

# Timberland Bancorp KBW Community Bank Investor Conference

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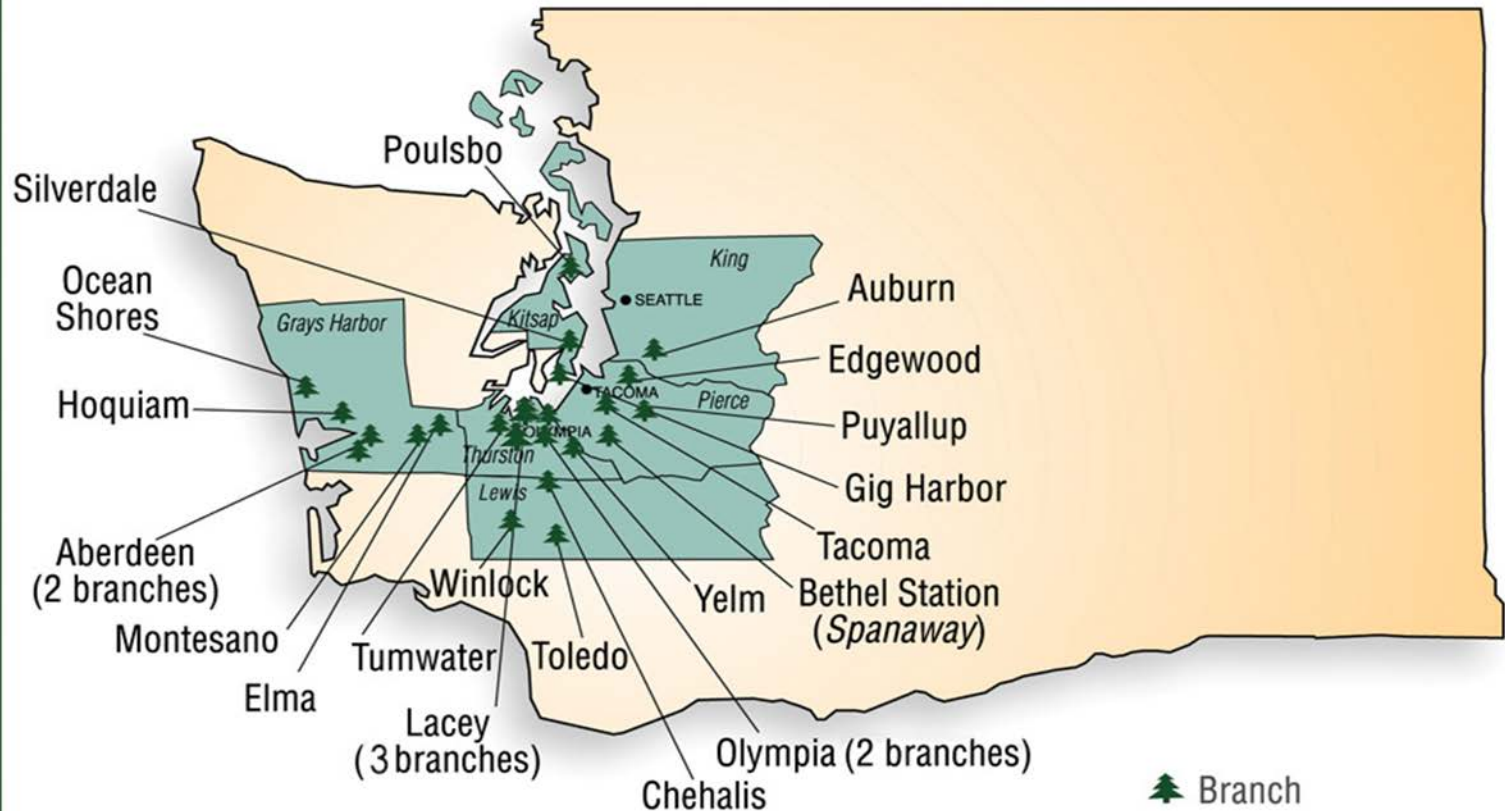
NASDAQ: TSBK  
August 2021

# Disclaimer



*Statements contained in this presentation which are not historical facts are forward-looking statements as that item is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties are detailed in the Company's filings with the Securities and Exchange Commission.*

# Timberland Branch Locations



# Major Employers



**PACCAR** Inc



**amazon.com**



# Senior Management



Name	Title	Years with Timberland Bank	Years in Industry
Michael R. Sand	President and Chief Executive Officer	43	43
Dean J. Brydon	EVP, Chief Financial Officer and Secretary	27	27
Robert A. Drugge	Executive Vice President of Lending	15	46
Jonathan A. Fischer	EVP and Chief Operating Officer	23	25
Edward C. Foster	EVP and Chief Credit Administrator	9	39

## TSBK Recently Added Directors with Strong Track Records in the Technology Sector



### TSBK Technology Directors Overview

- TSBK's technology directors bring an average of 20+ years of experience from industry-leading companies including Microsoft, Oracle and Deloitte, among others
- The technology directors' expertise covers a wide range of niches, including technology consulting, big data, artificial intelligence, cloud computing, technology M&A advisory, customer enhancing technology, business-scaling technology, and technology sales

#### Kelly A. Suter

- Executive leader with 25+ years of experience
- Expertise in finance, enterprise technology, software development and digital transformation
- Served as Chief Operation Officer of Calico Energy where she led finance services, operations, internal technology, and cyber risk management

#### Parul Bhandari

- 20+ years of leadership in digital and cloud transformation
- Currently leads the Partner Strategy for the Worldwide Media and Communications Industry group at Microsoft
- Also has technology consulting experience with Oracle, Deloitte, Acelsior and Intelsat
- Joined the TSBK Board of Directors in July of 2021

# Accolades



- In April 2021, Timberland was recognized by Keefe Bruyette & Woods (KBW) by its inclusion in KBW's 2021 Bank Honor Roll. To be eligible for this award, a bank must have assets of more than \$500 million and must have reported increases in annual earnings per share for ten consecutive years. Timberland was one of 16 banks nationally that qualified for, and received, this award.
- In April 2021, Timberland was awarded, for the fourth consecutive year, the Raymond James Community Bankers Cup, recognizing the Bank as being among the top 10% of community banks in the country based on profitability, operational efficiency and various balance sheet metrics.
- In September 2020, Timberland was honored for the second consecutive year by its inclusion in the Piper Sandler Bank and Thrift Sm-All Stars: Class of 2020, which identified Timberland Bank as one of the top 35 performing, publicly traded small-cap banks and thrifts in the nation based on growth, profitability, credit quality and capital strength.



# SBA Paycheck Protection Plan



As of June 30, 2021

Originated  
**\$192.43 million**  
in SBA Paycheck  
Protection  
Program loans



# COVID-19 Loan Modifications (\$ in thousands)



As of June 30, 2021

Industry/Collateral Type	Amount	Percent of Net Loans Receivable
Hotel	\$ 1,703	0.17%
*Total loan modifications	\$ 1,703	0.17%

\*Represents one loan, which is receiving interest payments monthly and is expected to start making regular payments in July.



## FINANCIAL HIGHLIGHTS

- Quarterly Comparison
- Fiscal Year Comparison

# Quarterly Comparison (amounts in thousands, except per share data)



	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20
<b>Net Income</b>	\$7,024	\$7,251	\$7,290	\$6,357	\$6,211
<b>Provision for Loan Losses</b>	\$0	\$0	\$0	\$500	\$1,000
<b>Earnings Per Diluted Share</b>	\$0.83	\$0.86	\$0.87	\$0.76	\$0.74
<b>Return on Assets</b>	1.63%	1.75%	1.84%	1.65%	1.70%
<b>Return on Equity</b>	14.02%	14.89%	15.39%	13.78%	13.83%
<b>Efficiency Ratio</b>	49.43%	48.99%	47.83%	50.73%	49.96%

# Quarterly Comparison (amounts in thousands)



	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20
Total Assets	\$1,740,460	\$1,699,244	\$1,588,405	\$1,565,978	\$1,521,642
Loans (excl. SBA PPP Loans)	\$ 905,932	\$ 892,508	\$ 903,841	\$ 887,055	\$ 890,178
SBA PPP Loans Outstanding	<u>\$ 95,633</u>	<u>\$ 138,175</u>	<u>\$ 103,468</u>	<u>\$ 126,820</u>	<u>\$ 122,581</u>
Total Net Loans Outstanding	<u>\$1,001,565</u>	<u>\$1,030,683</u>	<u>\$1,007,309</u>	<u>\$1,013,875</u>	<u>\$1,012,759</u>
Deposits	\$1,522,652	\$1,481,859	\$1,375,116	\$1,358,406	\$1,318,540
Other Real Estate Owned	\$157	\$157	\$268	\$1,050	\$1,466
Non-Performing Assets	\$2,365	\$2,650	\$3,054	\$4,164	\$4,709

# Fiscal Year Comparison (dollar amounts in thousands, except per share data)



	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
<b>Net Income</b>	\$24,269	\$24,020	\$16,721	\$14,167	\$10,154
<b>Provision (recapture) for Loan Losses</b>	\$3,700	0	0	(\$1,250)	0
<b>Earnings Per Diluted Share</b>	\$2.88	\$2.84	\$2.22	\$1.92	\$1.43
<b>Return on Average Assets</b>	1.75%	1.96%	1.70%	1.53%	1.19%
<b>Return on Average Equity</b>	13.59%	14.91%	14.27%	13.65%	11.00%
<b>Efficiency Ratio</b>	50.04%	54.32%	56.55%	57.92%	63.89%

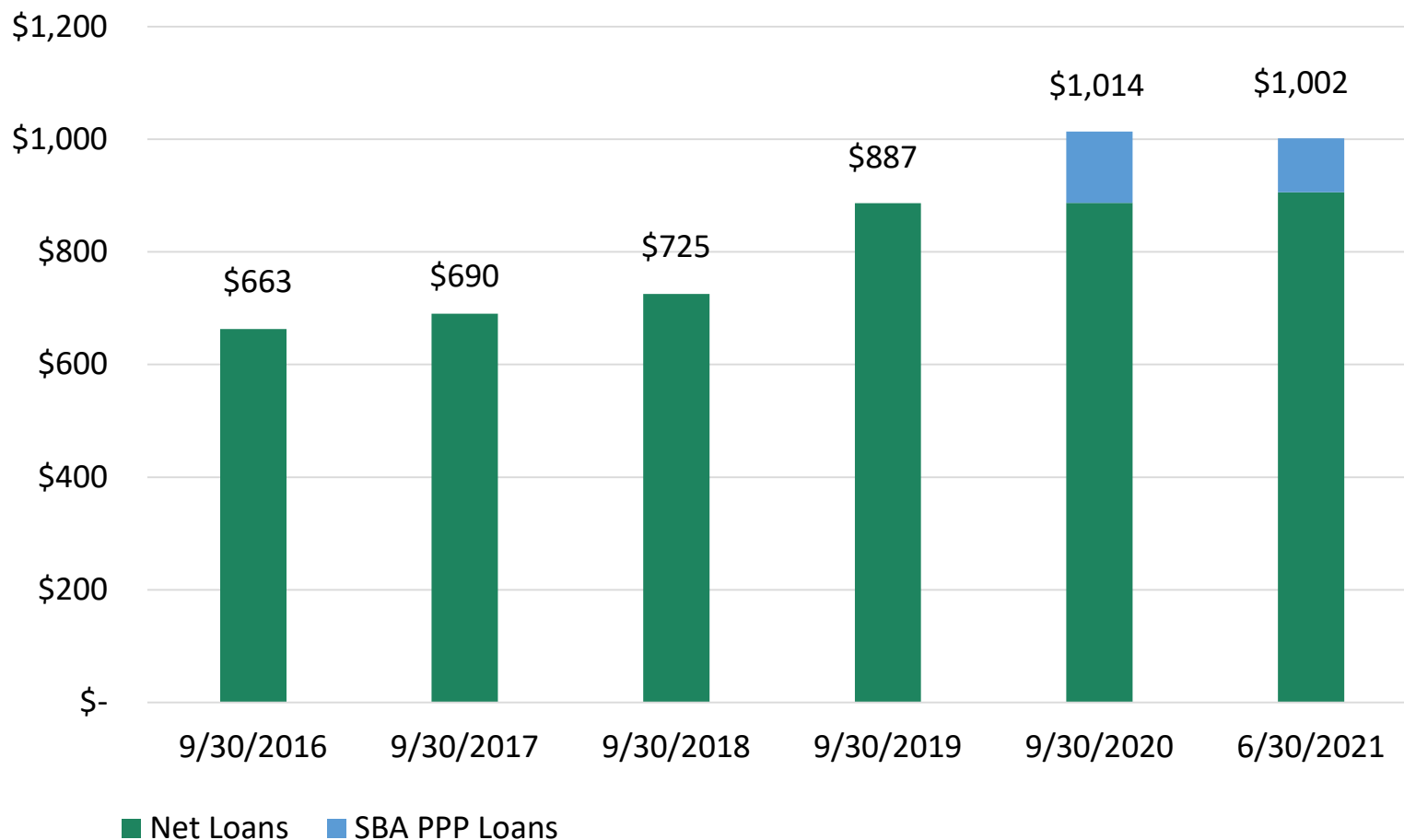
# Fiscal Year Comparison (amounts in thousands)



	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
<b>Total Assets</b>	\$1,565,978	\$1,247,132	\$1,018,290	\$952,024	\$891,388
<b>Net Loans Outstanding</b>	\$1,013,875	\$886,662	\$725,391	\$690,364	\$663,146
<b>Deposits</b>	\$1,358,406	\$1,068,227	\$889,506	\$837,898	\$761,534
<b>Other Real Estate Owned</b>	\$1,050	\$1,683	\$1,913	\$3,301	\$4,117
<b>Non-Performing Assets</b>	\$4,164	\$5,010	\$3,636	\$5,745	\$7,859

# Balance Sheet

\$ in millions



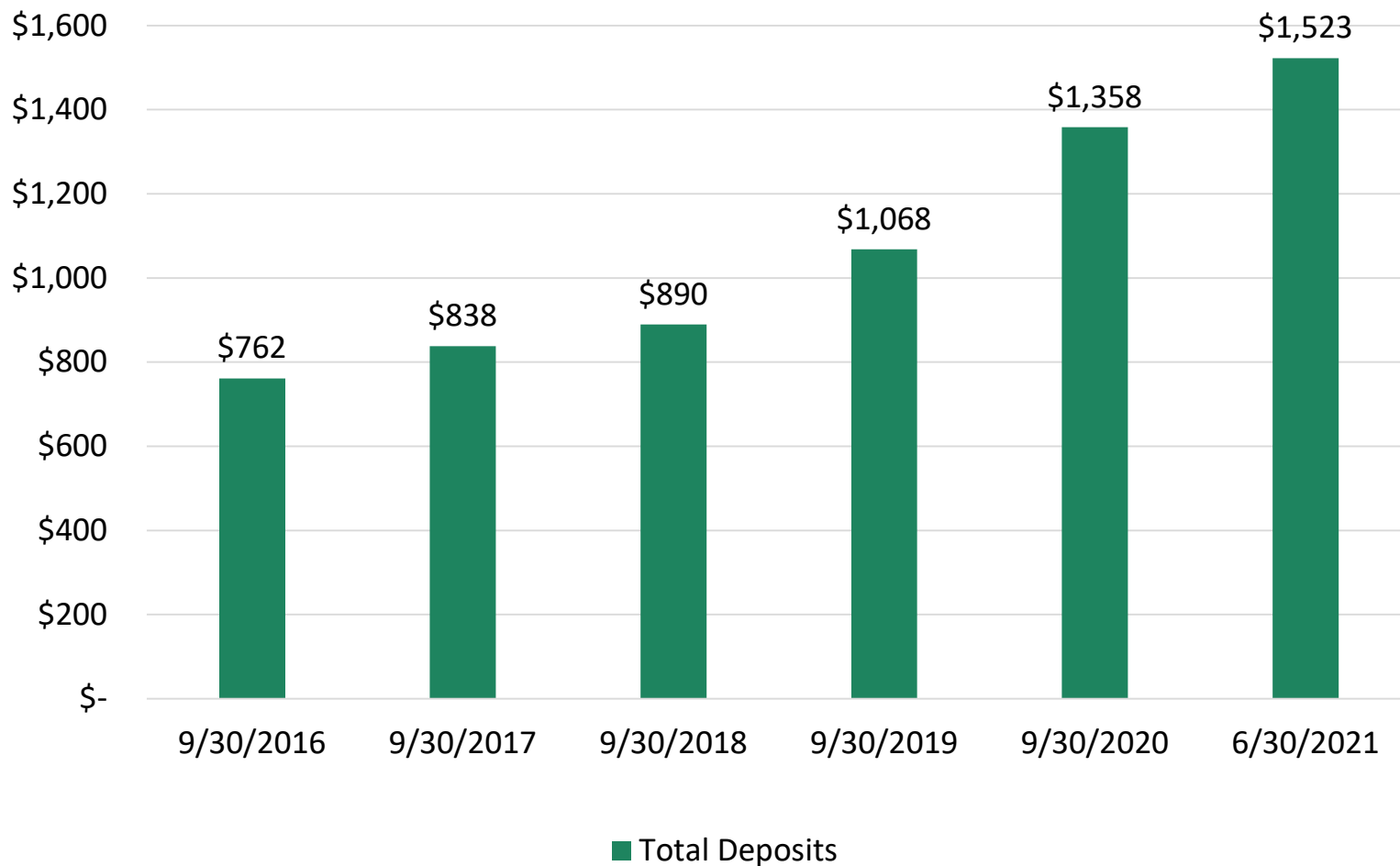


# Balance Sheet

\$ in millions



## Total Deposits

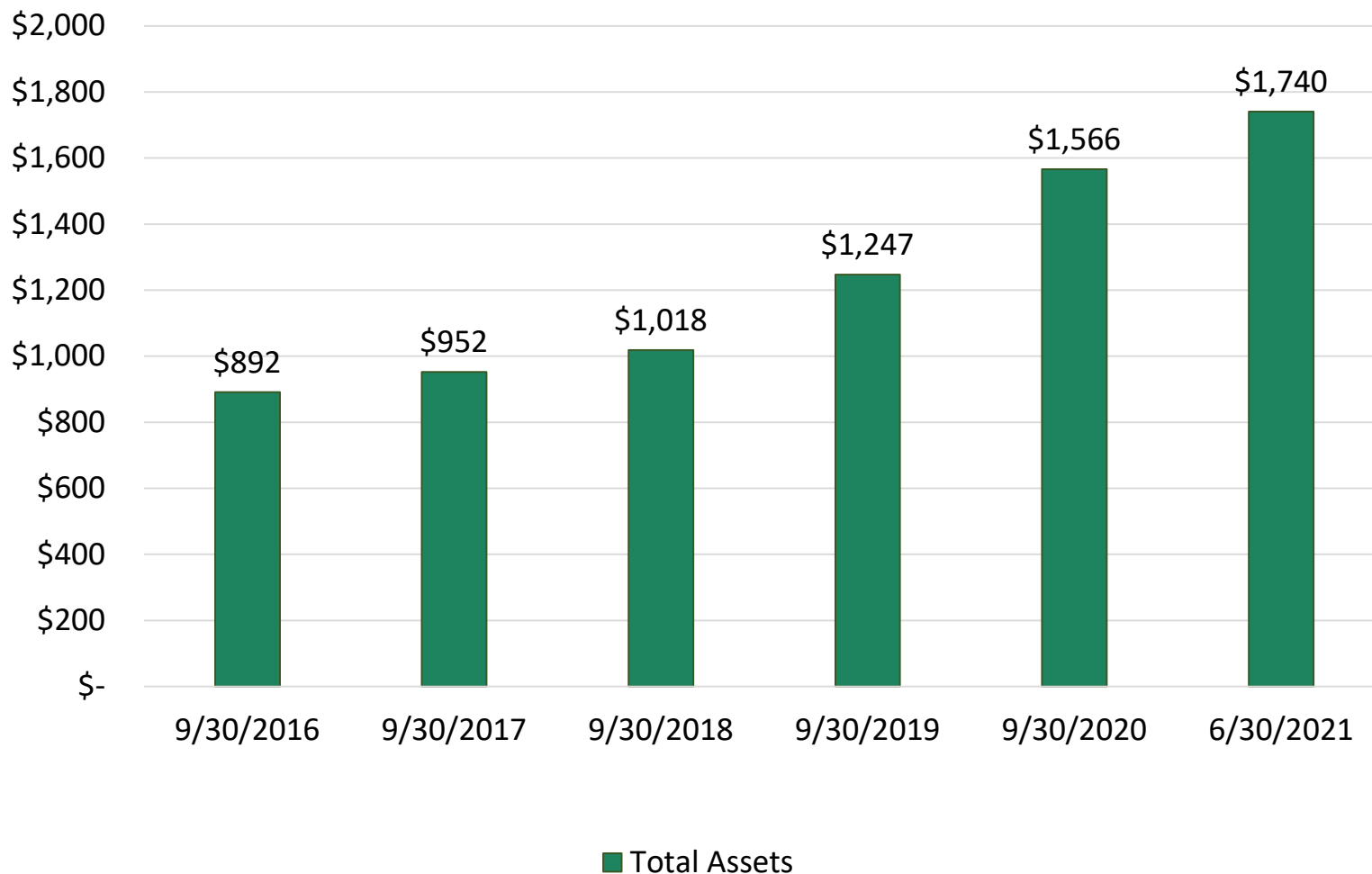


# Balance Sheet

\$ in millions



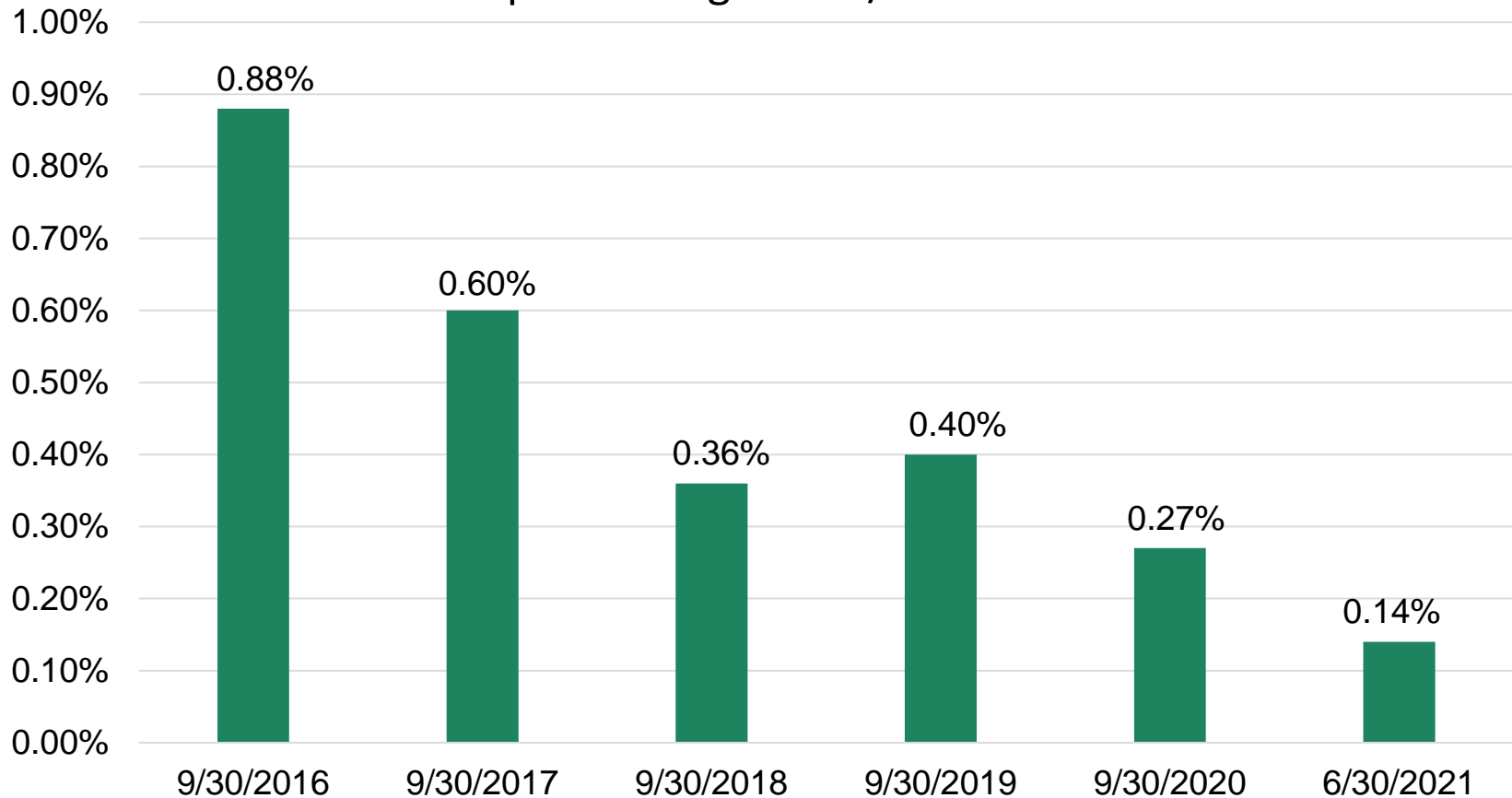
## Total Assets



# Asset Quality

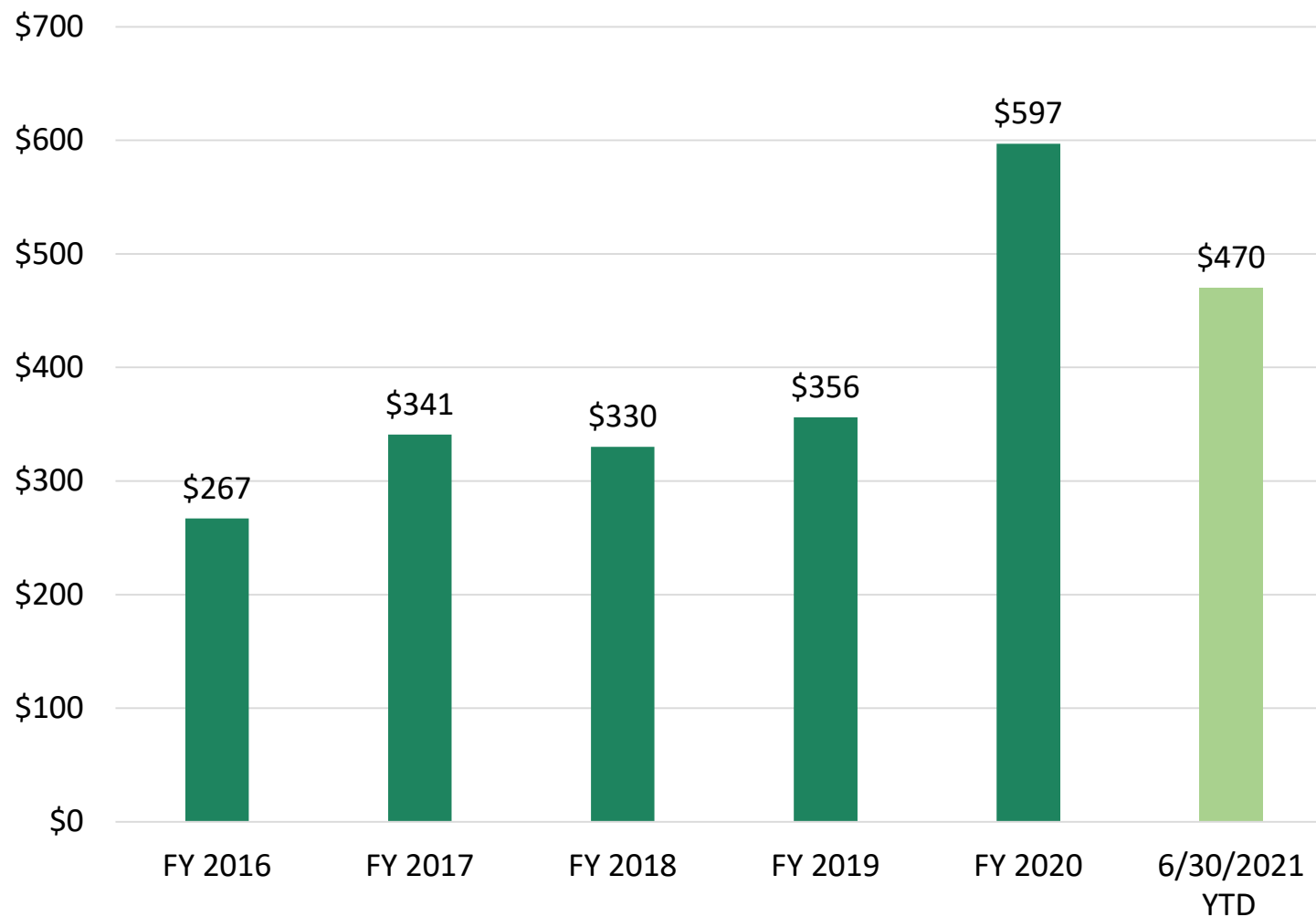


Nonperforming Assets/Total Assets



# Loan Production

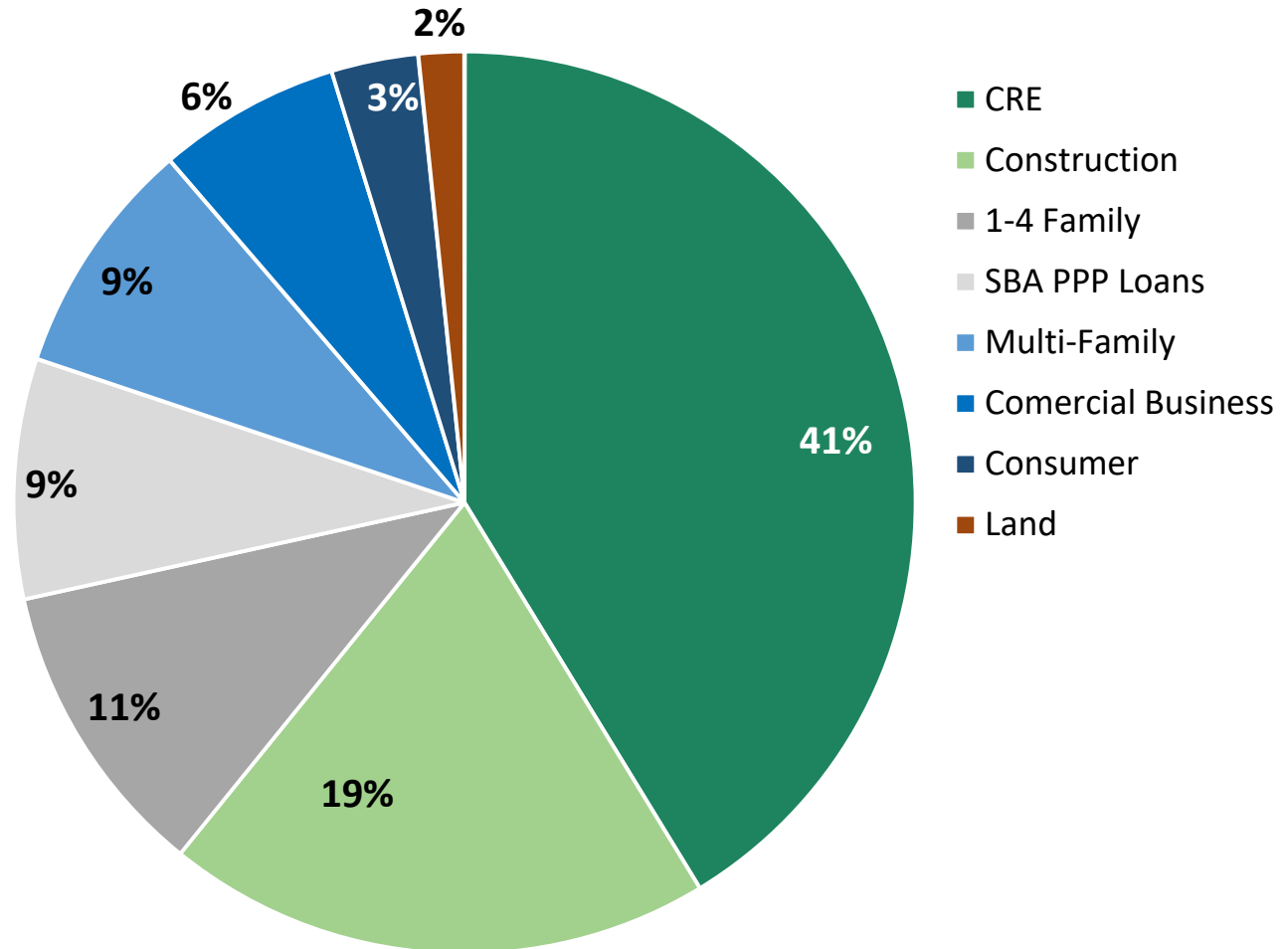
\$ in millions



# Diversified Loan Portfolio



Total Loans \$1.00 Billion at June 30, 2021

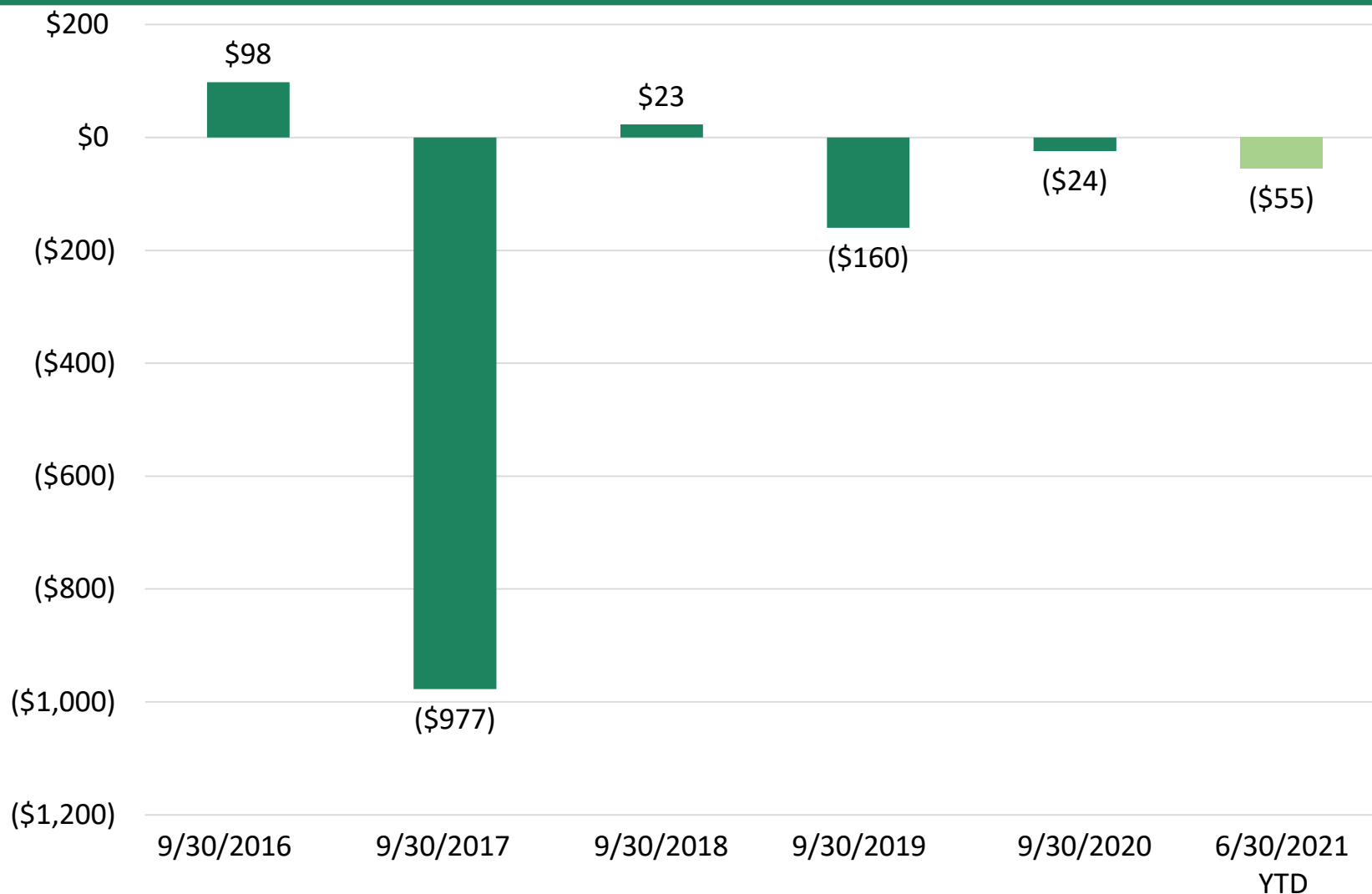


# CRE Portfolio Breakdown by Collateral (\$ in thousands)



Collateral Type	Amount	% of CRE Portfolio	% of Total Loan Portfolio
Industrial Warehouses	\$ 77,856	17%	7%
Office buildings	\$ 74,439	16%	7%
Medical/dental offices	\$55,775	12%	5%
Other retail buildings	\$40,475	9%	4%
Hotels/motels	\$26,271	6%	2%
Restaurants	\$25,427	6%	2%
Convenience Stores	\$20,713	4%	2%
Nursing homes	\$18,902	4%	2%
Shopping centers	\$14,252	3%	1%
Churches	\$13,131	3%	1%
Mini-Storage	\$12,662	3%	1%
Additional CRE	\$78,986	17%	7%
Total CRE	\$458,889	100%	41%

# Net Charge-Offs (Recoveries) (\$ in thousands)

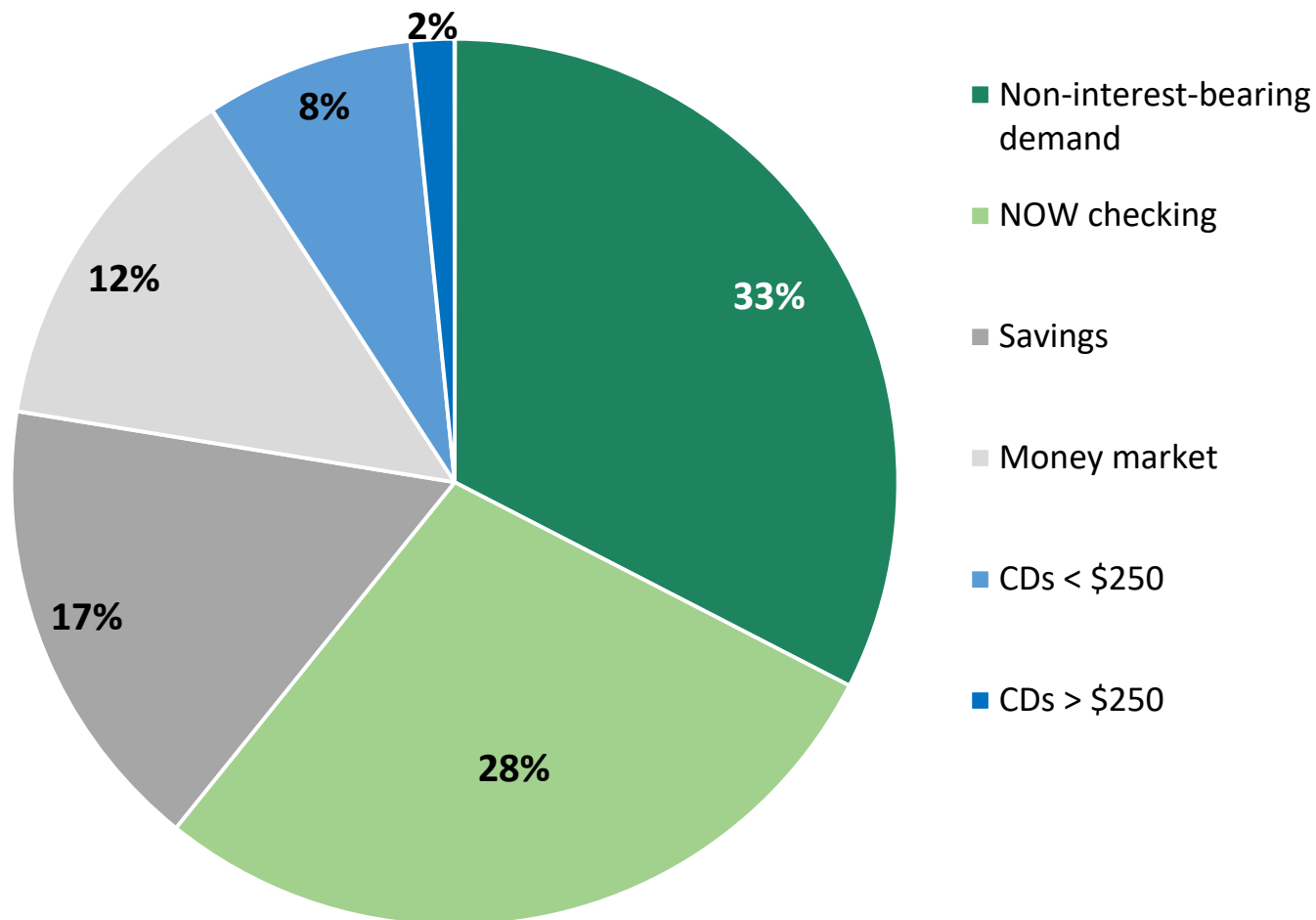




# Deposit Portfolio

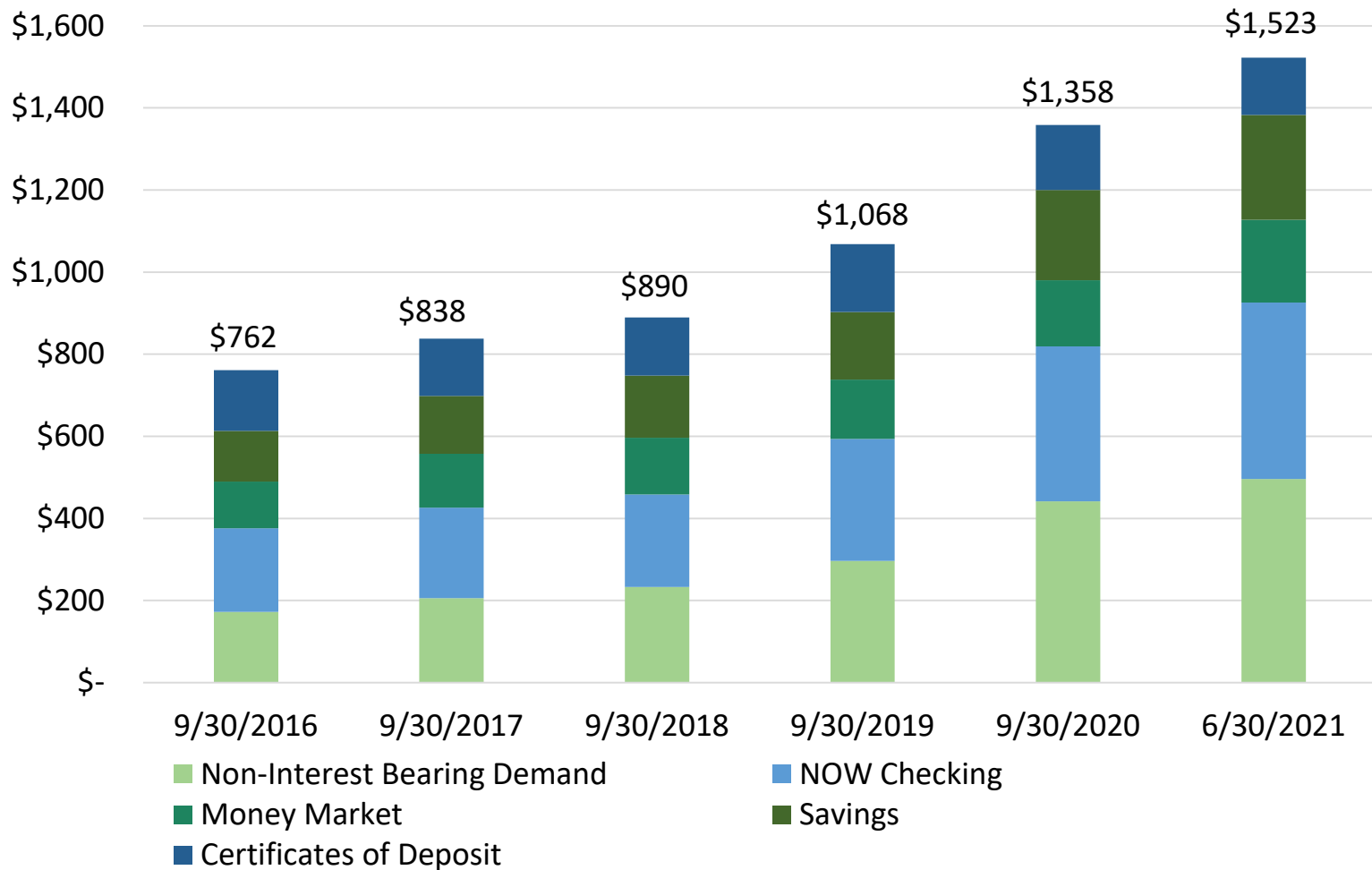


Total Deposits \$1.52 Billion at June 30, 2021

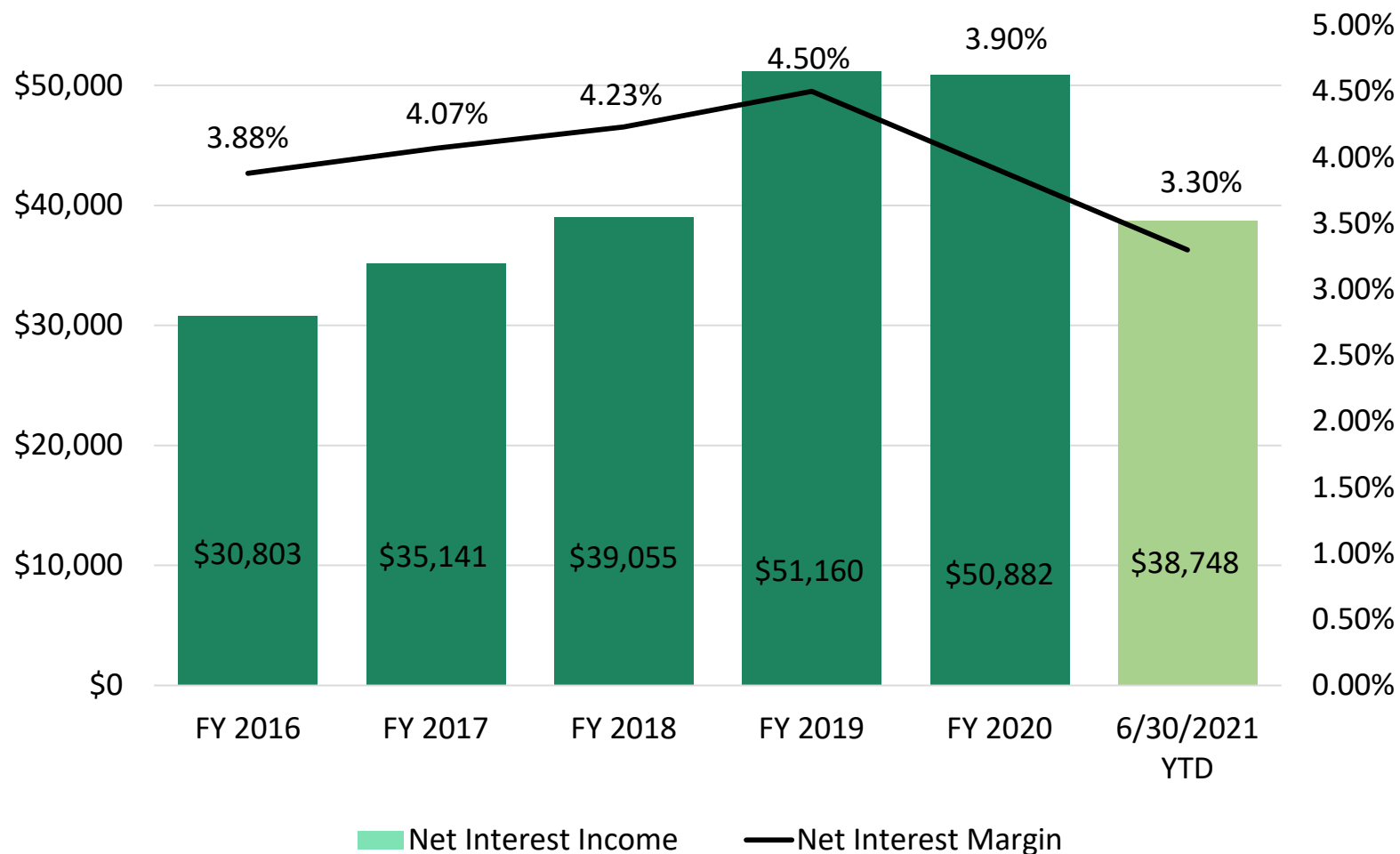


# Deposit Growth

\$ in millions

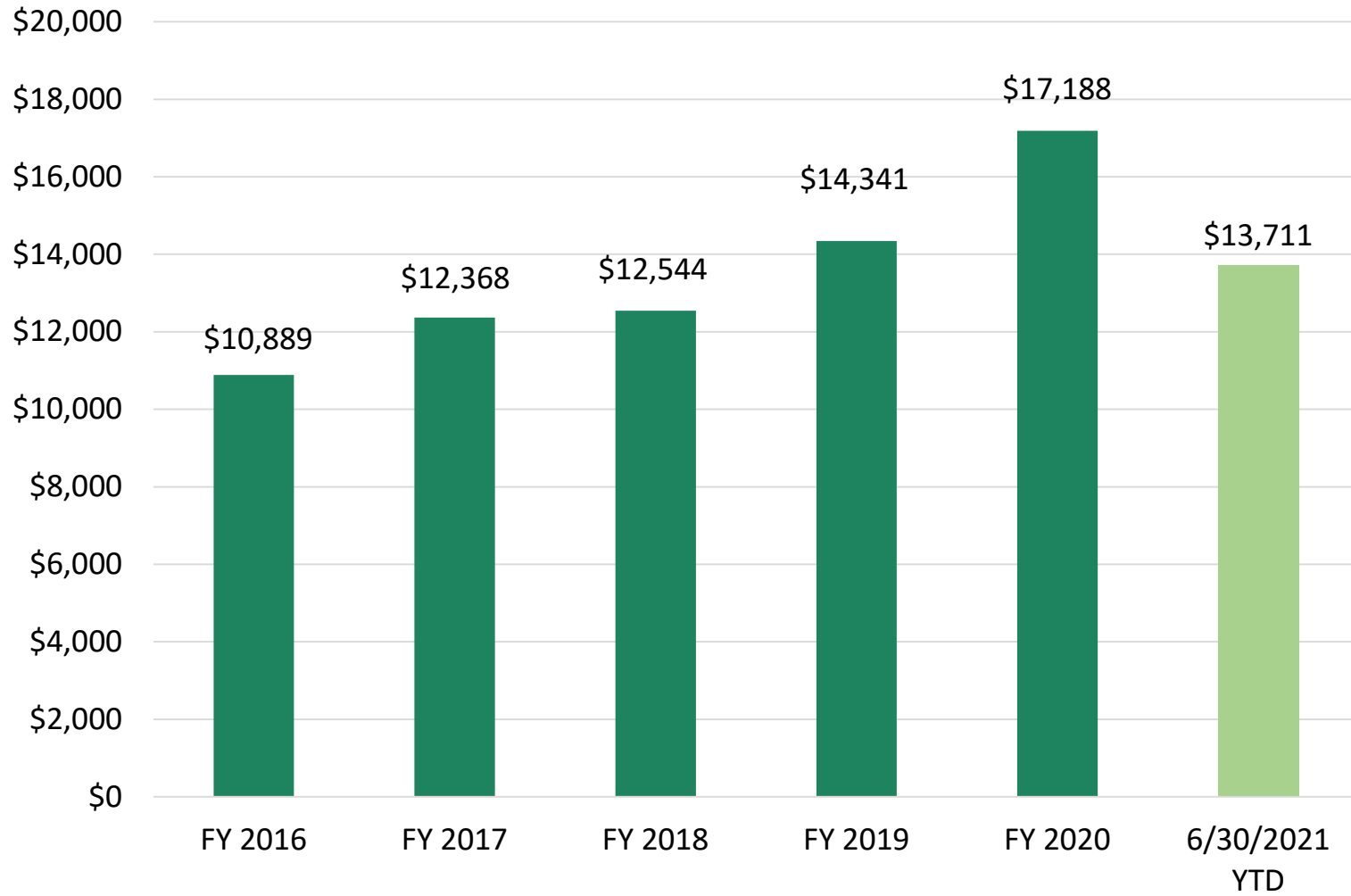


# Net Interest Income and Net Interest Margin

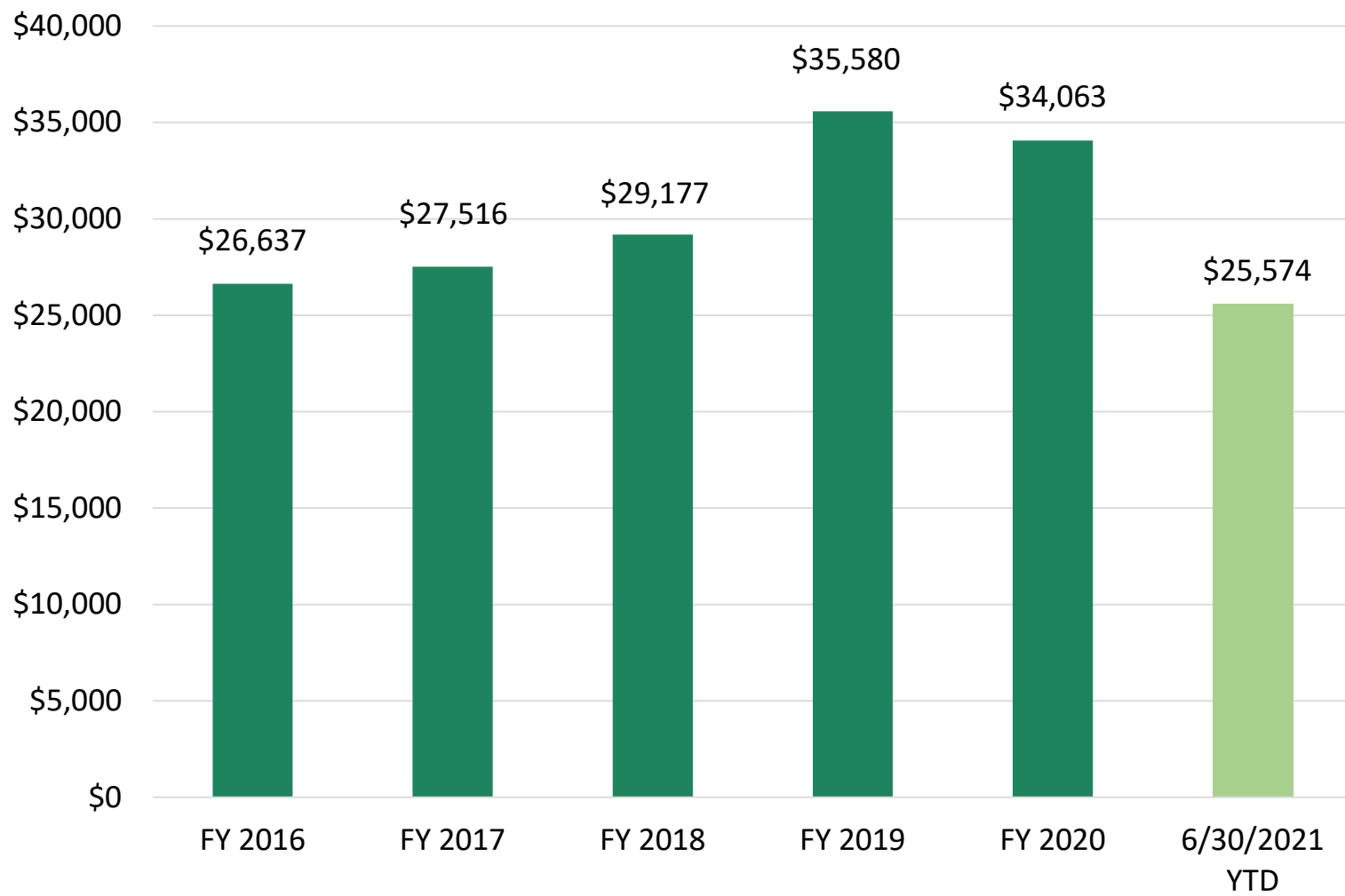


\$ in thousands

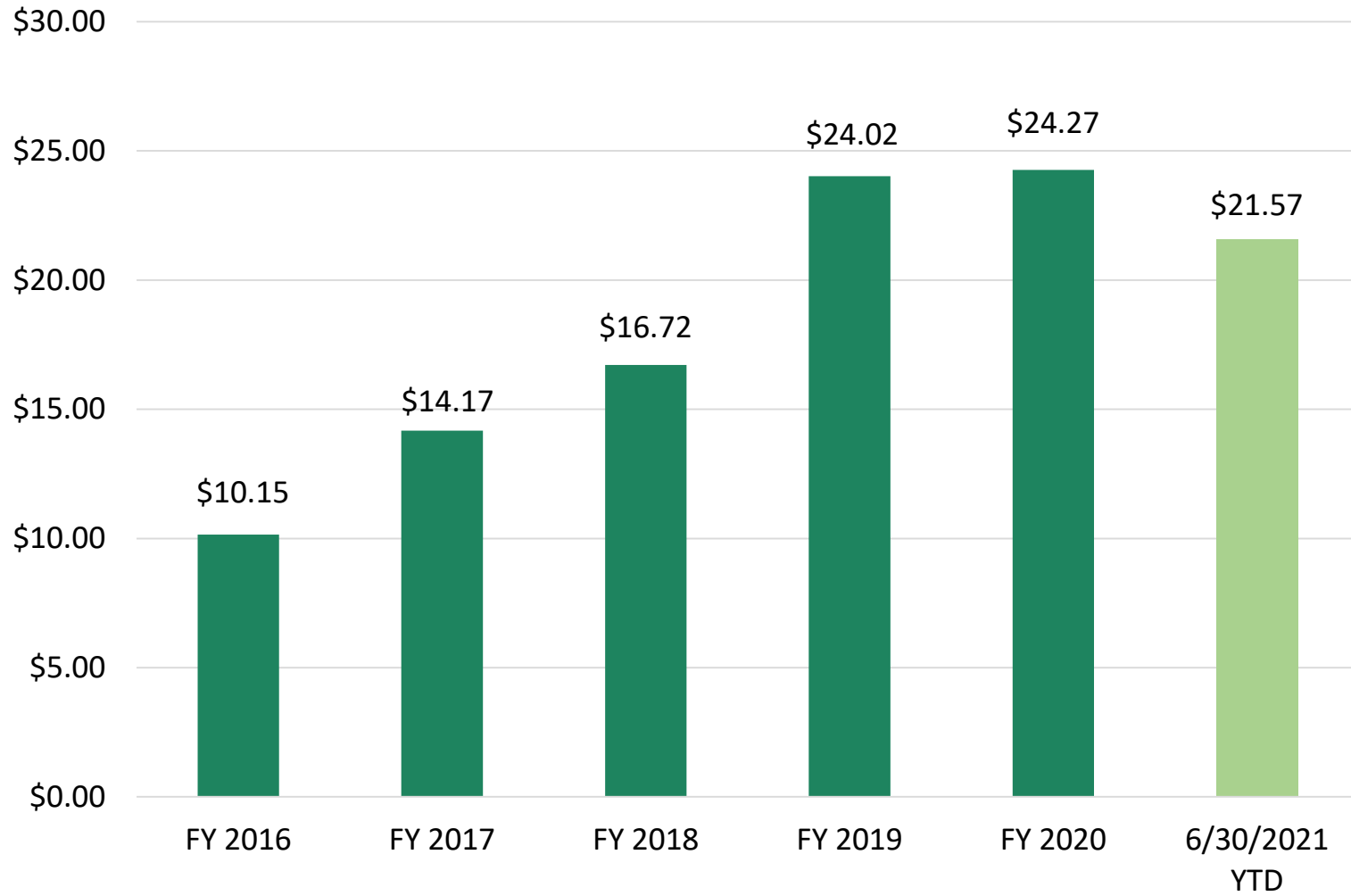
# Non-Interest Income \$ in thousands



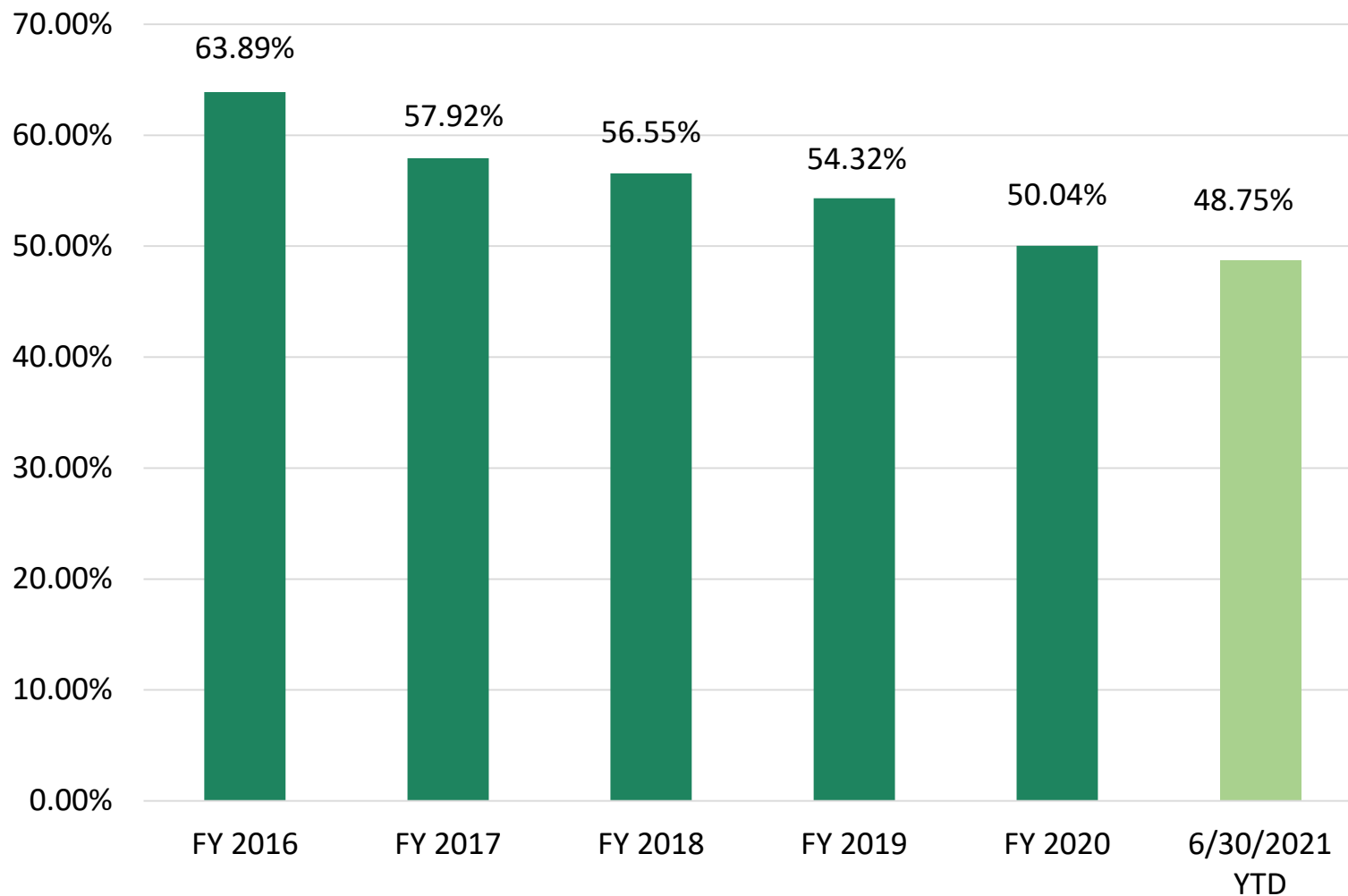
# Non-Interest Expense \$ in thousands



# Net Income \$ in millions



# Efficiency Ratio

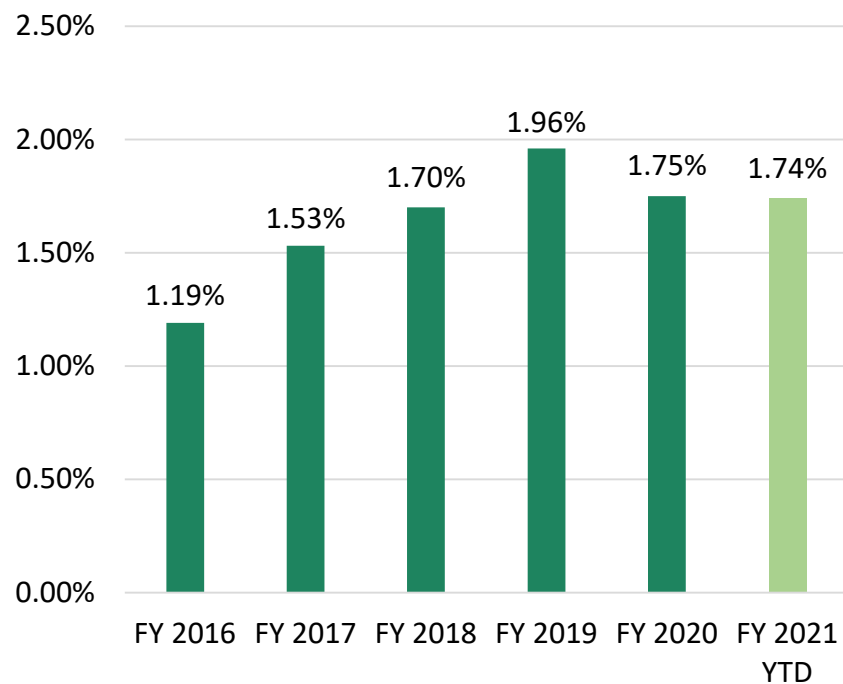




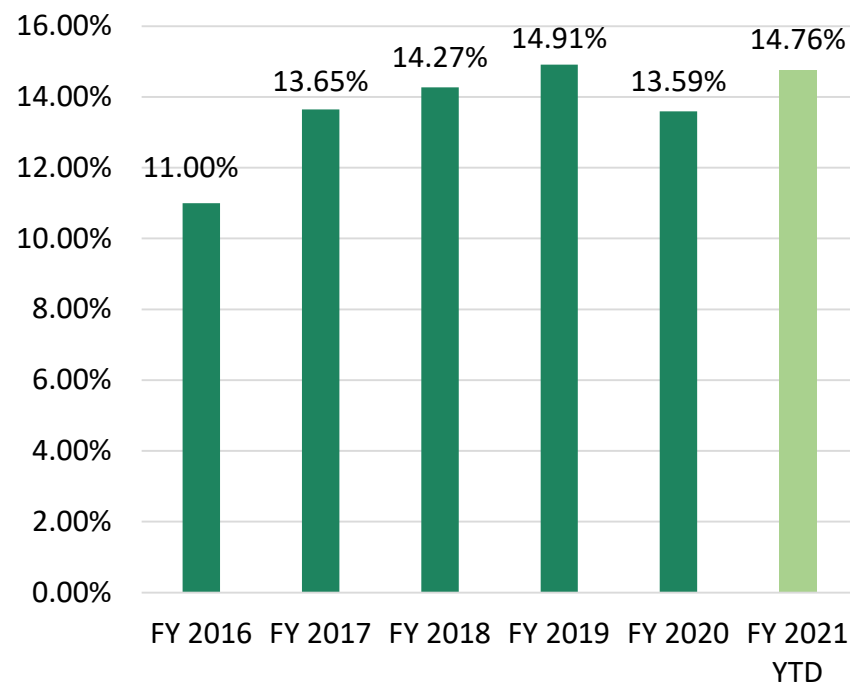
# Return on Assets and Return on Equity



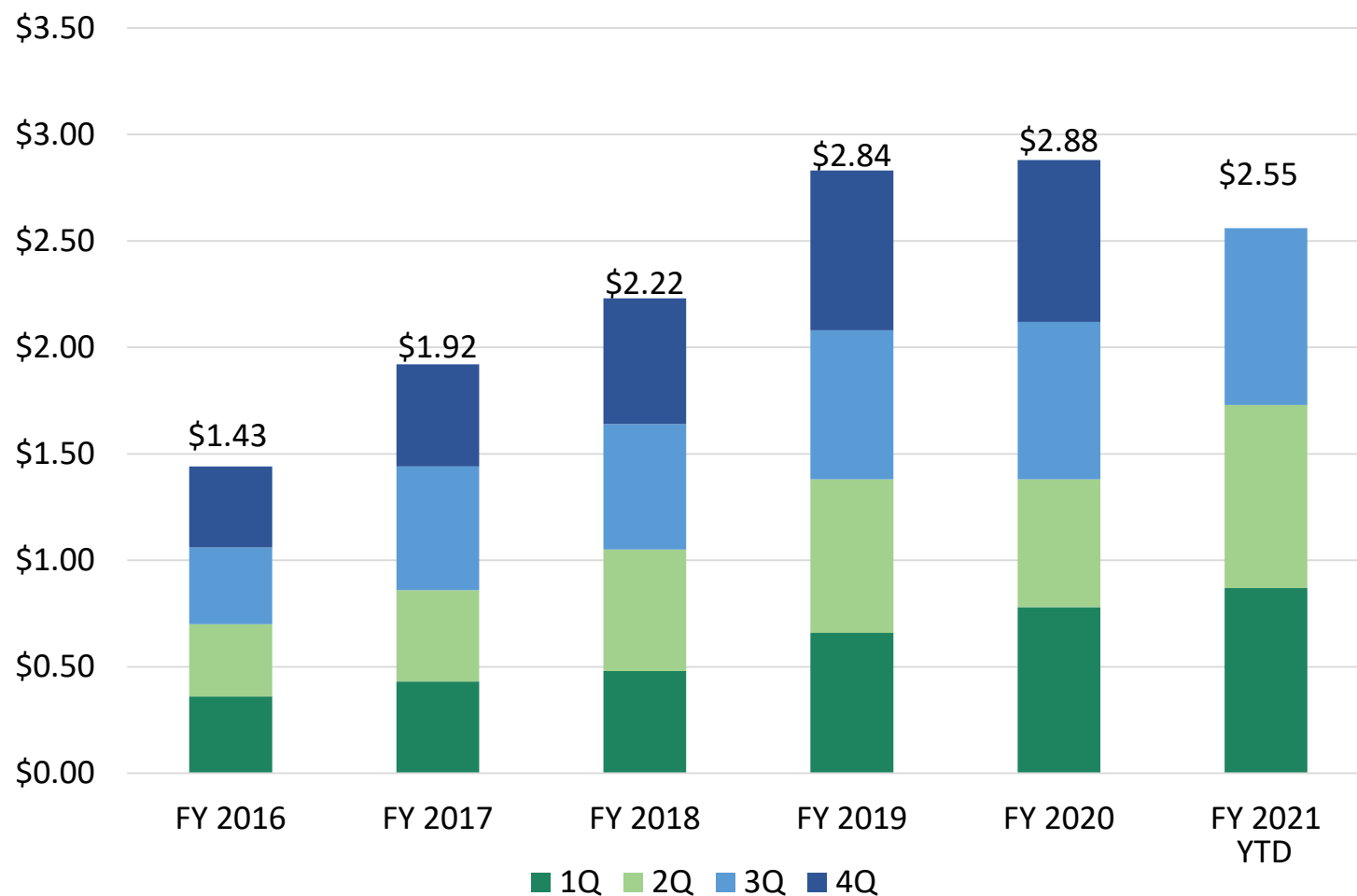
## ROA



## ROE



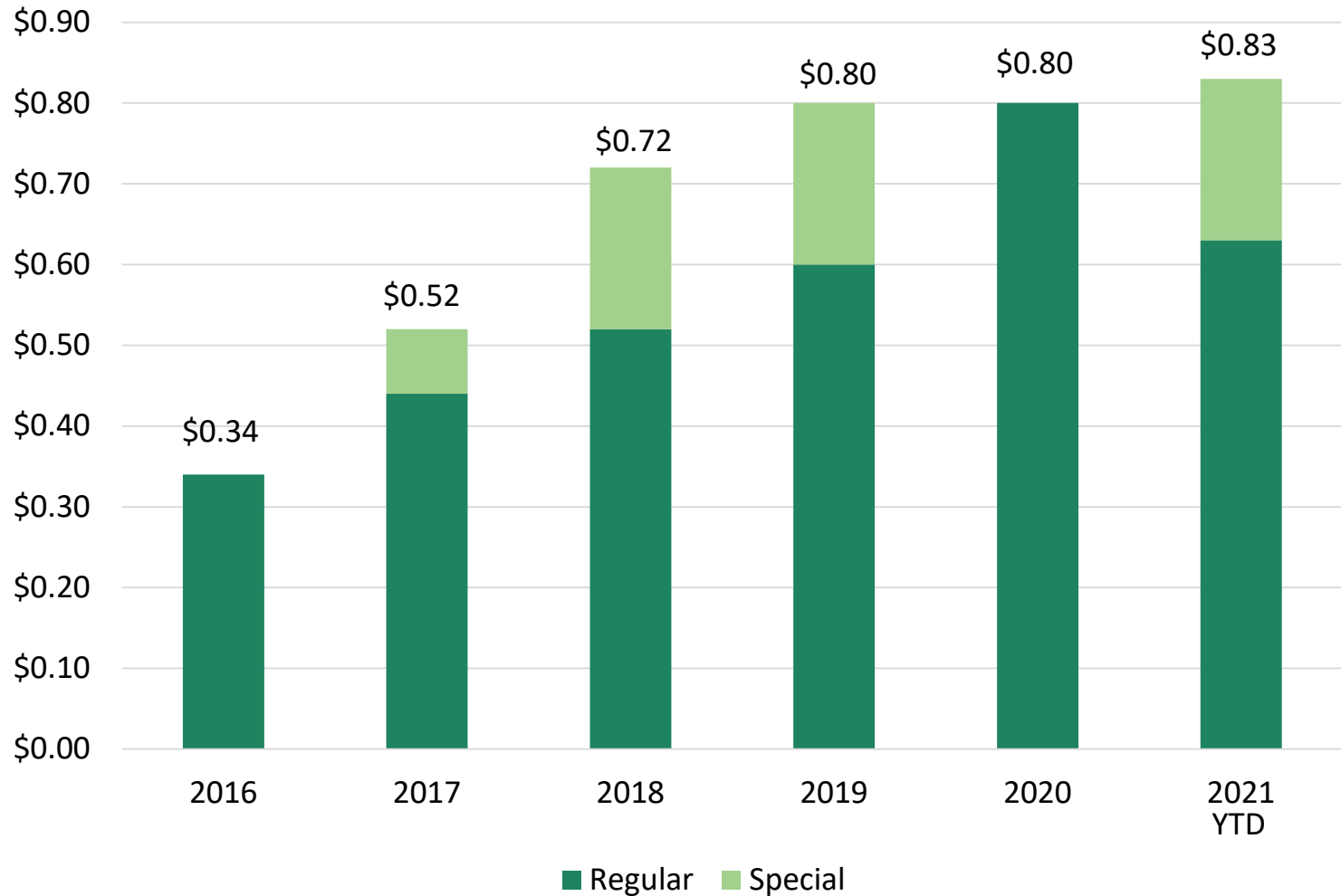
# Earnings Per Diluted Share



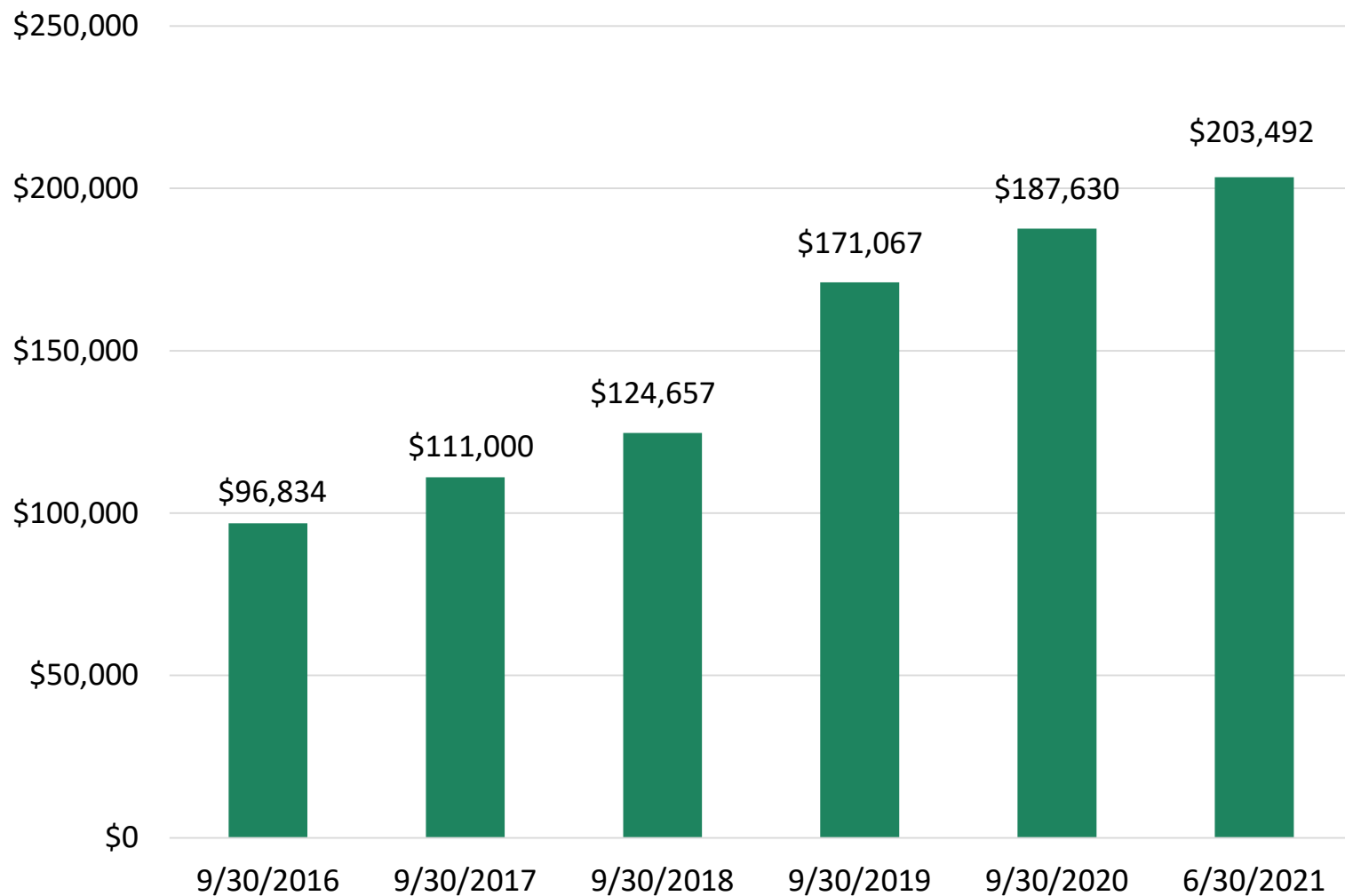
# Dividends Paid/Declared Per Common Share



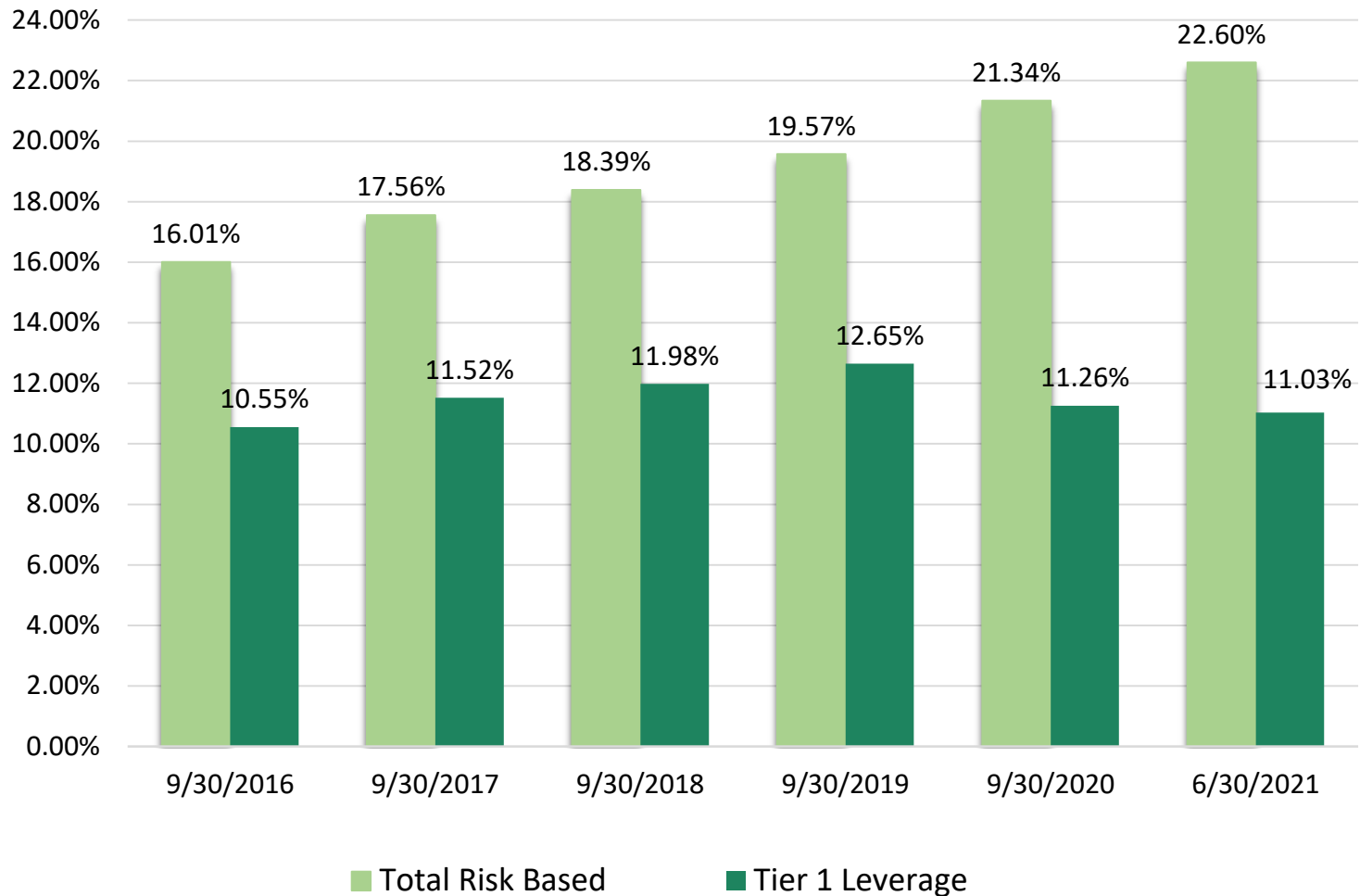
(Calendar Year)



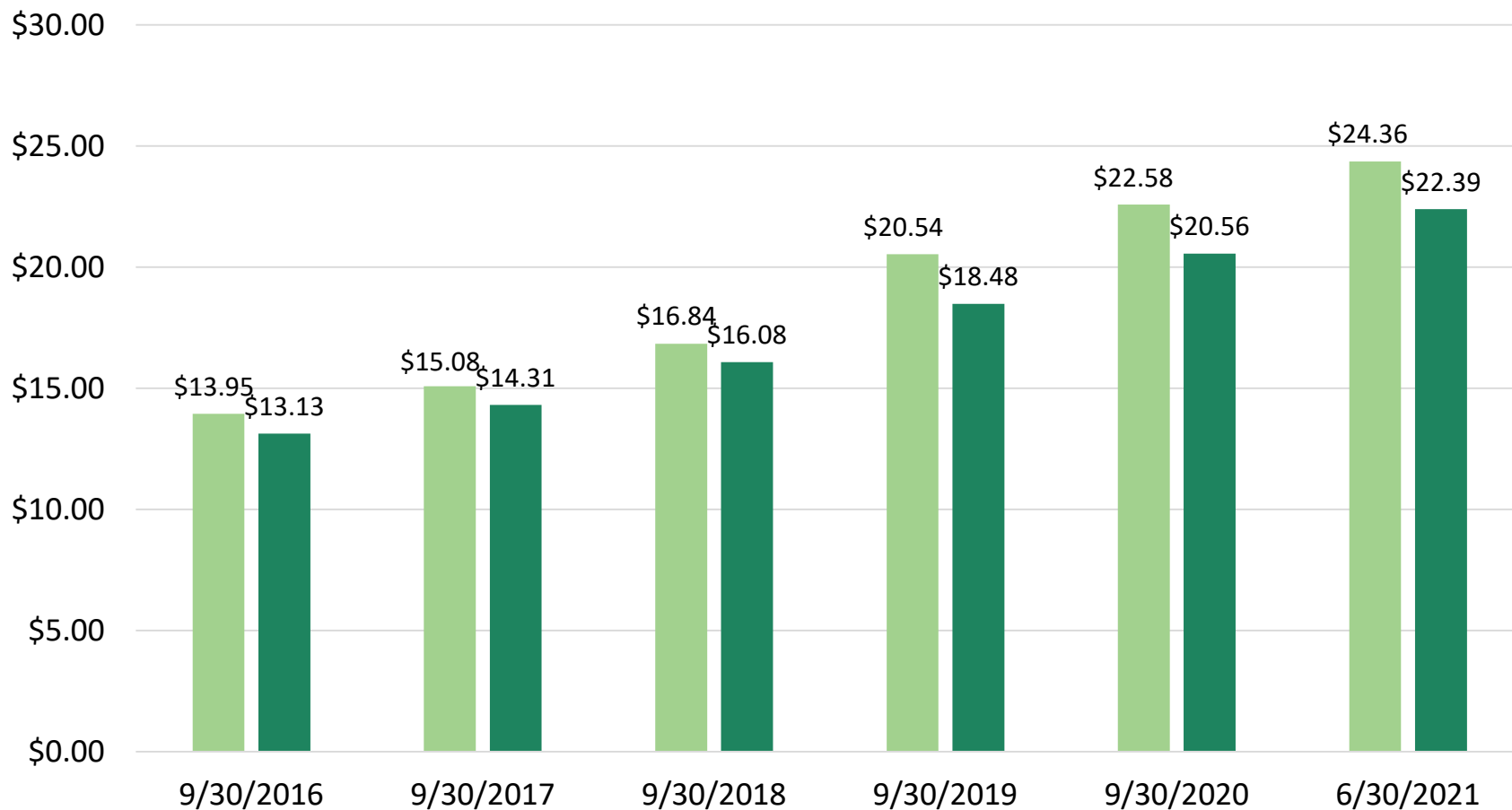
# Total Capital \$ in thousands



# Capital Strength



# Book Value and Tangible Book Value Per Share





# Timberland Bancorp NASDAQ: TSBK

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- Well Capitalized
- Strong Core Earnings
- Geographically Diversified
- Diversified Loan Portfolio
- Actively Supporting Its Communities