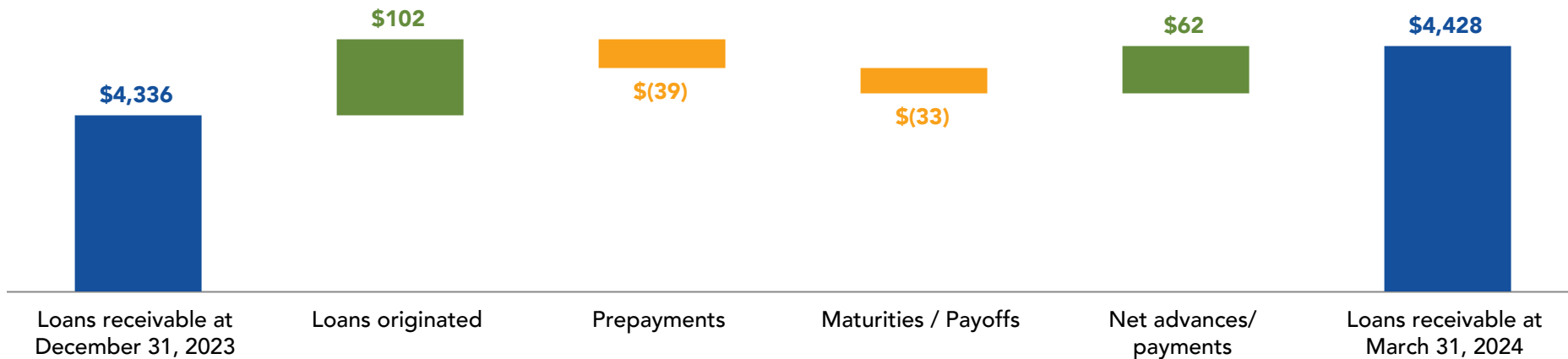
Collateral Type	Amount	WARR at 03/31/24
Office	\$551	4.3
Industrial	418	4.4
Retail store / shopping center	284	4.6
Multi-family	309	4.4
Mixed use property	153	4.5
Motel / hotel	145	5.0
Single purpose	118	4.6
Warehouse	147	4.5
Mini-storage	171	4.2
Recreational / school	73	5.0
Other	286	4.6
Total	\$2,655	4.5



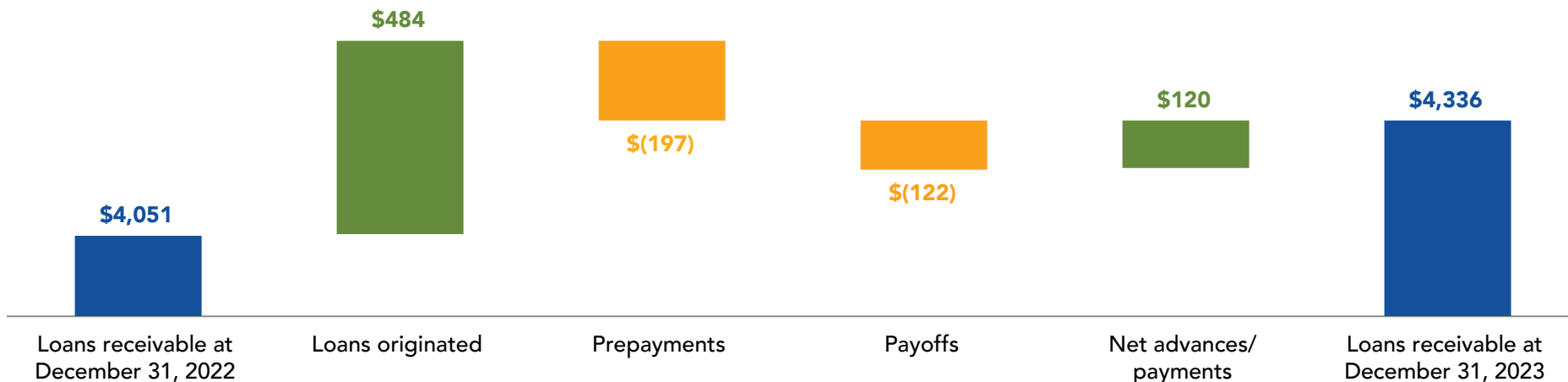


CHANGES IN LOANS RECEIVABLE

Change in loans - Q1 2024



Change in loans - 2023





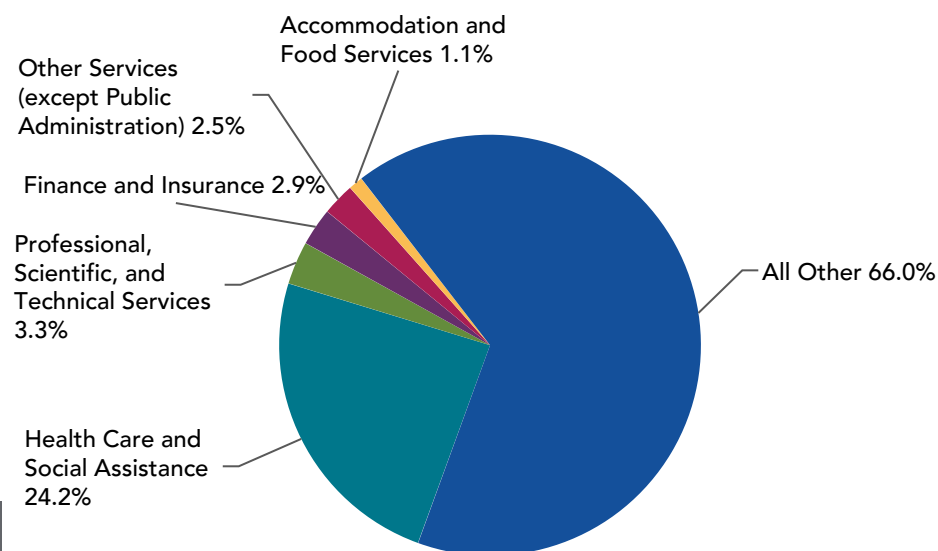
Quality of CRE Office Portfolio:

- 82.4% of loans have recourse to owner
- 50.2% of loans are owner occupied which are considered to have a lower risk profile
- 24.2% of loans for health care and social assistance who are less likely to reduce office space

CRE Office Loans by Size

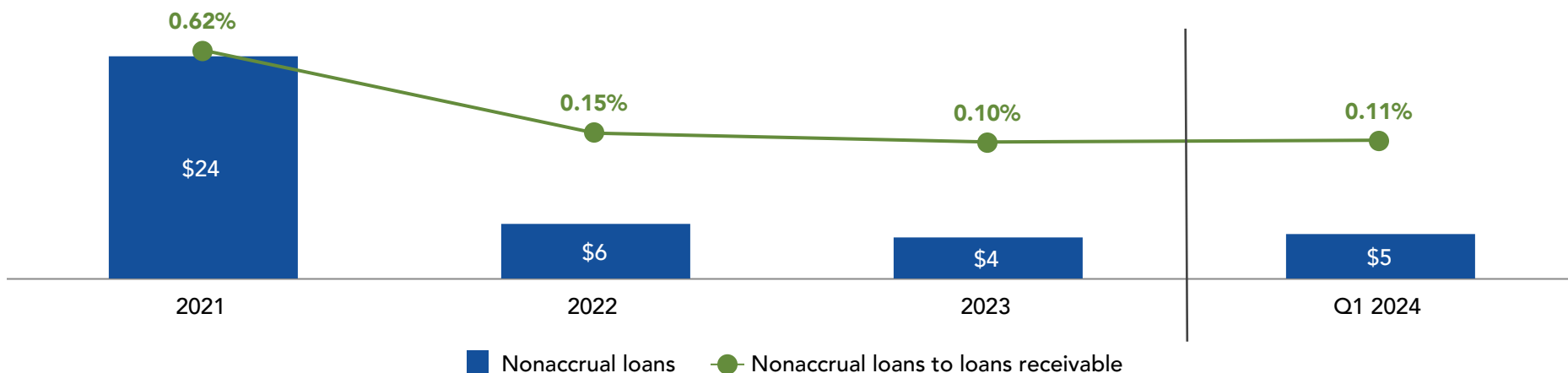
Size	WARR	# of Loans	Balance	Average Balance
>\$10 Million	3.4	4	\$ 66,304	\$ 16,576
\$5-\$10 Million	4.3	16	101,409	6,338
\$2-\$5 Million	4.4	43	129,476	3,011
<\$2 Million	4.6	475	253,648	534
TOTAL	4.3	538	\$ 550,837	\$ 1,024

CRE Office Loans by Industry Type

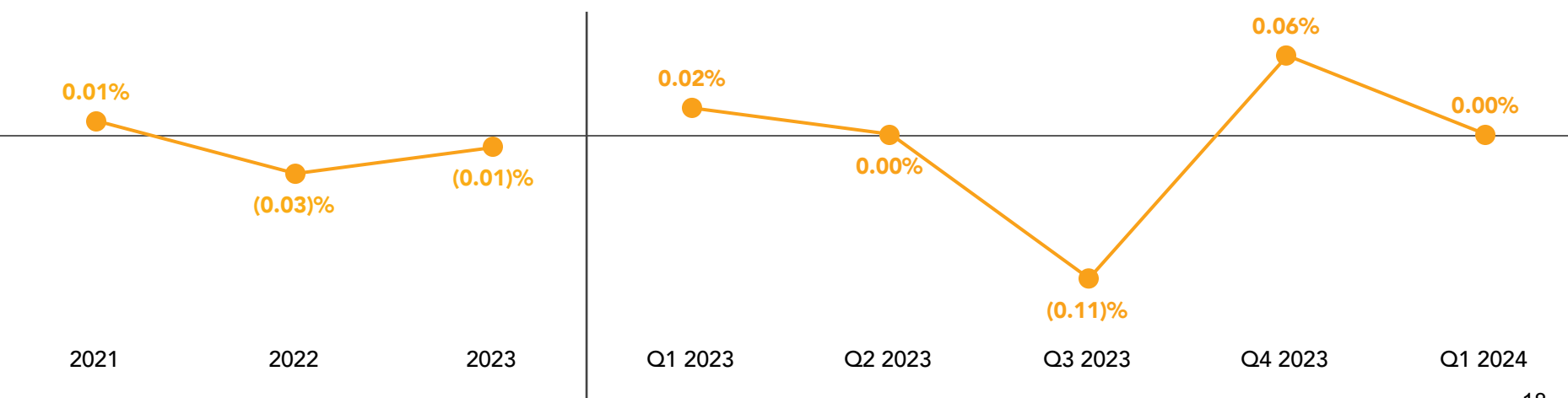




Nonaccrual Loans

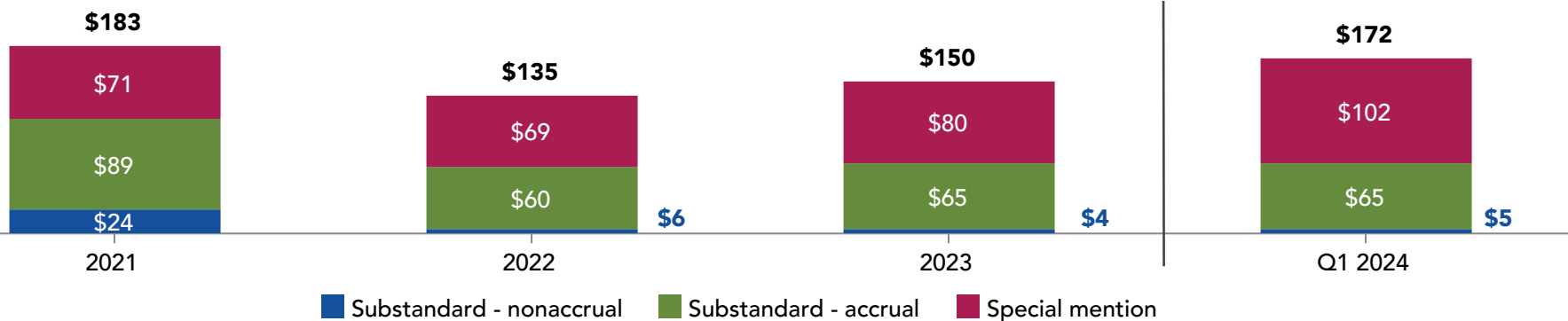


Net charge-offs (recoveries) on loans to average loans, annualized

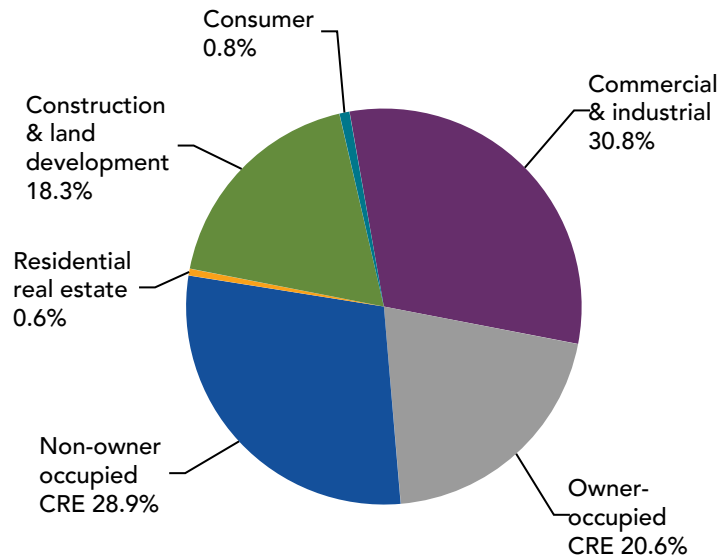




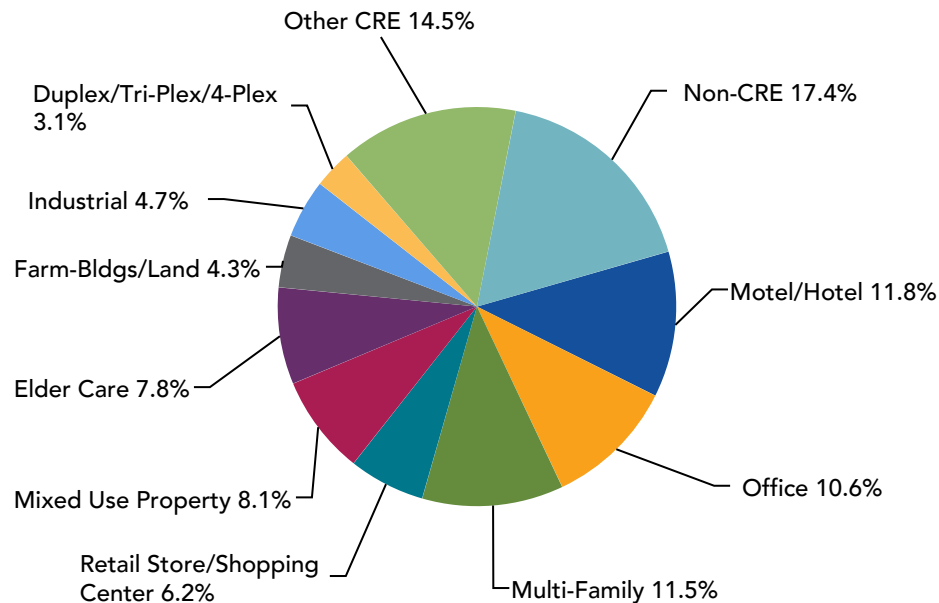
CRITICIZED LOANS



Criticized Loans by Loan Segment



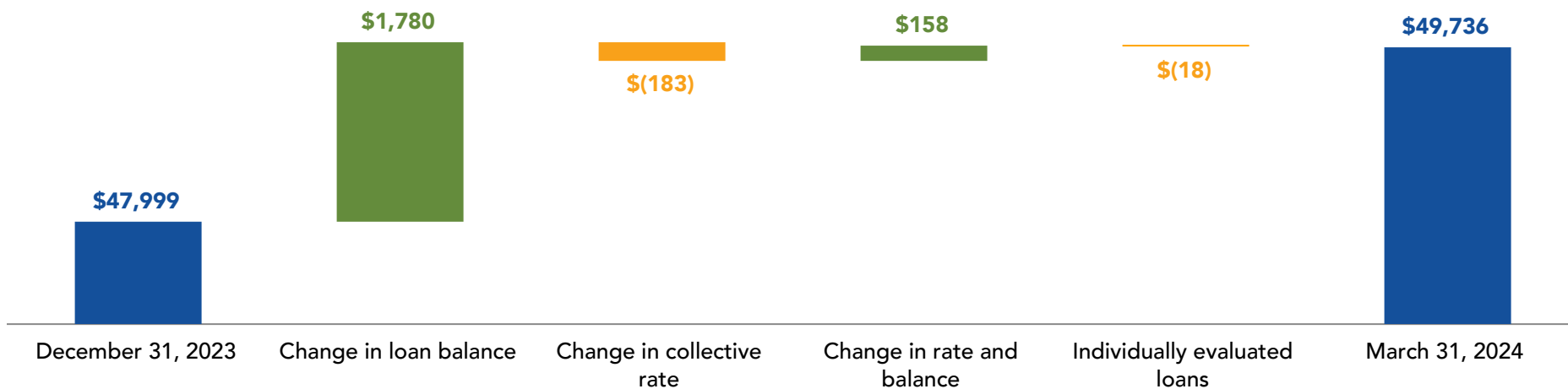
Criticized Loans by Collateral Type



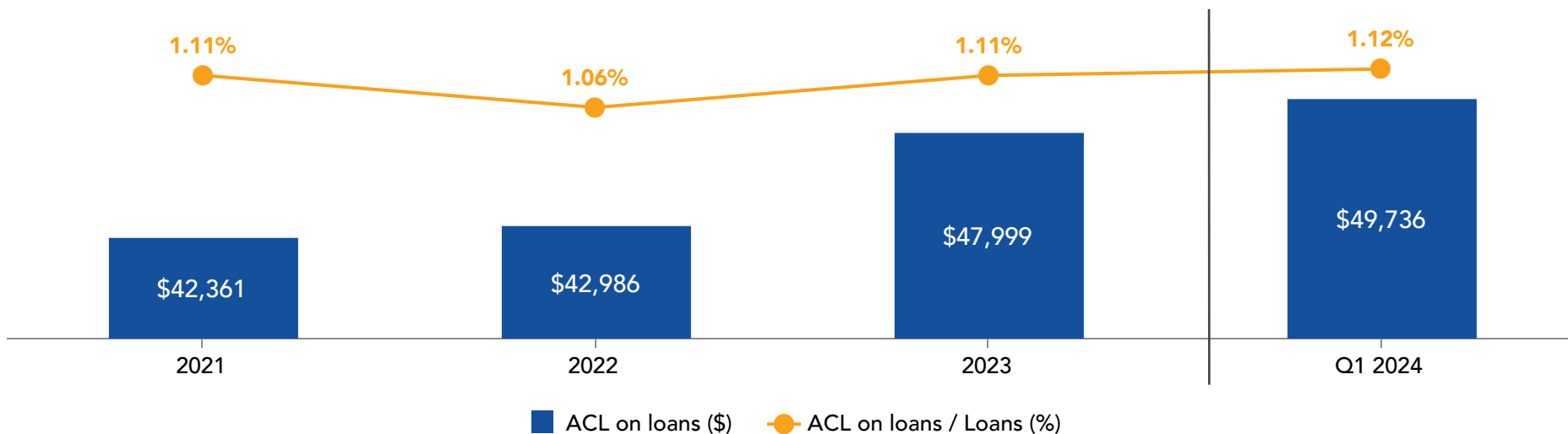


ALLOWANCE FOR CREDIT LOSSES ("ACL") ON LOANS

Change in ACL on Loans - Q1 2024



ACL on Loans

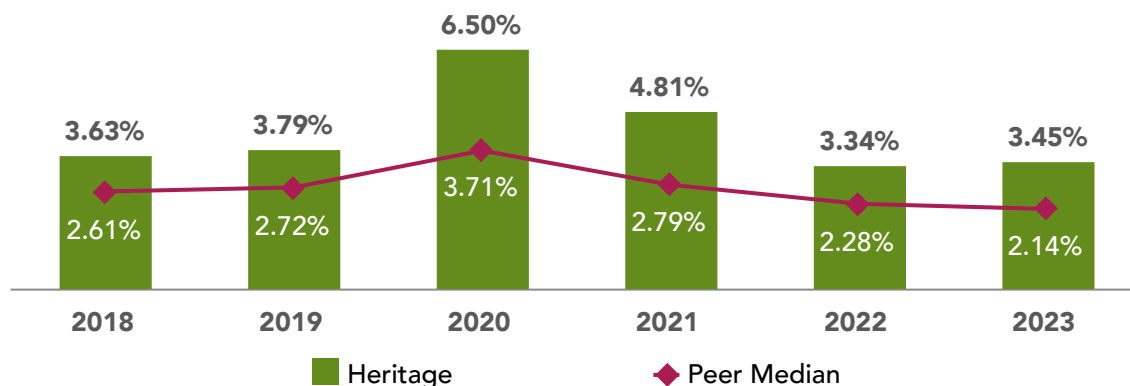




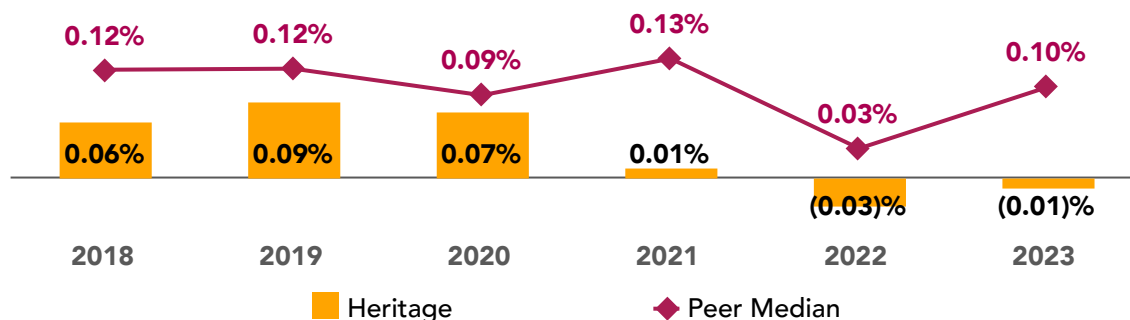
Proactive Credit Management

- Heritage proactively downgrades loans that are experiencing financial difficulty. This does not however, translate into higher charge-offs.
- Criticized loans to total loans higher than peer median since 2018
- NCOs recognized during the same period were lower than peer median.

Criticized Loans to Total Loans



NCOs to Average Loans



*Most current data available as of December 31, 2023

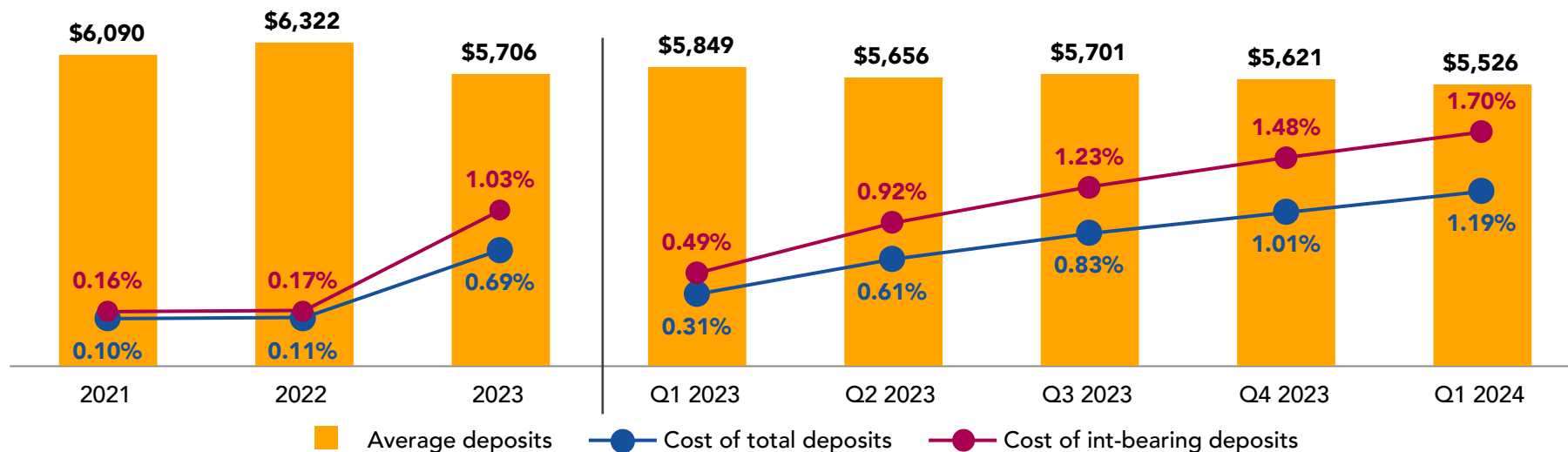
*Criticized loans includes loans graded Special Mention or worse

*Peer Median is the median of 20 identified peer banks ranging in asset size from \$4 billion to \$15 billion.

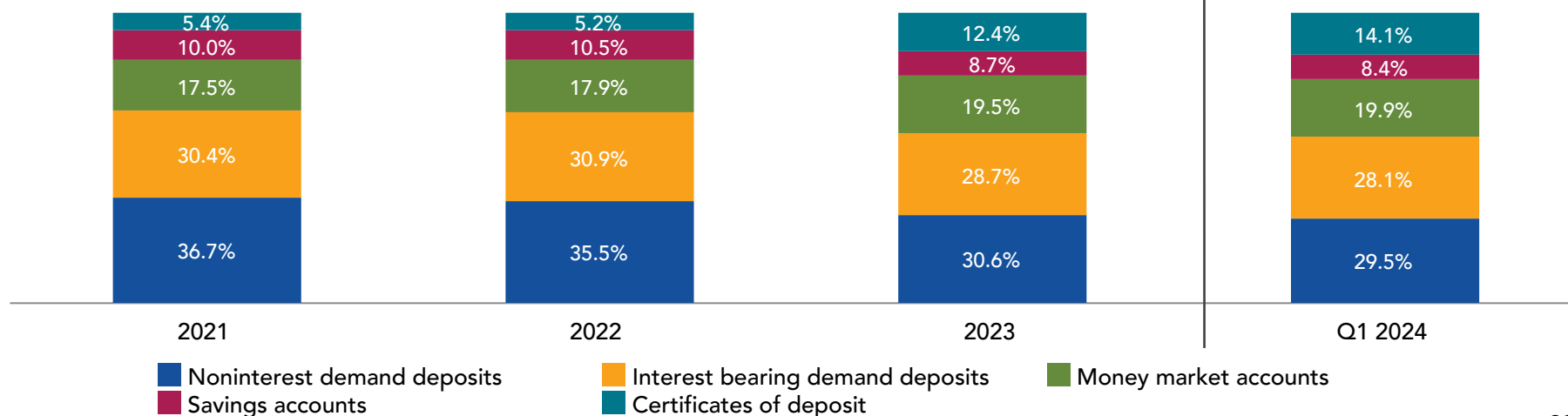
*NCOs - Net charge-offs (recoveries)



Average Deposit Balances and Cost of Total Deposits



Deposit Composition



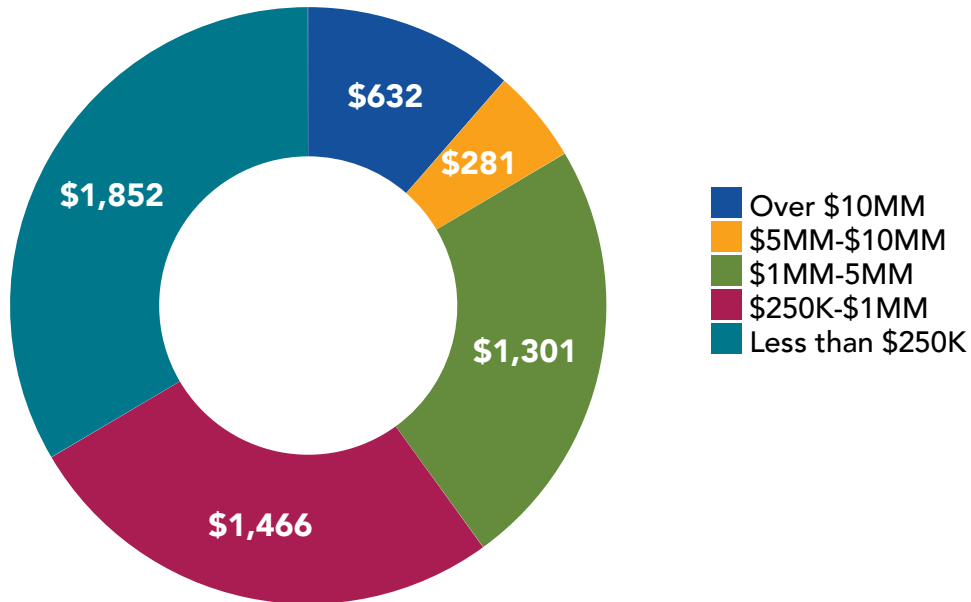


DEPOSIT COMPOSITION

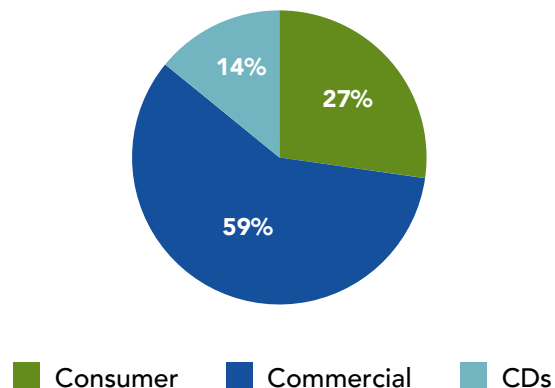
Deposit portfolio as of March 31, 2024:

- Majority of deposits are to customers with relationships of \$1 million or less.
- Uninsured deposits at 37% of total deposits. 13% of uninsured deposits are public deposits that are 100% pledged.
- Mix of commercial and consumer accounts.

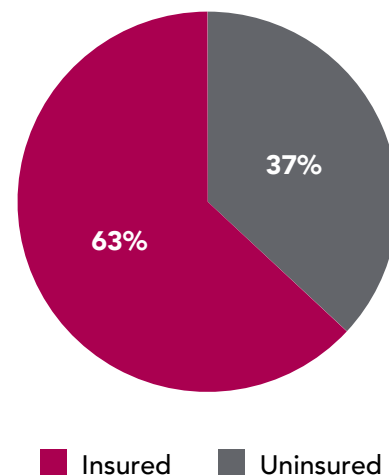
Customer Deposits by Relationship Size



Consumer Accounts vs. Business Accounts

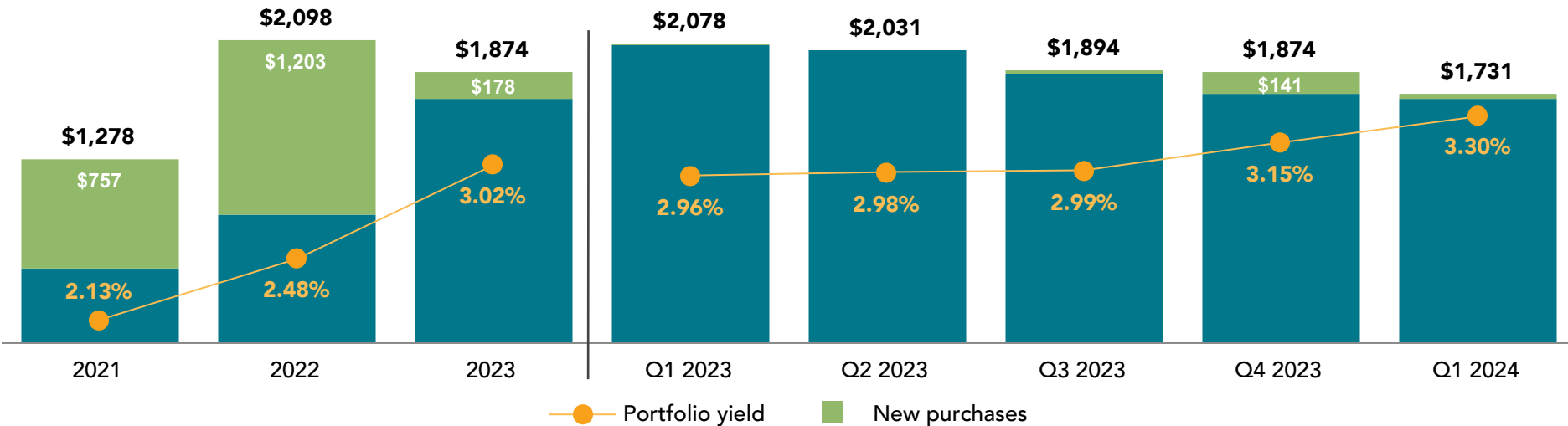


Insured vs. Uninsured

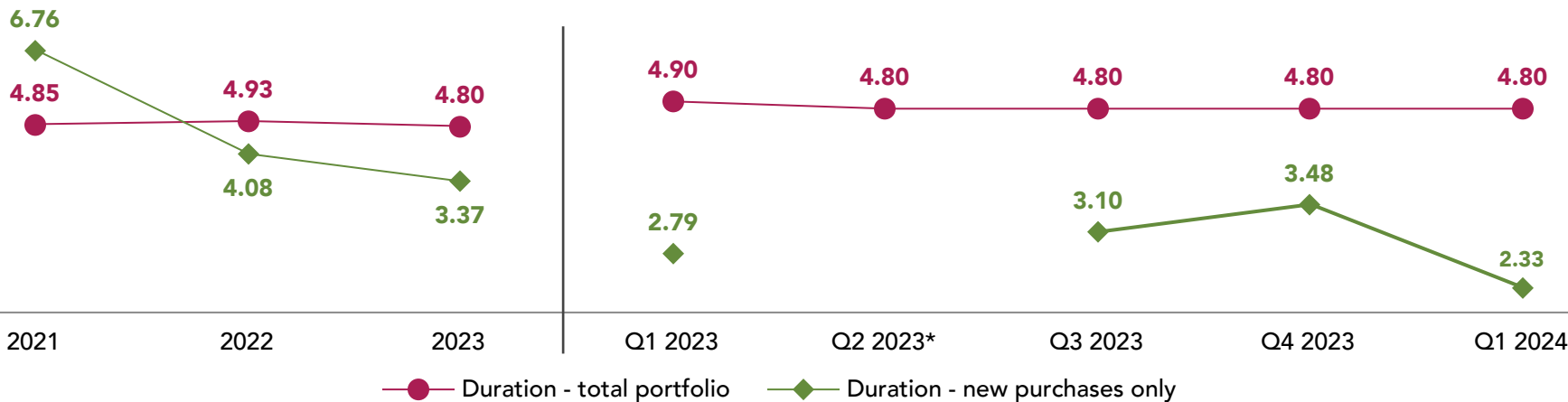




Investment Balances and Investment Yield



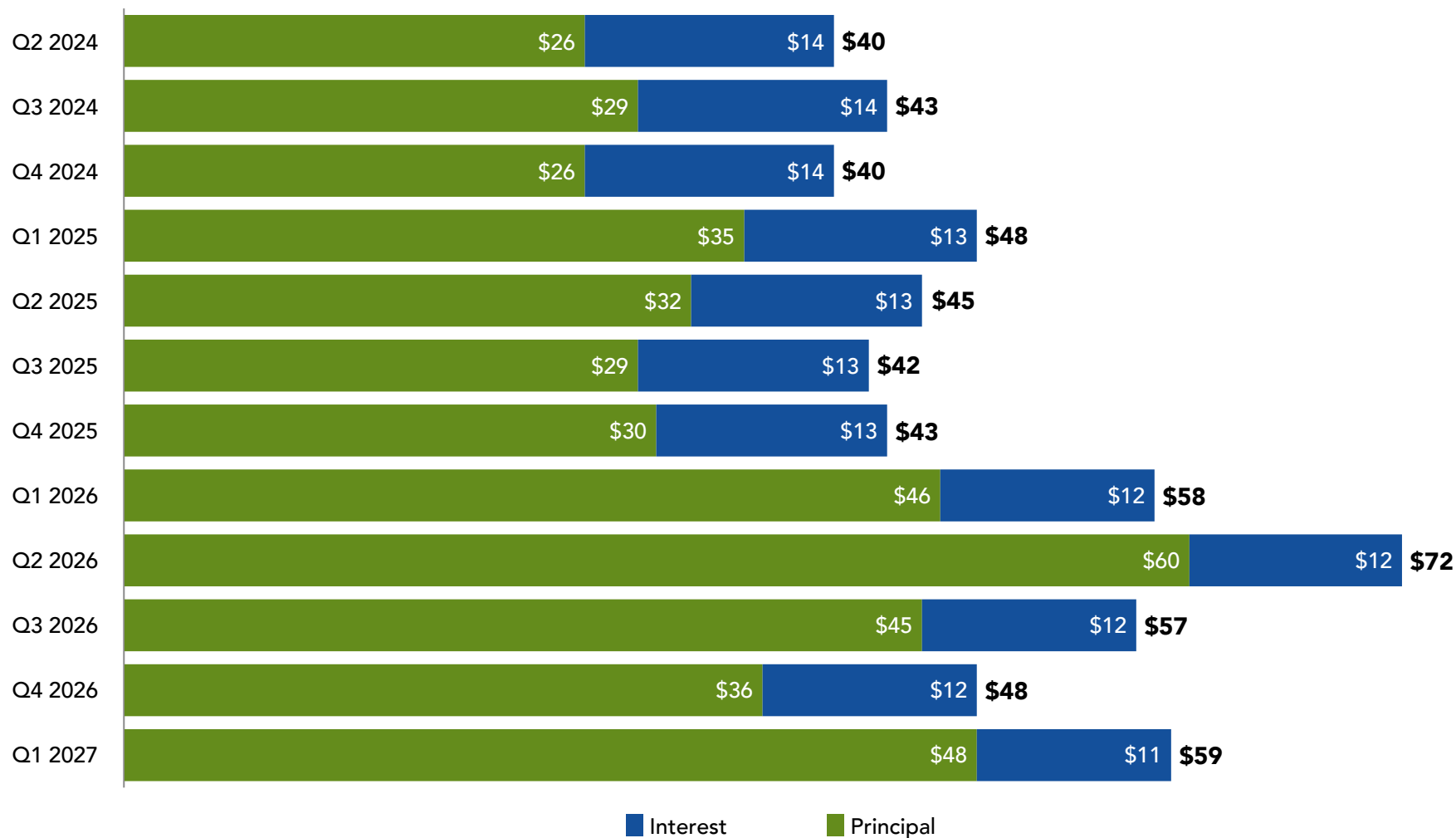
Portfolio Duration



*No investments were purchased during Q2 2023.

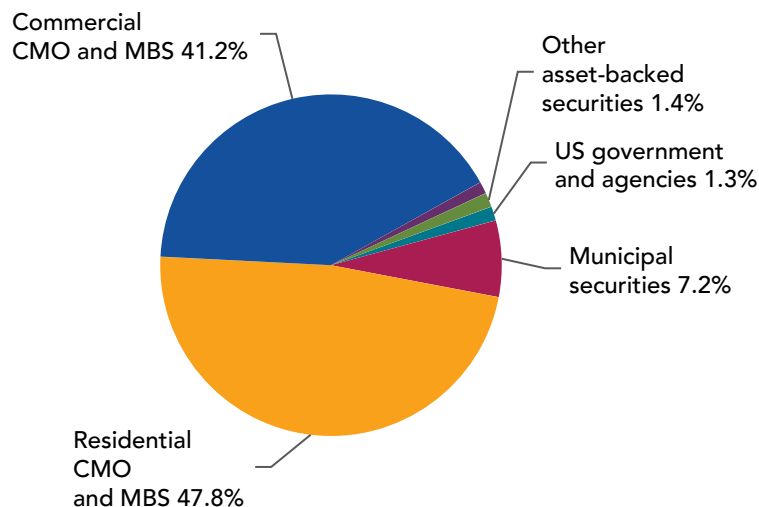


Investment cashflows are estimated to be \$595 million through Q1 of 2027.

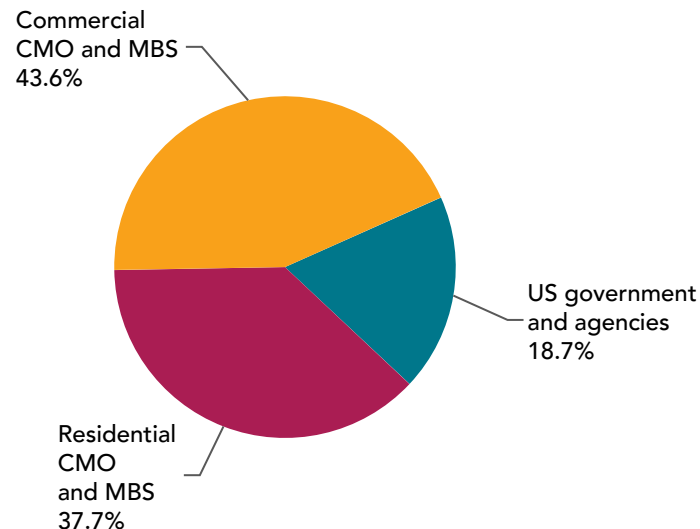




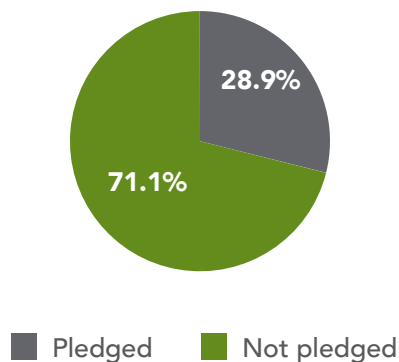
AFS Investment by Type



HTM Investment by Type



AFS Investments Pledged



Strong Credit Quality of Portfolio:

AFS Securities

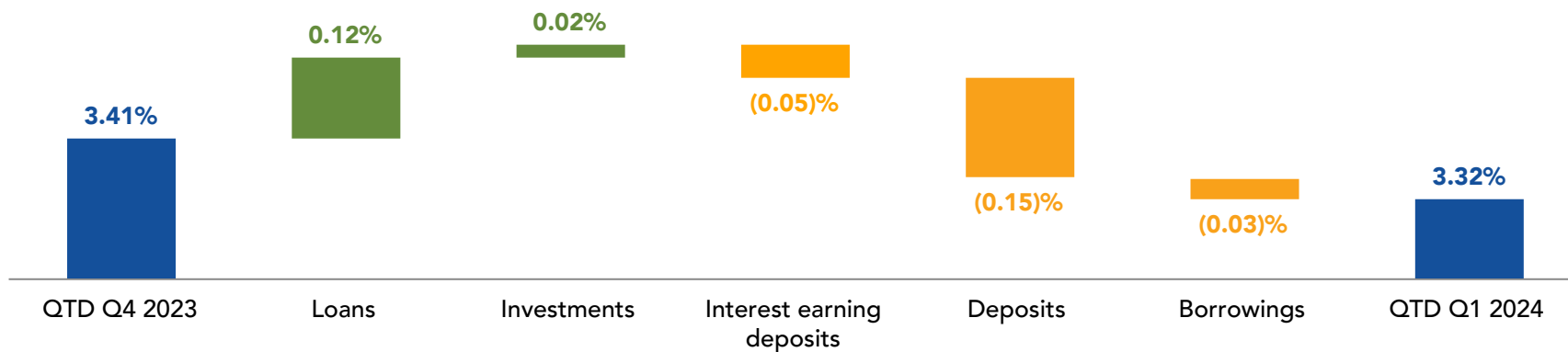
- 90.4% of AFS in U.S. government and agency securities
- Only 1.1% in AFS are rated less than AA

HTM Securities

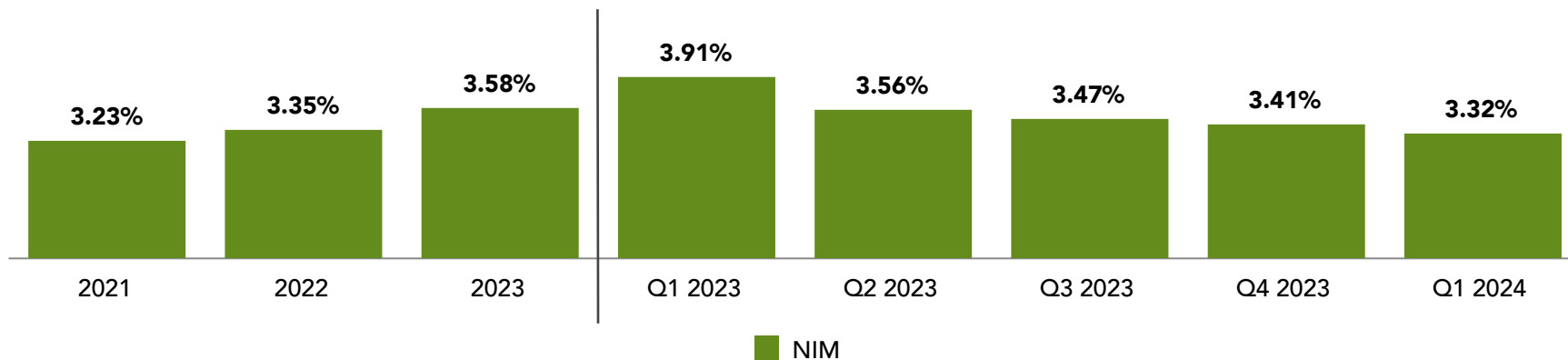
- All HTM investments are U.S. government and agency securities
- 77% HTM Portfolio pledged for public deposits and Federal Reserve Bank borrowings



Change in Net Interest Margin QTD Q4 2023 vs. QTD Q1 2024



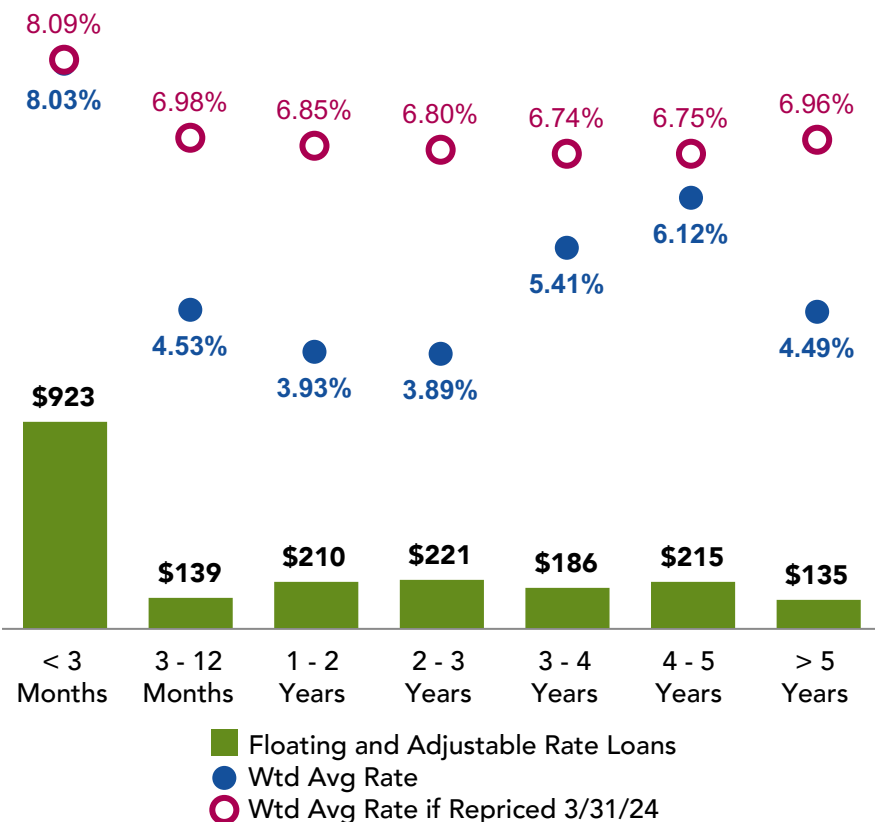
Net Interest Margin



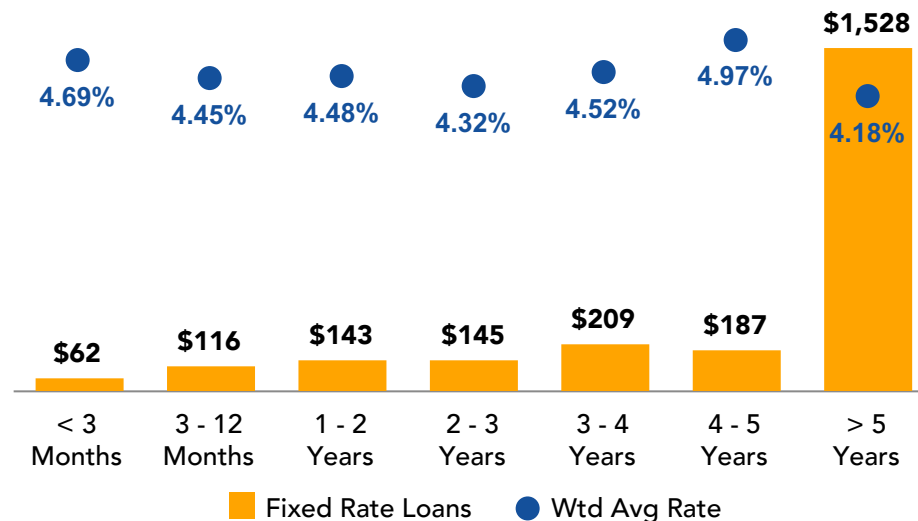


LOAN MATURITY AND REPRICING

Adjustable Rate Loans - Repricing Schedule



Fixed Rate Loans - Maturity Schedule



Adjustable Rate Loans

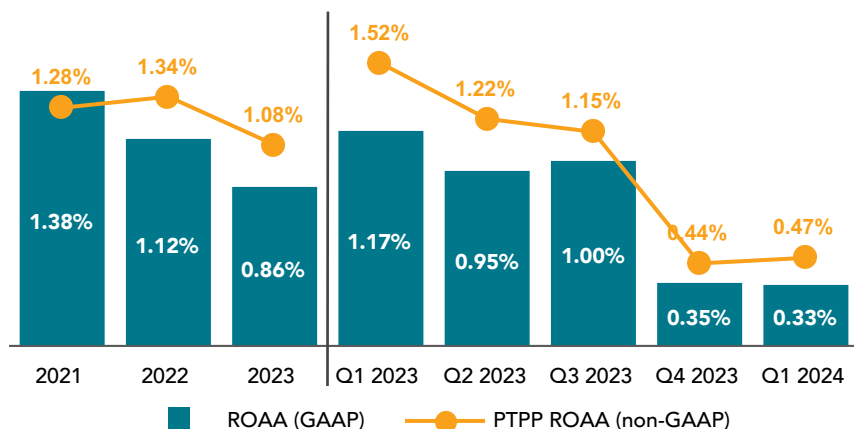
- \$2.0 billion in total
- 54% tied to FHLB index, 21% tied to Prime, 25% tied to SOFR

Fixed Rate Loans

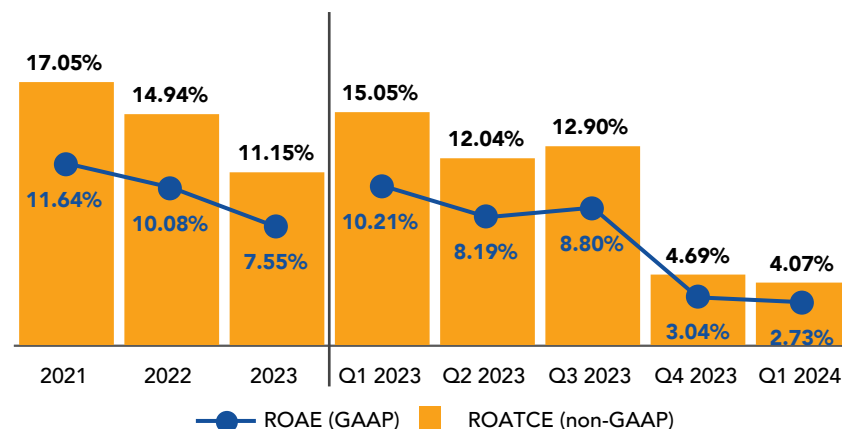
- \$2.4 billion in total



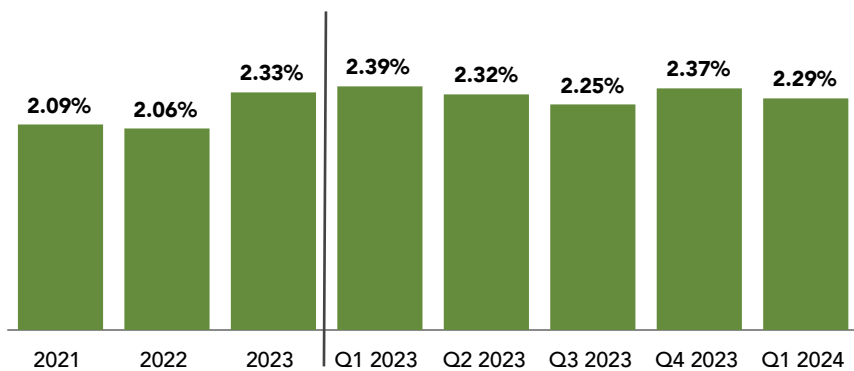
ROAA (GAAP) and PTPP ROAA (non-GAAP)



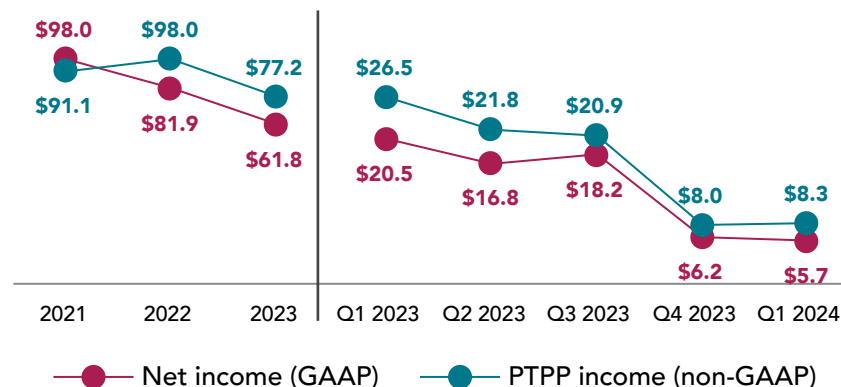
ROAE (GAAP) and ROATCE (non-GAAP)



Noninterest Expense/Avg. Assets



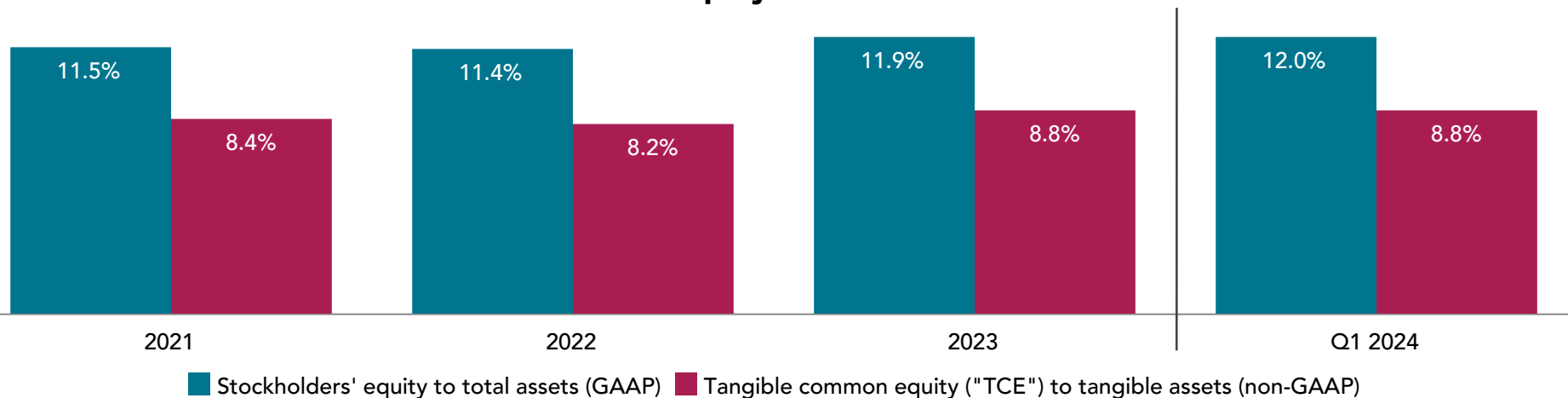
Net Income (GAAP) and PTPP Income (non-GAAP), in millions



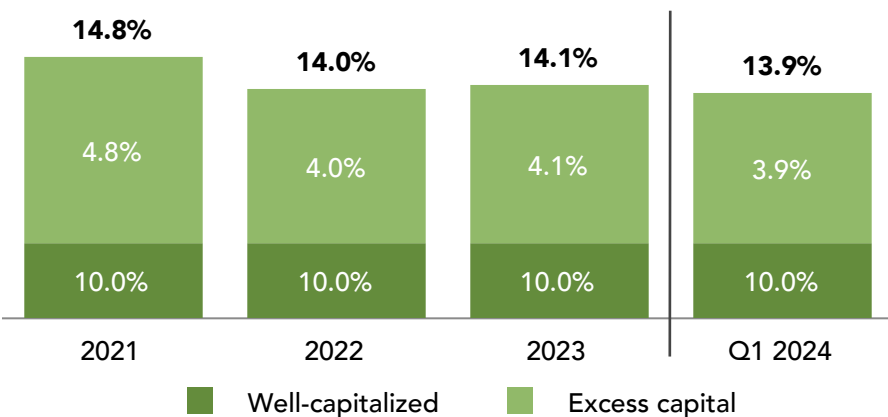
- Refer to Appendix for calculation of non-GAAP financial measures
- ROAA - Return on average assets
- PTPP - Pre-tax, pre-provision
- ROAE - Return on average equity
- ROATCE - Return on average tangible common equity



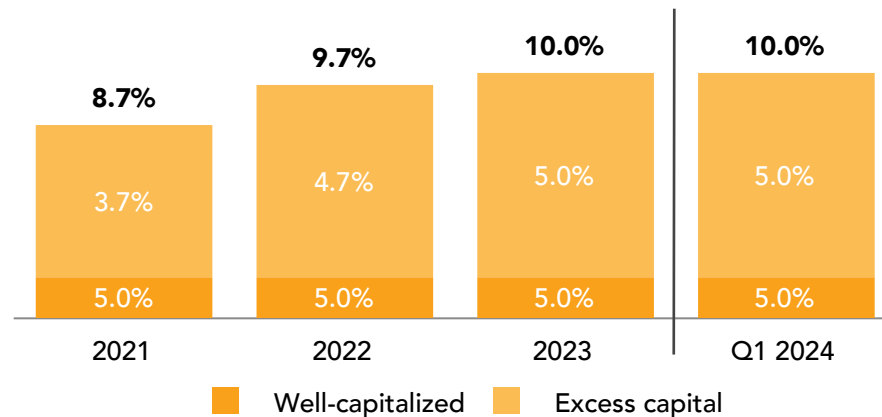
Equity Ratios



Total Risk Based Capital



Tier 1 Leverage Ratio



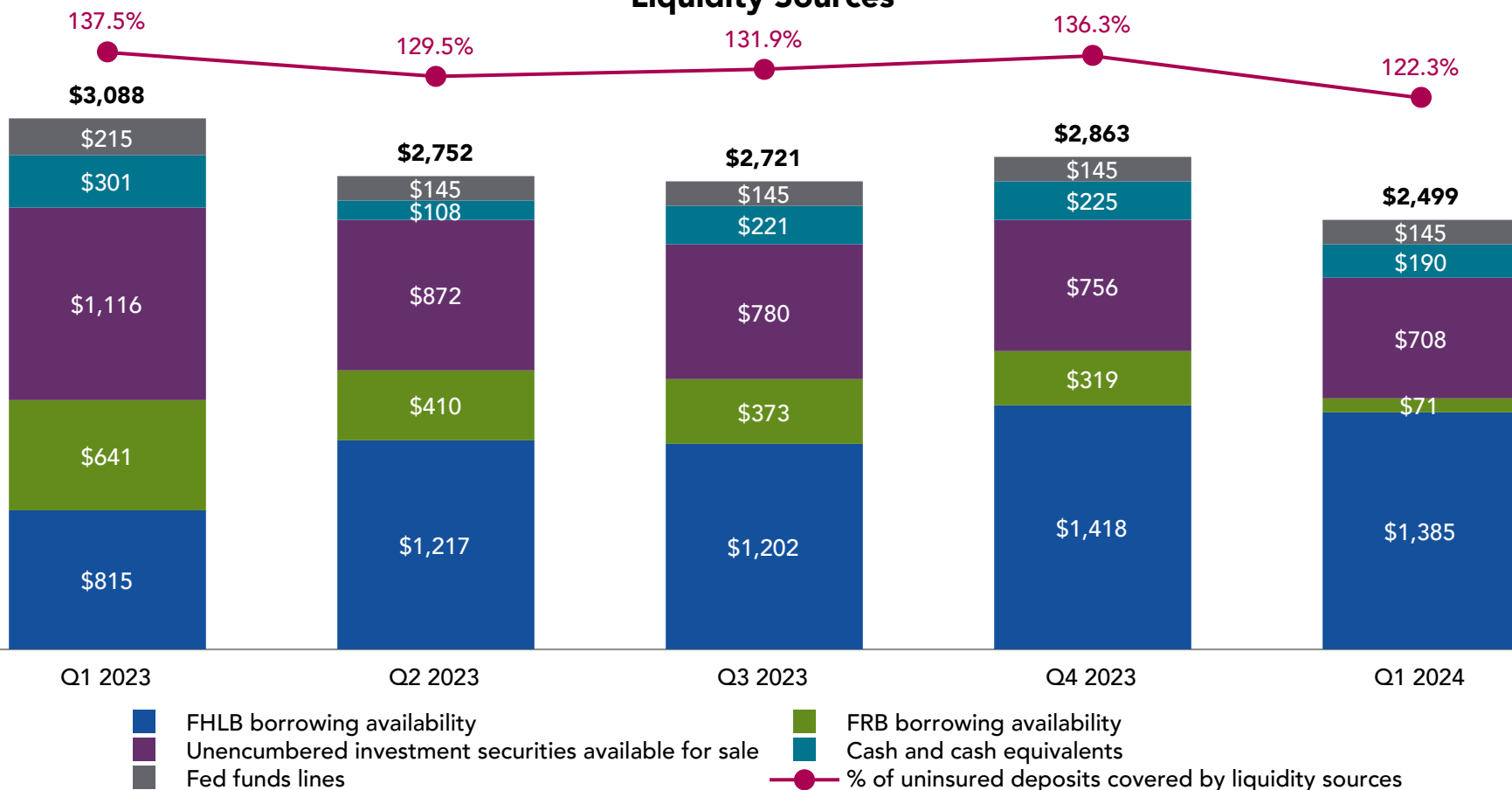
- Current quarter ratios are estimates pending completion and filing of the Company's regulatory reports.
- Refer to Appendix for calculation of non-GAAP financial measures.
- Well-capitalized represents FDIC well-capitalized ratio threshold for banks. The minimum capital ratio requirement for Tier 1 leverage and Total risk based capital is 4.0% and 8.0%, respectively.



Liquidity position at March 31, 2024:

- Sufficient liquidity to cover estimated uninsured deposits of \$2.0 billion.
- Access to brokered deposits of \$698 million per internal company policy.

Liquidity Sources



– At fair value

– Includes FHLB borrowing availability of \$1.38 billion at March 31, 2024 based on pledged assets, however, maximum credit capacity is 45% of the Bank's total assets one quarter in arrears or \$3.23 billion

SHAREHOLDER RETURN





Stock Summary

Ticker	HFWA
Exchange	NASDAQ
Stock price	\$18.12
Market capitalization (in millions)	\$628.0
Dividend yield (regular dividend only)	5.08%

Average Daily Volume (3 month)

Average daily volume (shares)	210,595
Average daily volume (\$000s)	\$3,816

52-Week High and Low Price

52-week high (December 14, 2023)	22.55
52-week low (May 4, 2023)	14.85

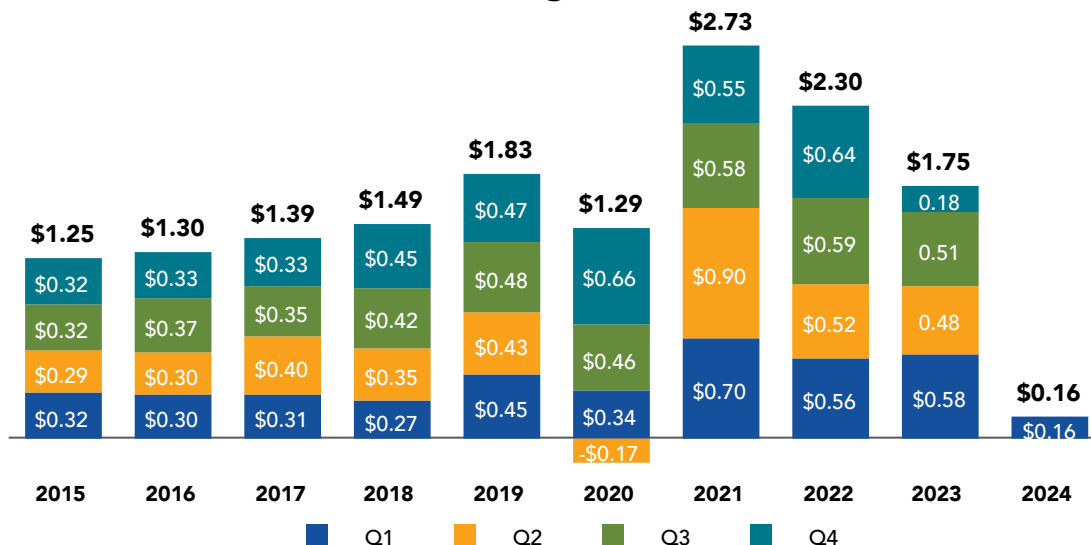
Per Share

Tangible book value per share	\$17.36
EPS - 2024E	\$1.71
EPS - 2025E	\$1.91
Number of research analysts	6

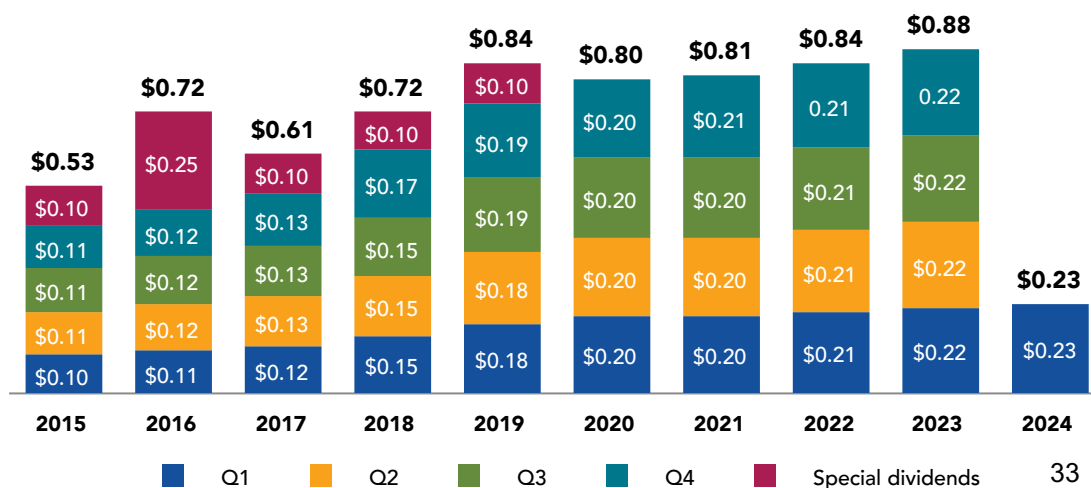
Valuation Ratios

Price / Tangible book value	104.4%
Price / 2024E EPS	10.6x
Price / 2025E EPS	9.5x

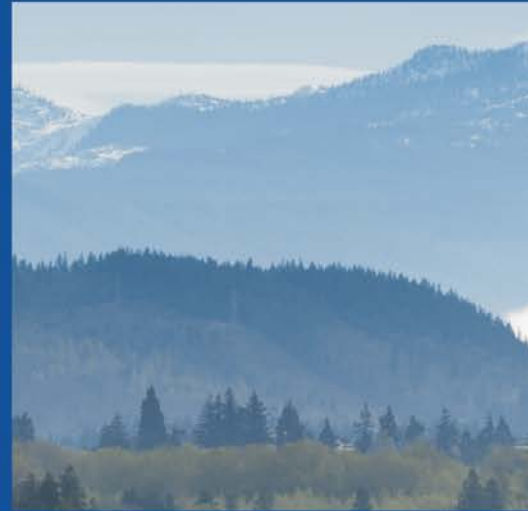
Diluted Earnings Per Share



Dividends Per Share Declared



APPENDIX - RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND QUARTERLY FINANCIAL STATISTICS





NON-GAAP FINANCIAL MEASURES

	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<u>PTPP Income and PTPP ROAA:</u>								
Net income (GAAP)	\$ 98,035	\$ 81,875	\$ 61,755	\$ 20,457	\$ 16,846	\$ 18,219	\$ 6,233	\$ 5,748
Exclude income tax expense	22,472	17,561	11,160	4,213	3,025	3,578	344	1,120
Exclude provision for (reversal of provision for) credit losses	(29,372)	(1,426)	4,280	1,825	1,909	(878)	1,424	1,392
PTPP income (non-GAAP)	\$ 91,135	\$ 98,010	\$ 77,195	\$ 26,495	\$ 21,780	\$ 20,919	\$ 8,001	\$ 8,260
Average total assets	\$7,126,250	\$7,321,455	\$7,140,024	\$7,061,959	\$7,142,865	\$7,212,732	\$7,140,876	\$7,092,452
ROAA, annualized (GAAP)	1.38 %	1.12 %	0.86 %	1.17 %	0.95 %	1.00 %	0.35 %	0.33 %
PTPP ROAA, annualized (non-GAAP)	1.28 %	1.34 %	1.08 %	1.52 %	1.22 %	1.15 %	0.44 %	0.47 %
<u>ROATCE:</u>								
Net income (GAAP)	\$ 98,035	\$ 81,875	\$ 61,755	\$ 20,457	\$ 16,846	\$ 18,219	\$ 6,233	\$ 5,748
Add amortization of intangible assets	3,111	2,750	2,434	623	623	595	593	421
Exclude tax effect of adjustment	(653)	(578)	(511)	(131)	(131)	(125)	(125)	(88)
Tangible net income (non-GAAP)	\$ 100,493	\$ 84,047	\$ 63,678	\$ 20,949	\$ 17,338	\$ 18,689	\$ 6,701	\$ 6,081
Average stockholders' equity (GAAP)	\$ 842,067	\$ 811,942	\$ 818,042	\$ 812,500	\$ 824,742	\$ 821,494	\$ 813,383	\$ 846,947
Exclude average intangible assets	(252,540)	(249,566)	(246,965)	(247,922)	(247,278)	(246,663)	(246,022)	(245,536)
Average tangible common stockholders' equity (non-GAAP)	\$ 589,527	\$ 562,376	\$ 571,077	\$ 564,578	\$ 577,464	\$ 574,831	\$ 567,361	\$ 601,411
ROAE, annualized (GAAP)	11.64 %	10.08 %	7.55 %	10.21 %	8.19 %	8.80 %	3.04 %	2.73 %
ROATCE, annualized (non-GAAP)	17.05 %	14.94 %	11.15 %	15.05 %	12.04 %	12.90 %	4.69 %	4.07 %

- Dollars in thousands
- ROAA - Return on average assets
- PTPP - Pre-tax, pre-provision
- ROATCE - Return on average tangible common equity



NON-GAAP FINANCIAL MEASURES

	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Efficiency Ratio and Adjusted Efficiency Ratio								
Total noninterest expense (GAAP)	\$ 149,269	\$ 150,966	\$ 166,623	\$ 41,605	\$ 41,325	\$ 40,970	\$ 42,723	\$ 40,370
Net interest income (GAAP)	\$ 205,789	\$ 219,385	\$ 225,155	\$ 59,842	\$ 55,824	\$ 55,618	\$ 53,871	\$ 51,530
Total noninterest income (GAAP)	\$ 34,615	\$ 29,591	\$ 18,663	\$ 8,258	\$ 7,281	\$ 6,271	\$ (3,147)	\$ (2,900)
Exclude (gain) loss on sale of investment securities, net	(29)	256	12,231	286	—	1,940	10,005	9,973
Exclude gain on sale of branch including related deposits, net	—	—	(610)	—	—	(610)	—	—
Exclude gain on sale of premise and equipment	(4,440)	(403)	—	—	—	—	—	—
Adjusted total non interest income (non-GAAP)	\$ 30,146	\$ 29,444	\$ 30,284	\$ 8,544	\$ 7,281	\$ 7,601	\$ 6,858	\$ 7,073
Efficiency ratio (GAAP)	62.09 %	60.63 %	68.34 %	61.09 %	65.49 %	66.20 %	84.23 %	83.01 %
Adjusted efficiency ratio (non-GAAP)	63.27 %	60.67 %	65.23 %	60.84 %	65.49 %	64.81 %	70.35 %	68.89 %



NON-GAAP FINANCIAL MEASURES

	2014	2015	2016	2017	2018	2019	2020	2022	2023
Tangible Book Value Per Share:									
Total stockholders' equity (GAAP)	\$ 454,506	\$ 469,970	\$ 481,763	\$ 505,305	\$ 760,723	\$ 809,311	\$ 820,439	\$ 797,893	\$ 853,261
Exclude intangible assets	(129,918)	(127,818)	(126,403)	(125,117)	(261,553)	(257,552)	(254,027)	(248,166)	(245,732)
Tangible common equity (non-GAAP)	\$ 324,588	\$ 342,152	\$ 355,360	\$ 380,188	\$ 499,170	\$ 551,759	\$ 566,412	\$ 549,727	\$ 607,529
Shares outstanding	30,259,838	29,975,439	29,954,931	29,927,746	36,874,055	36,618,729	35,912,243	35,106,697	34,906,233
Book value per share (GAAP)	\$ 15.02	\$ 15.68	\$ 16.08	\$ 16.88	\$ 20.63	\$ 22.10	\$ 22.85	\$ 22.73	\$ 24.44
Tangible book value per share (non-GAAP)	\$ 10.73	\$ 11.41	\$ 11.86	\$ 12.70	\$ 13.54	\$ 15.07	\$ 15.77	\$ 15.66	\$ 17.40

	2024
	Q1
Total stockholders' equity (GAAP)	\$ 847,580
Exclude intangible assets	(245,311)
Tangible common equity (non-GAAP)	\$ 602,269
Shares outstanding	34,689,843
Book value per share (GAAP)	\$ 24.43
Tangible book value per share (non-GAAP)	\$ 17.36



QUARTERLY FINANCIAL STATISTICS

	As of Period End or for the Three Months Ended				
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Profitability:					
Net income (GAAP)	\$ 20,457	\$ 16,846	\$ 18,219	\$ 6,233	\$ 5,748
Pre-tax, pre-provision net income (non-GAAP)	\$ 26,495	\$ 21,780	\$ 20,919	\$ 8,001	\$ 8,260
Diluted earnings per share	\$ 0.58	\$ 0.48	\$ 0.51	\$ 0.18	\$ 0.16
Return on average assets (GAAP)	1.17 %	0.95 %	1.00 %	0.35 %	0.33 %
Pre-tax, pre-provision return on average assets (non-GAAP)	1.52	1.22	1.15	0.44	0.47
Return on average common equity (GAAP)	10.21	8.19	8.80	3.04	2.73
Return on average tangible common equity (non-GAAP)	15.05	12.04	12.90	4.69	4.07
Net interest margin	3.91	3.56	3.47	3.41	3.32
Efficiency ratio (GAAP)	61.1	65.5	66.2	84.2	83.0
Adjusted efficiency ratio (non-GAAP)	60.8 %	65.5 %	64.8 %	70.4 %	68.9 %
Noninterest expense to average total assets	2.39 %	2.32 %	2.25 %	2.37 %	2.29 %
Balance Sheet:					
Total assets	\$ 7,236,806	\$ 7,115,410	\$ 7,150,588	\$ 7,174,957	\$ 7,091,283
Loans receivable, net	4,083,003	4,204,936	4,219,911	4,287,628	4,378,429
Total deposits	\$ 5,789,022	\$ 5,595,543	\$ 5,635,187	\$ 5,599,872	\$ 5,532,327
Loan to deposit ratio	71.3 %	76.0 %	75.7 %	77.4 %	80.0 %
Capital:					
Book value per share (GAAP)	\$ 23.53	\$ 23.39	\$ 23.31	\$ 24.44	\$ 24.43
Tangible book value per share (non-GAAP)	\$ 16.48	\$ 16.34	\$ 16.25	\$ 17.40	\$ 17.36
Leverage ratio	9.9 %	9.9 %	9.9 %	10.0 %	10.0 %
Total capital ratio	14.1 %	14.1 %	14.1 %	14.1 %	13.9 %
Credit Quality:					
Nonperforming assets to total assets	0.10 %	0.10 %	0.07 %	0.08 %	0.10 %
ACL on loans to loans receivable (GAAP)	1.08	1.09	1.10	1.11	1.12