

A low-angle, upward-looking photograph of a dense forest. Numerous tall, slender tree trunks rise from the bottom of the frame towards the top, creating a strong sense of height and verticality. The canopy of green leaves is visible at the top, with patches of blue sky peeking through. The lighting is dappled, with sunlight filtering through the leaves.

Timberland
Bancorp

Annual
Shareholders
Meeting

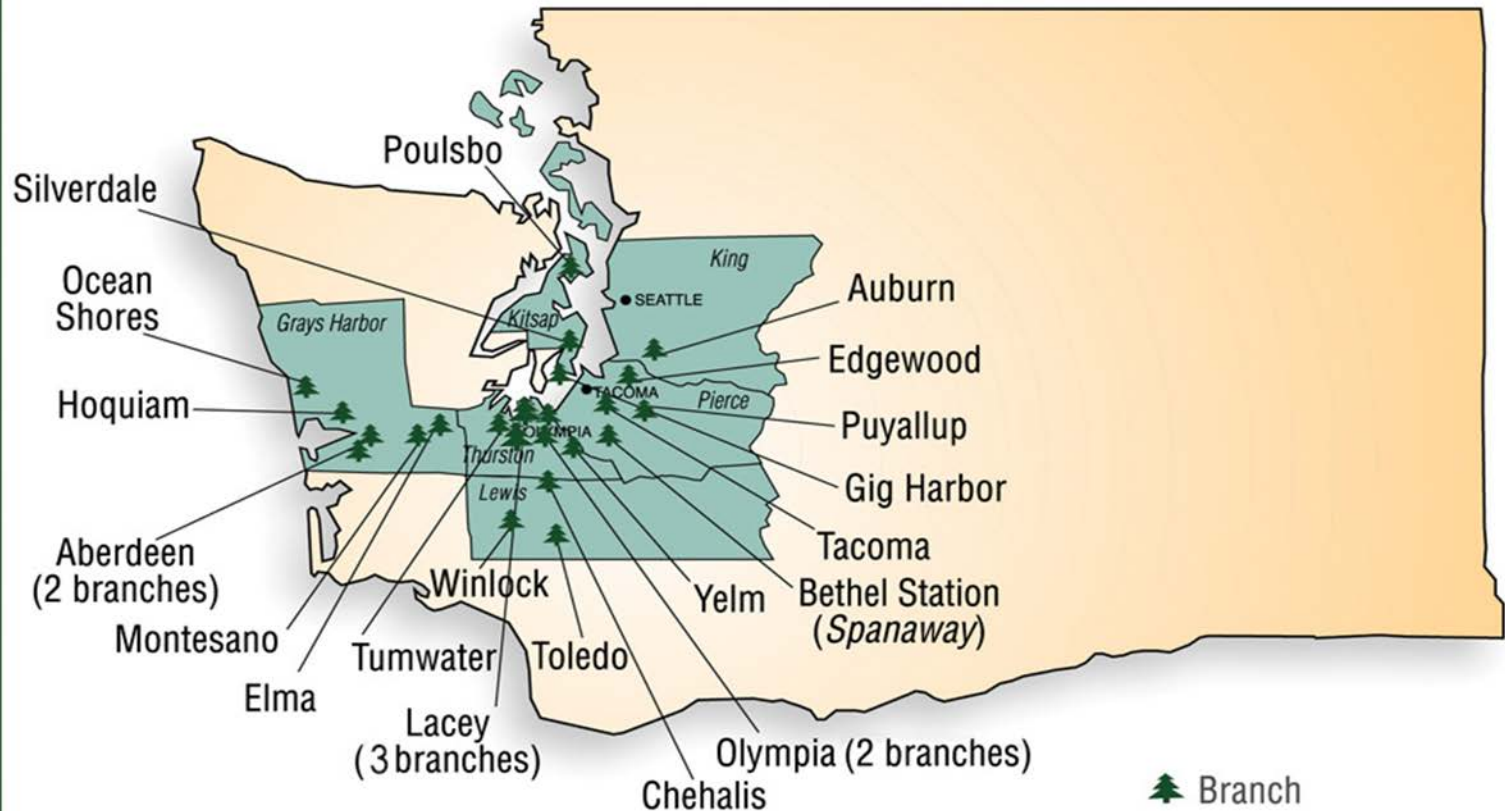
NASDAQ: TSBK
January 2022

Disclaimer



This presentation 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



Senior Management



Name	Title	Years with Timberland Bank	Years in Industry
Michael R. Sand	Chief Executive Officer	44	44
Dean J. Brydon	President & Chief Financial Officer	27	27
Robert A. Drugge	Executive Vice President of Lending	16	47
Jonathan A. Fischer	EVP, Chief Operating Officer & Secretary	24	26
Edward C. Foster	EVP and Chief Credit Administrator	9	40

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.



FINANCIAL HIGHLIGHTS

Fiscal Year Comparison



Balance Sheet (amounts in thousands)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total assets	\$952,024	\$1,018,290	\$1,247,132	\$1,565,978	\$1,792,180
Loans (excl. SBA PPP Loans)	\$690,364	\$725,391	\$886,662	\$887,055	\$927,532
SBA PPP Loans Outstanding	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$126,820</u>	<u>\$40,922</u>
Net Loans Outstanding	<u>\$690,364</u>	<u>\$725,391</u>	<u>\$886,662</u>	<u>\$1,013,875</u>	<u>\$968,454</u>
Deposits	\$837,898	\$889,506	\$1,068,227	\$1,358,406	\$1,570,555
Other Real Estate Owned	\$3,301	\$1,913	\$1,683	\$1,050	\$157
Non-Performing Assets	\$5,745	\$3,636	\$5,010	\$4,164	\$3,170

Fiscal Year Comparison



Income Statement (amounts in thousands, except per share data)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Income	\$14,167	\$16,721	\$24,020	\$24,269	\$27,583
Provision (recapture) for Loan Losses	\$(1,250)	\$0	\$0	\$3,700	\$0
Earnings Per Diluted Share	\$1.92	\$2.22	\$2.84	\$2.88	\$3.27
Return on Average Assets	1.53%	1.70%	1.96%	1.75%	1.64%
Return on Average Equity	13.65%	14.27%	14.91%	13.59%	13.98%
Efficiency Ratio	57.92%	56.55%	54.32%	50.04%	50.12%

Quarterly Comparison



Balance Sheet (amounts in thousands)

	12/31/20	9/30/21	12/31/21
Total Assets	\$1,588,405	\$1,792,180	\$1,831,275
Loans (excl. SBA PPP Loans)	\$ 903,841	\$ 927,532	\$ 972,610
SBA PPP Loans Outstanding	<u>\$ 103,468</u>	<u>\$ 40,922</u>	<u>\$ 21,397</u>
Total Net Loans Outstanding	<u>\$1,007,309</u>	<u>\$ 968,454</u>	<u>\$ 994,007</u>
Deposits	\$1,375,116	\$1,570,555	\$1,606,631
Other Real Estate Owned	\$268	\$157	\$157
Non-Performing Assets	\$3,054	\$3,170	\$3,150

Quarterly Comparison



Income Statement (amounts in thousands, except per share data)

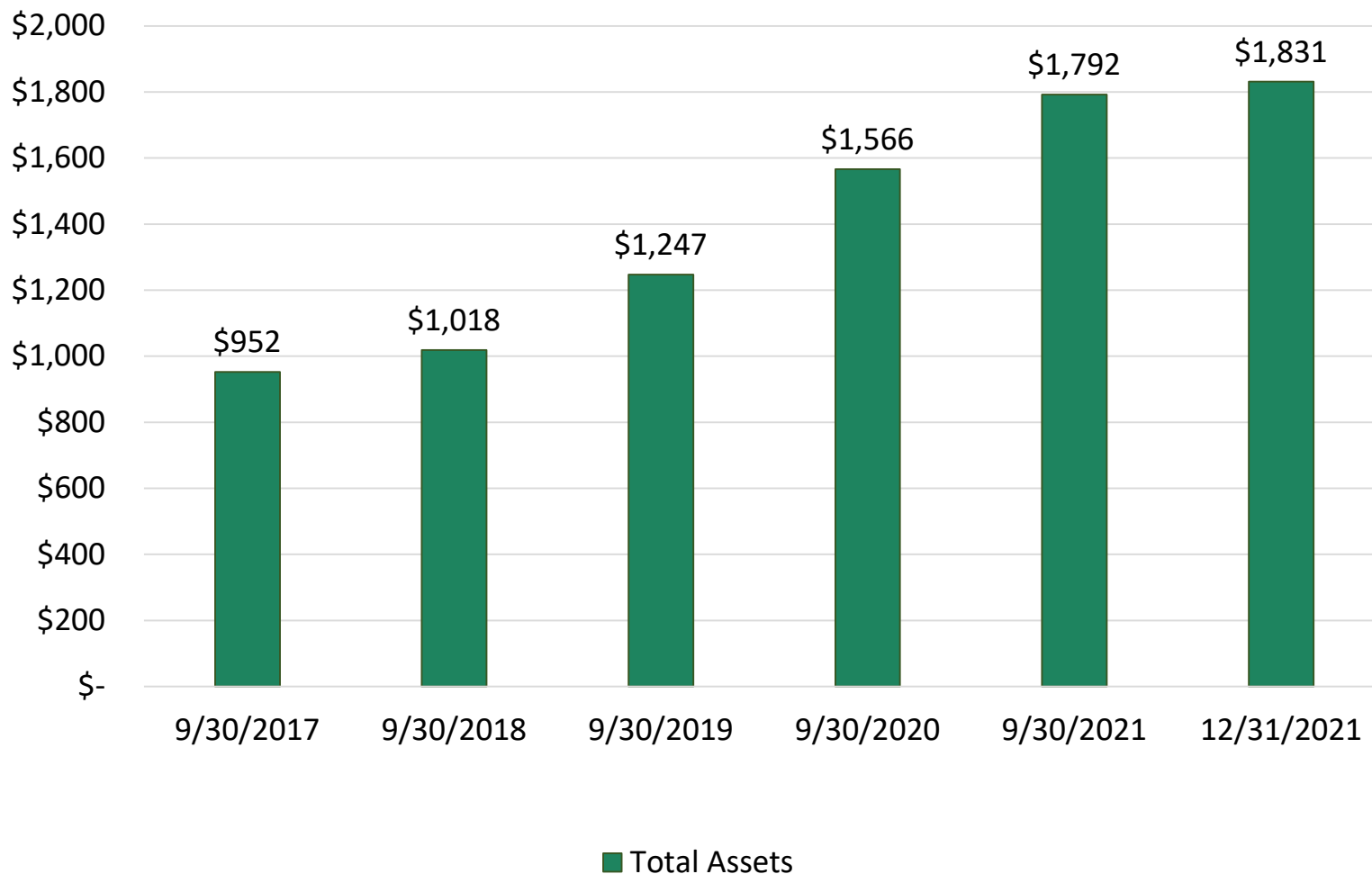
	12/31/20	9/30/21	12/31/21
Net Income	\$7,290	\$6,018	\$5,485
Provision for Loan Losses	\$0	\$0	\$0
Earnings Per Diluted Share	\$0.87	\$0.71	\$0.65
Return on Assets	1.84%	1.36%	1.20%
Return on Equity	15.39%	11.77%	10.55%
Efficiency Ratio	47.83%	54.45%	57.40%

Balance Sheet

\$ in millions

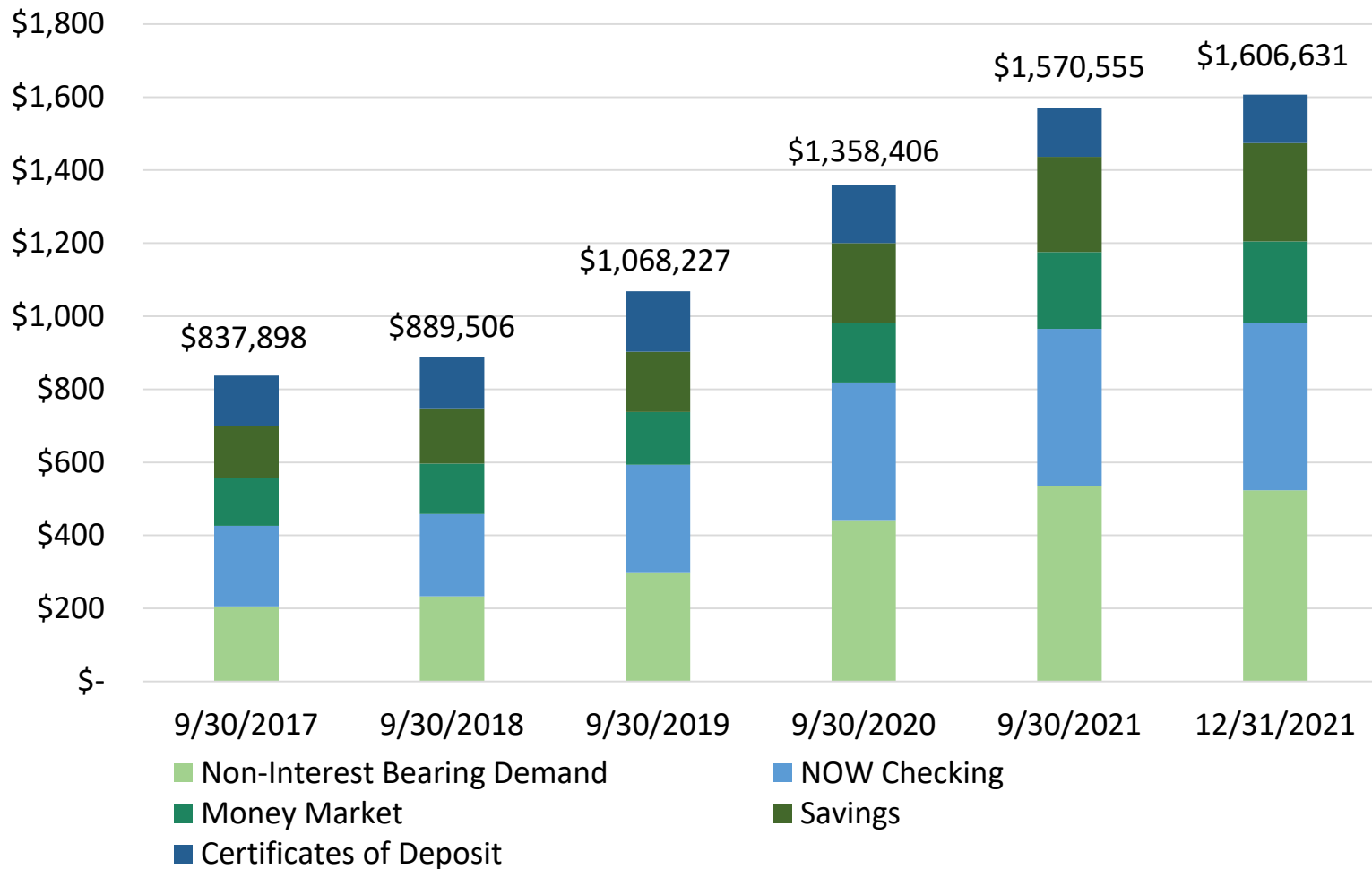


Total Assets



Deposit Growth

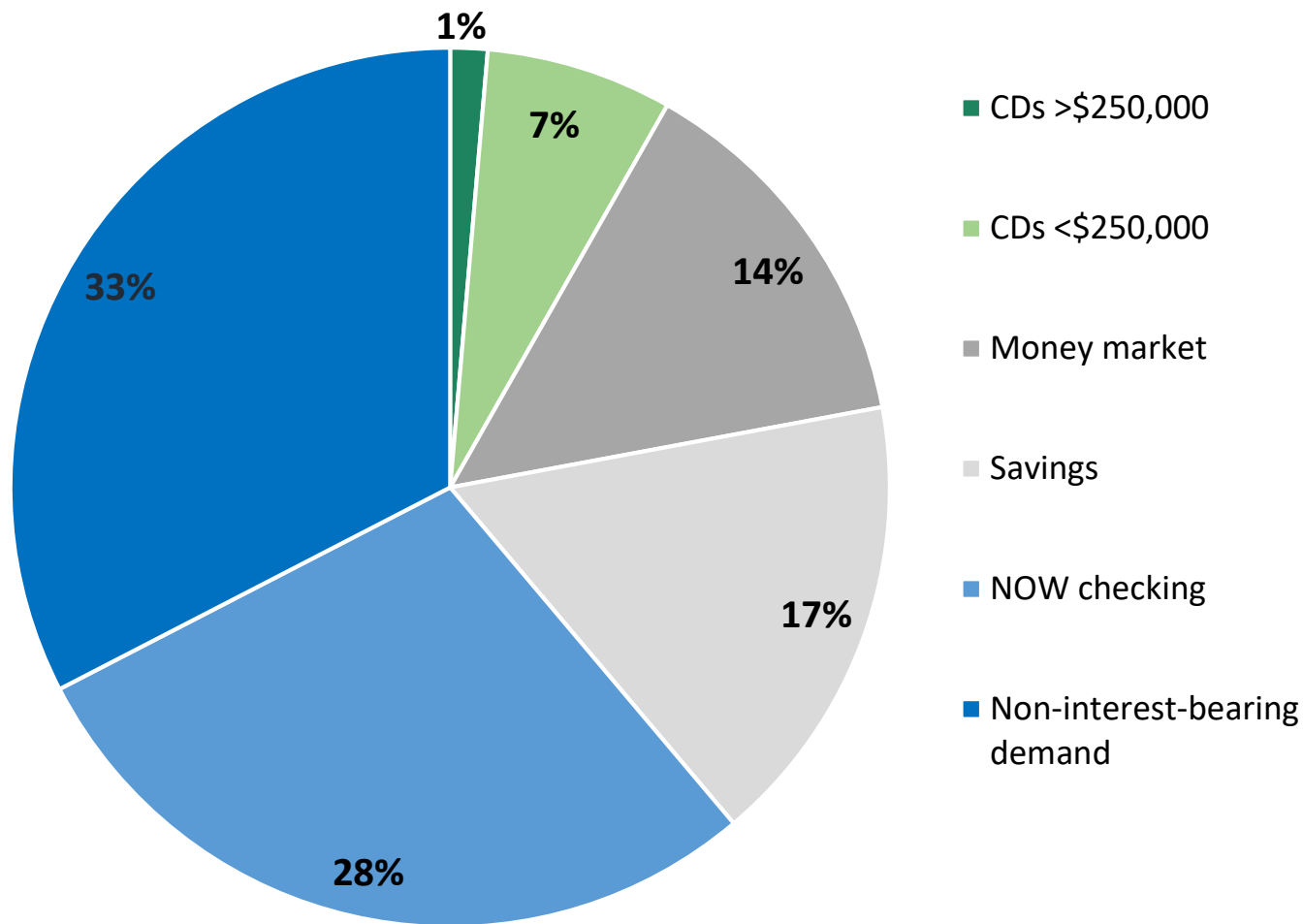
\$ in thousands



Deposit Portfolio



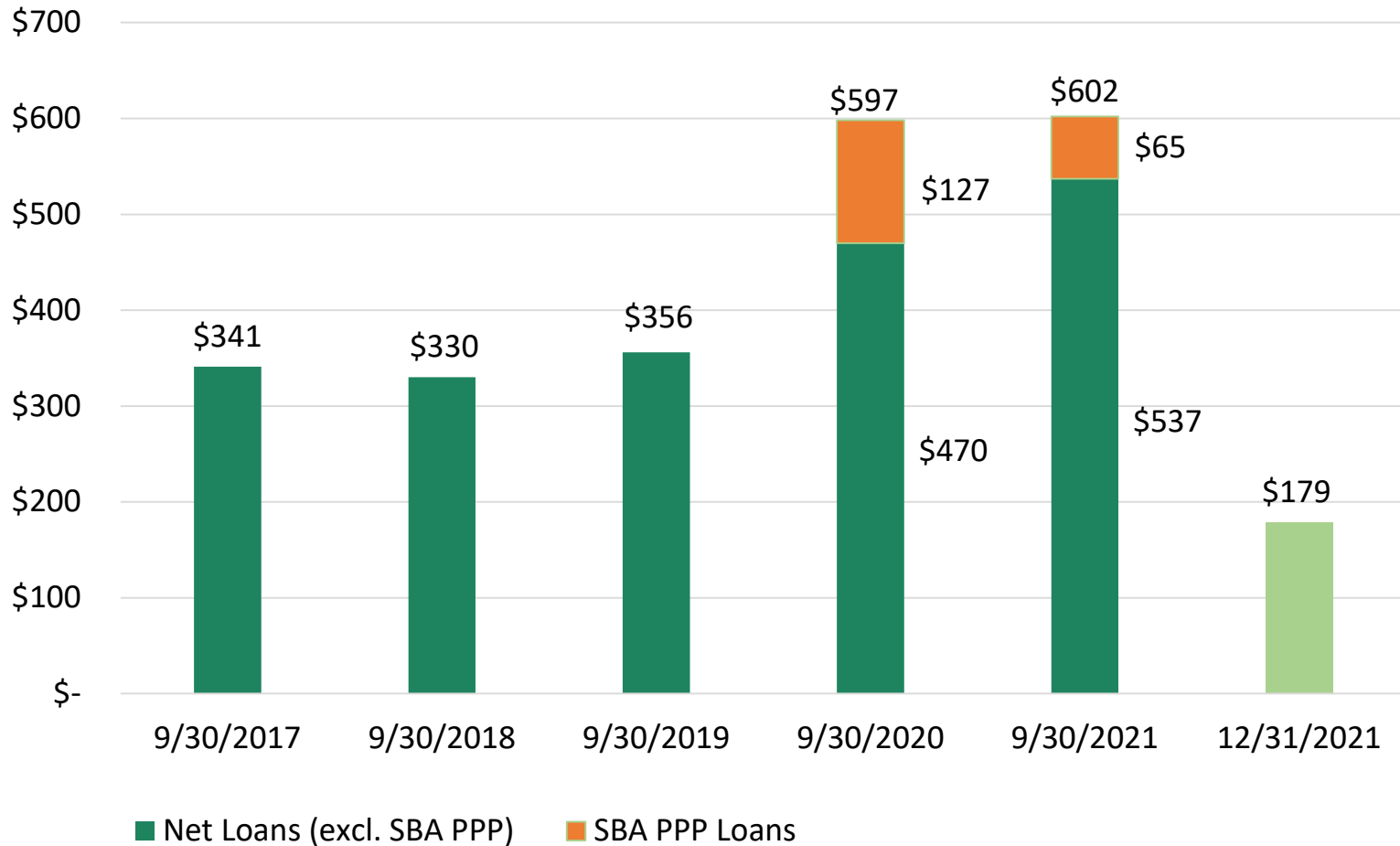
Total Deposits \$1.61 Billion at December 31, 2021



Loan Production



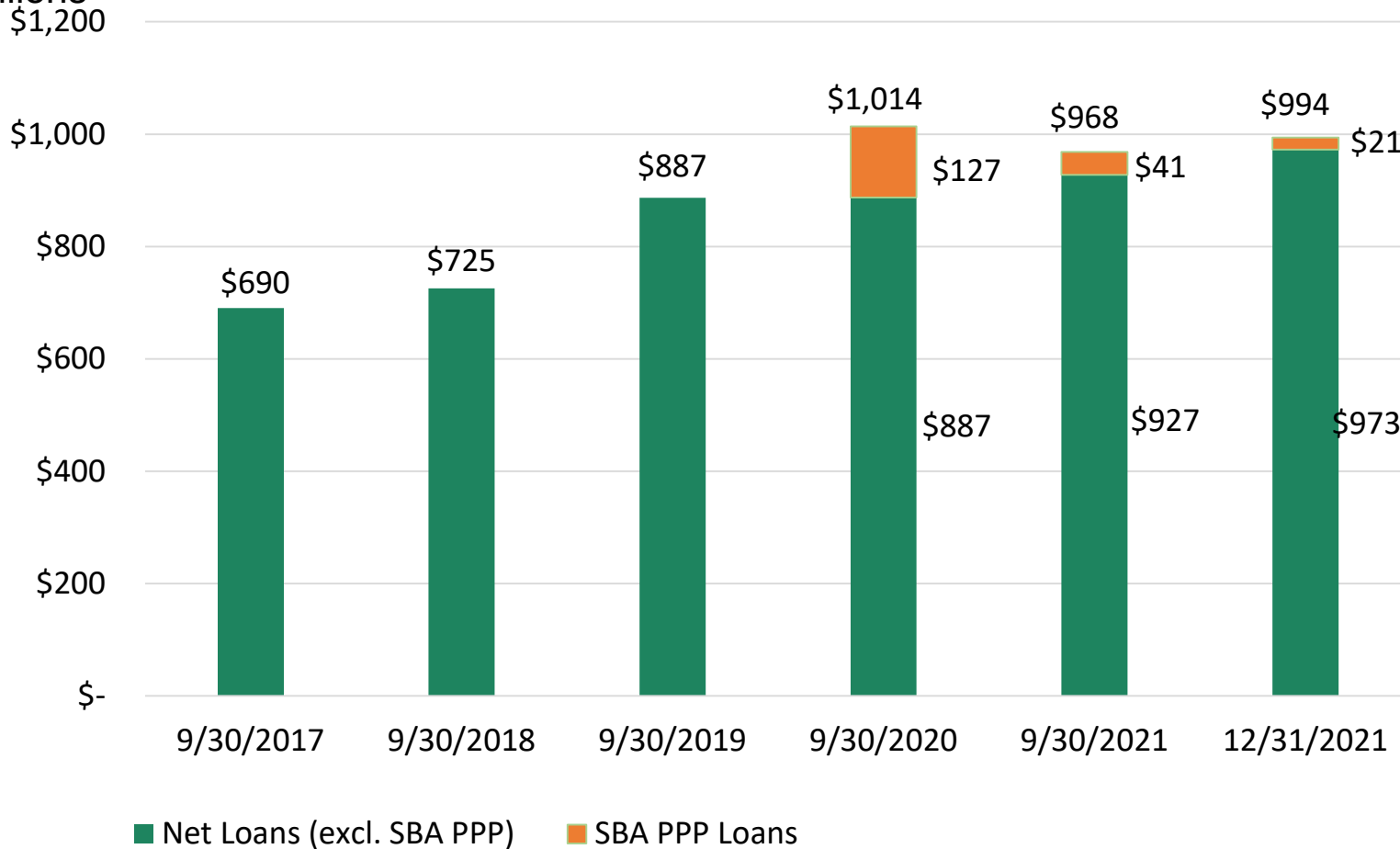
\$ in millions



Net Loans



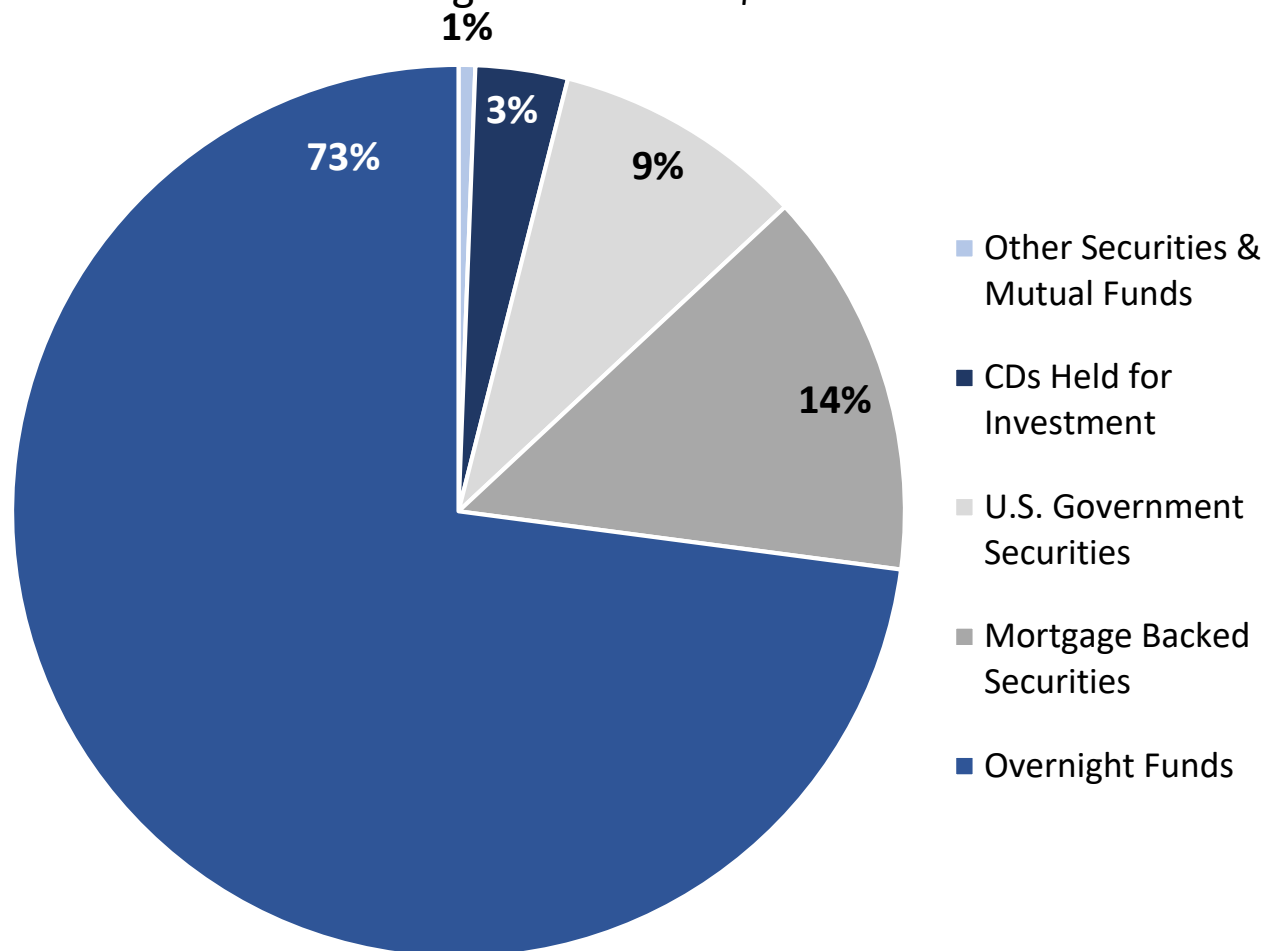
\$ in millions



Interest Earning Cash & Investments



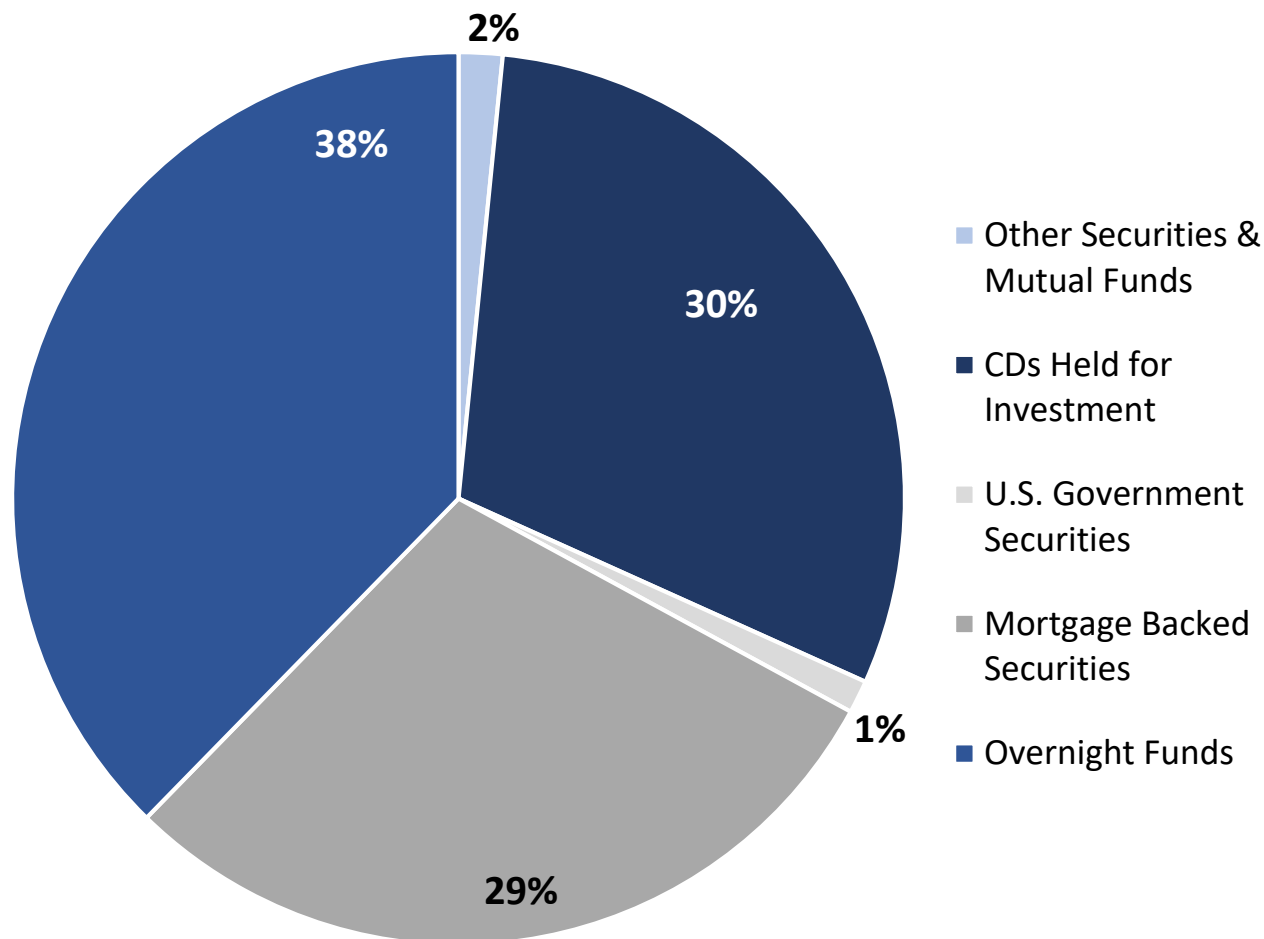
Total Cash & Interest Earning Investments \$735 million at December 31, 2021



Interest Earning Cash & Investments



Total Cash & Interest Earning Investments \$252 million at December 31, 2019



Interest Rate Market Risk



At September 30, 2021

Hypothetical Interest Rate Scenario (3) (Basis Points)	Net Interest Income (1)(2)		
	Estimated Value	\$ Change from Base	% Change from Base
	(Dollars in thousands)		
+400	\$ 64,979	\$ 21,229	48.52%
+300	59,502	15,752	36.00
+200	54,114	10,364	23.69
+100	48,813	5,063	11.57
BASE	43,750	--	--
-100	41,683	(2,067)	(4.73)
-200	41,017	(2,733)	(6.25)

(1) Does not include loan fees.

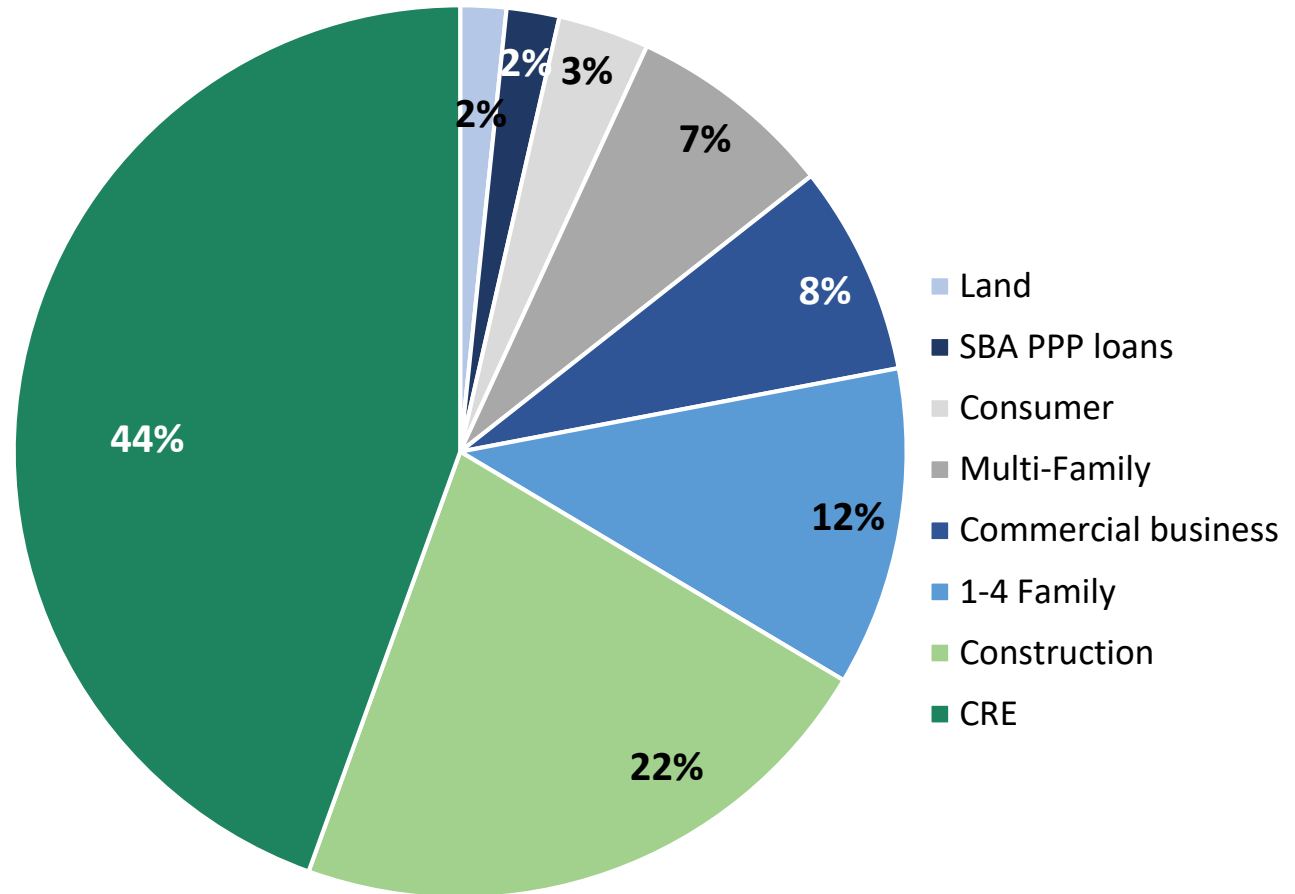
(2) Includes BOLI income, which is included in non-interest income in the Consolidated Financial Statements.

(3) No rates in the model are allowed to go below zero.

Diversified Loan Portfolio



Total Loans \$994 million at December 31, 2021



CRE Portfolio Breakdown by Collateral (\$ in thousands)

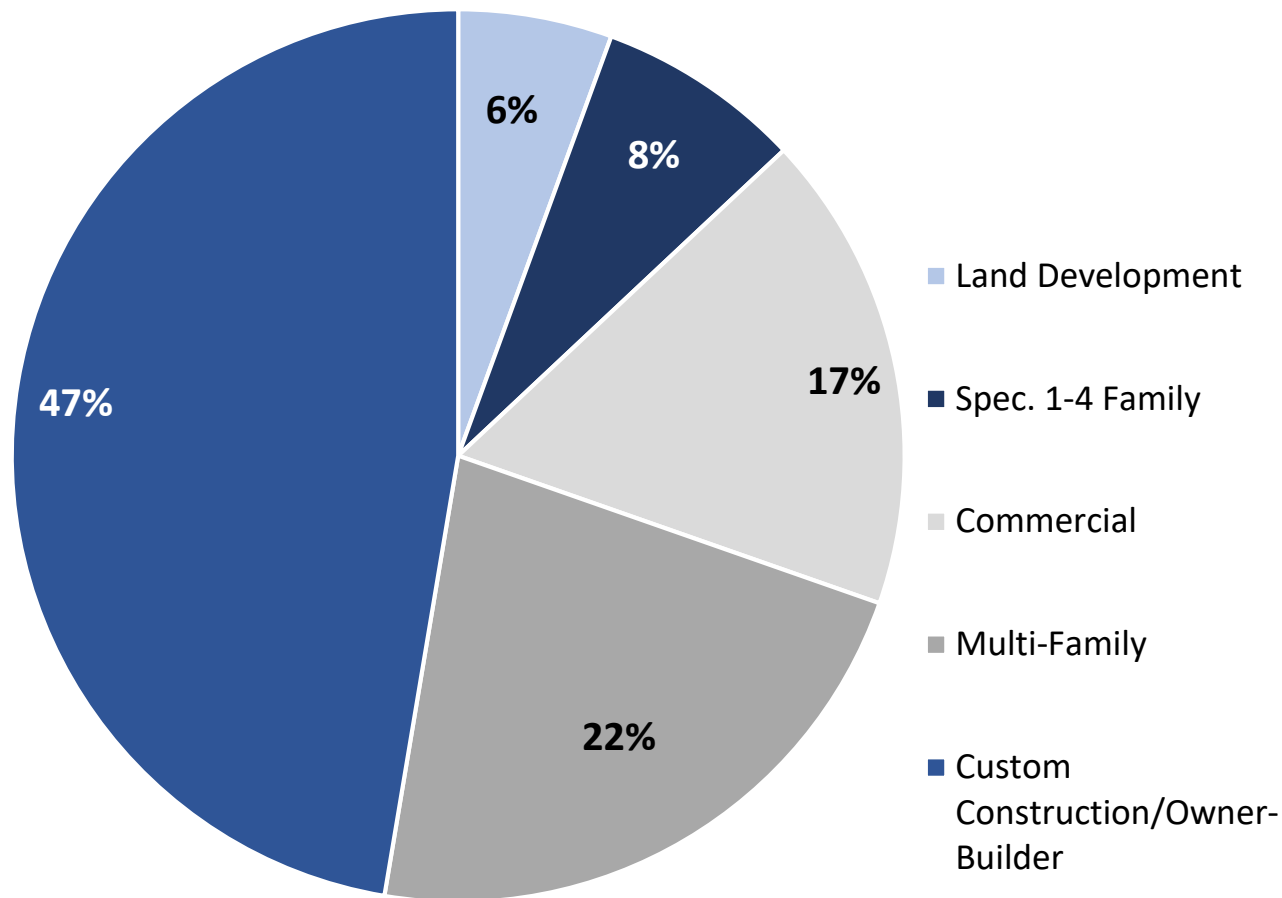


Collateral Type	Amount	% of Total Loan Portfolio
Industrial warehouses	\$91,779	8%
Office buildings	\$74,682	7%
Medical/dental offices	\$61,807	5%
Other retail buildings	\$44,544	4%
Hotels/motels	\$26,602	2%
Restaurants	\$25,404	2%
Convenience stores	\$22,870	2%
Mini-storage	\$18,895	2%
Nursing homes	\$18,684	2%
Churches	\$11,775	1%
Shopping centers	\$10,714	1%
Additional CRE	<u>\$89,605</u>	8%
Total CRE	<u>\$497,361</u>	44%

Construction Loans



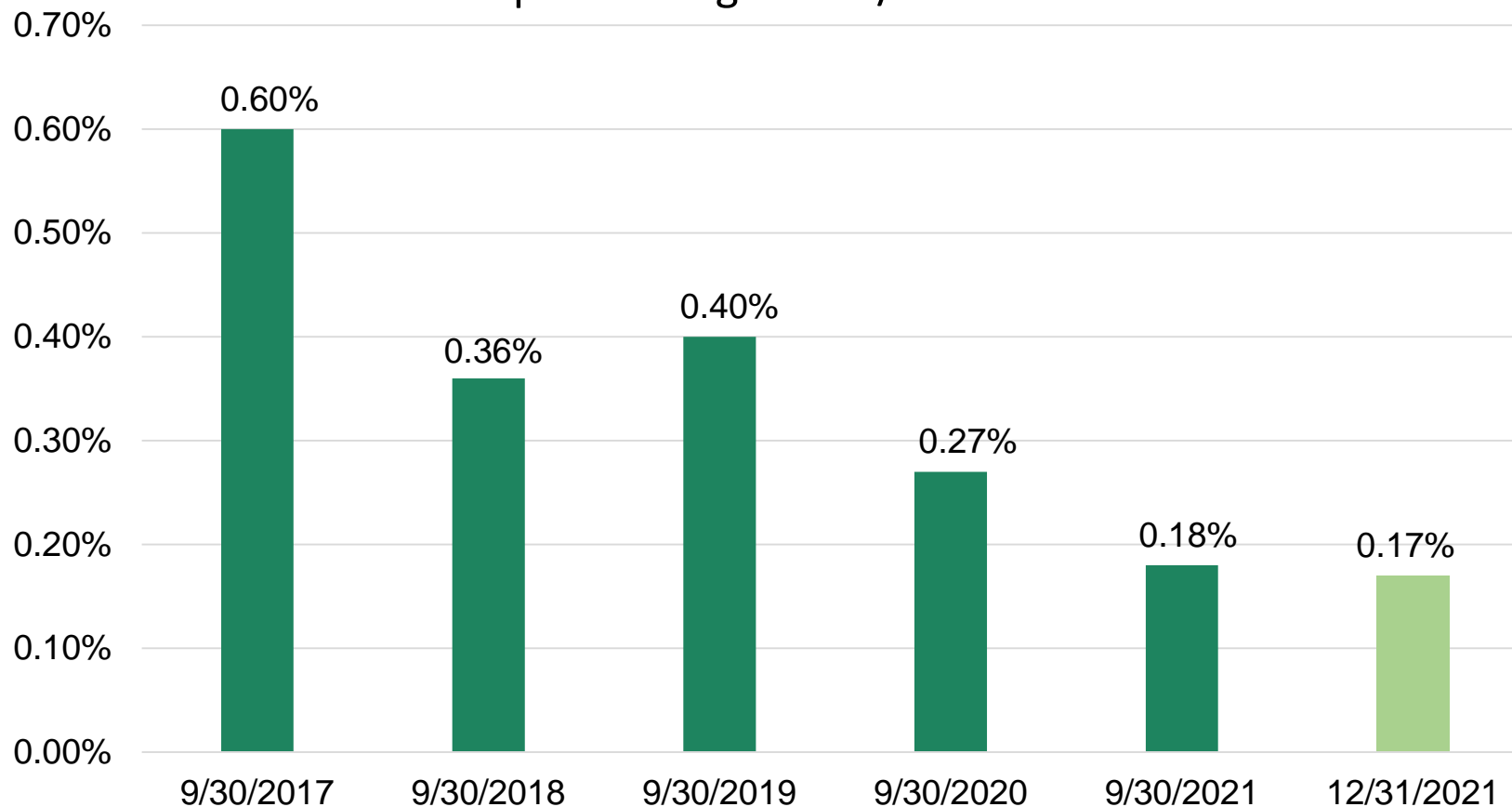
Total Construction Loans \$246 million at December 31, 2021



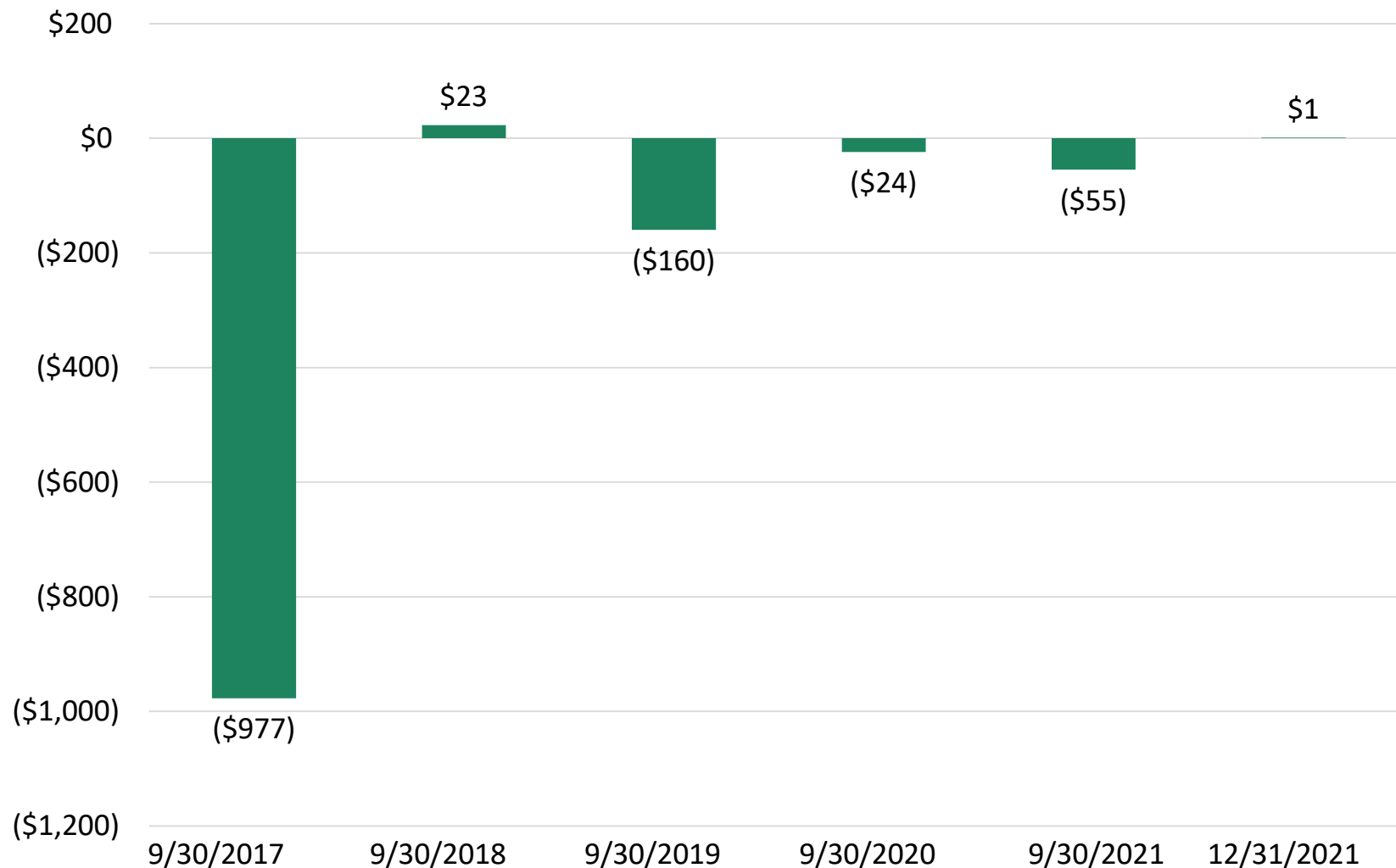
Asset Quality



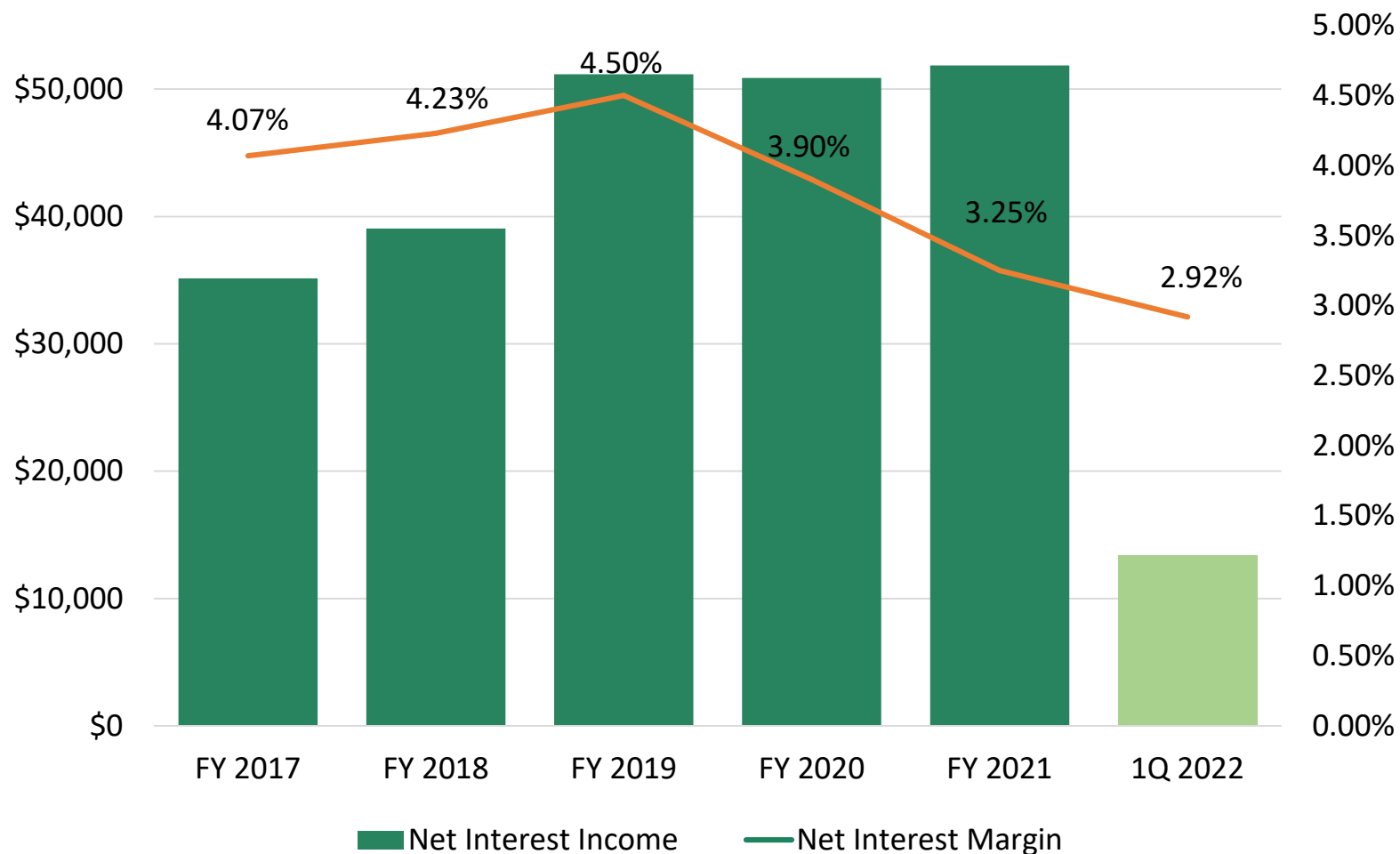
Nonperforming Assets/Total Assets



Net Charge-Offs (Recoveries)

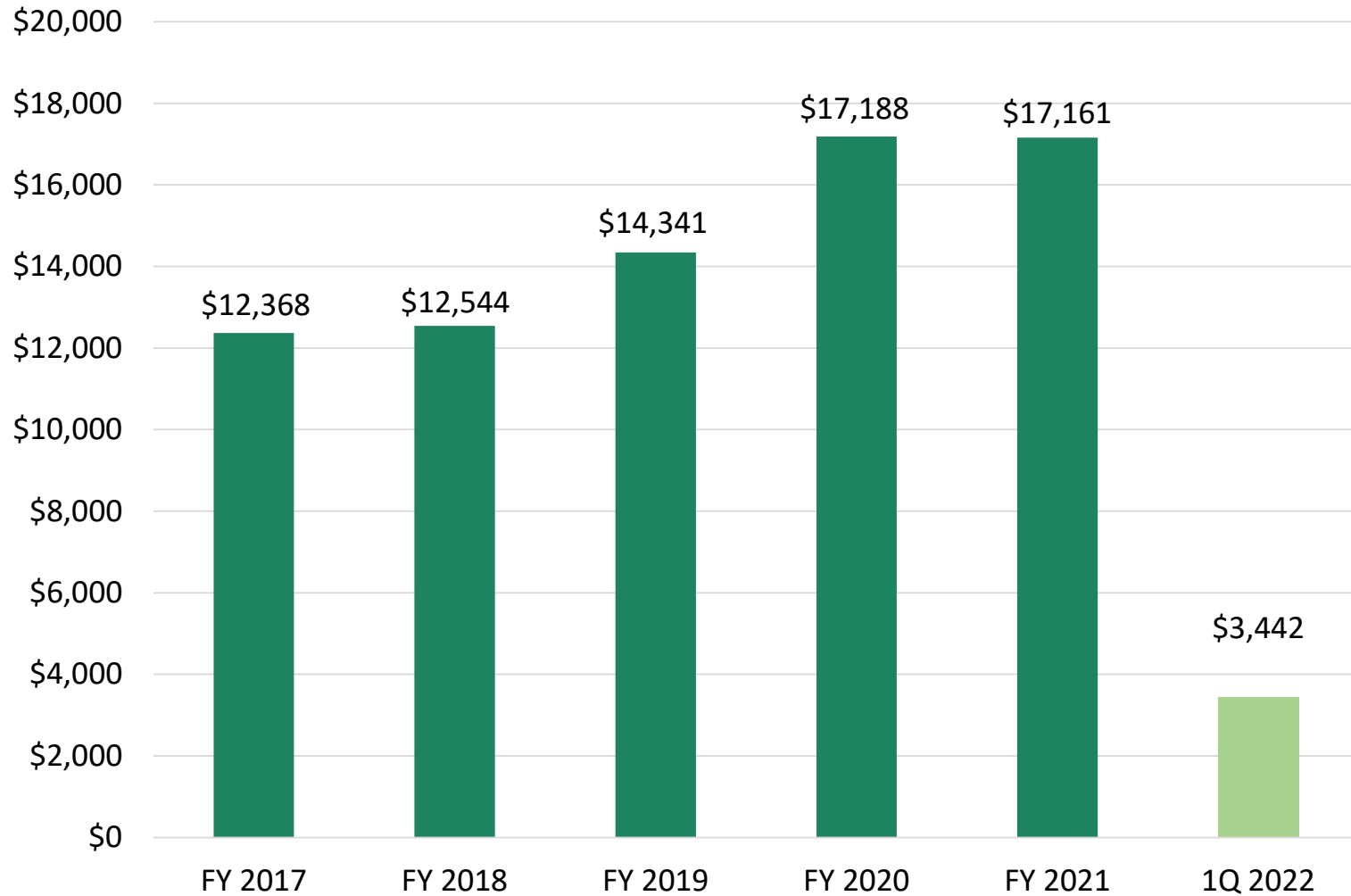


Net Interest Income and Net Interest Margin

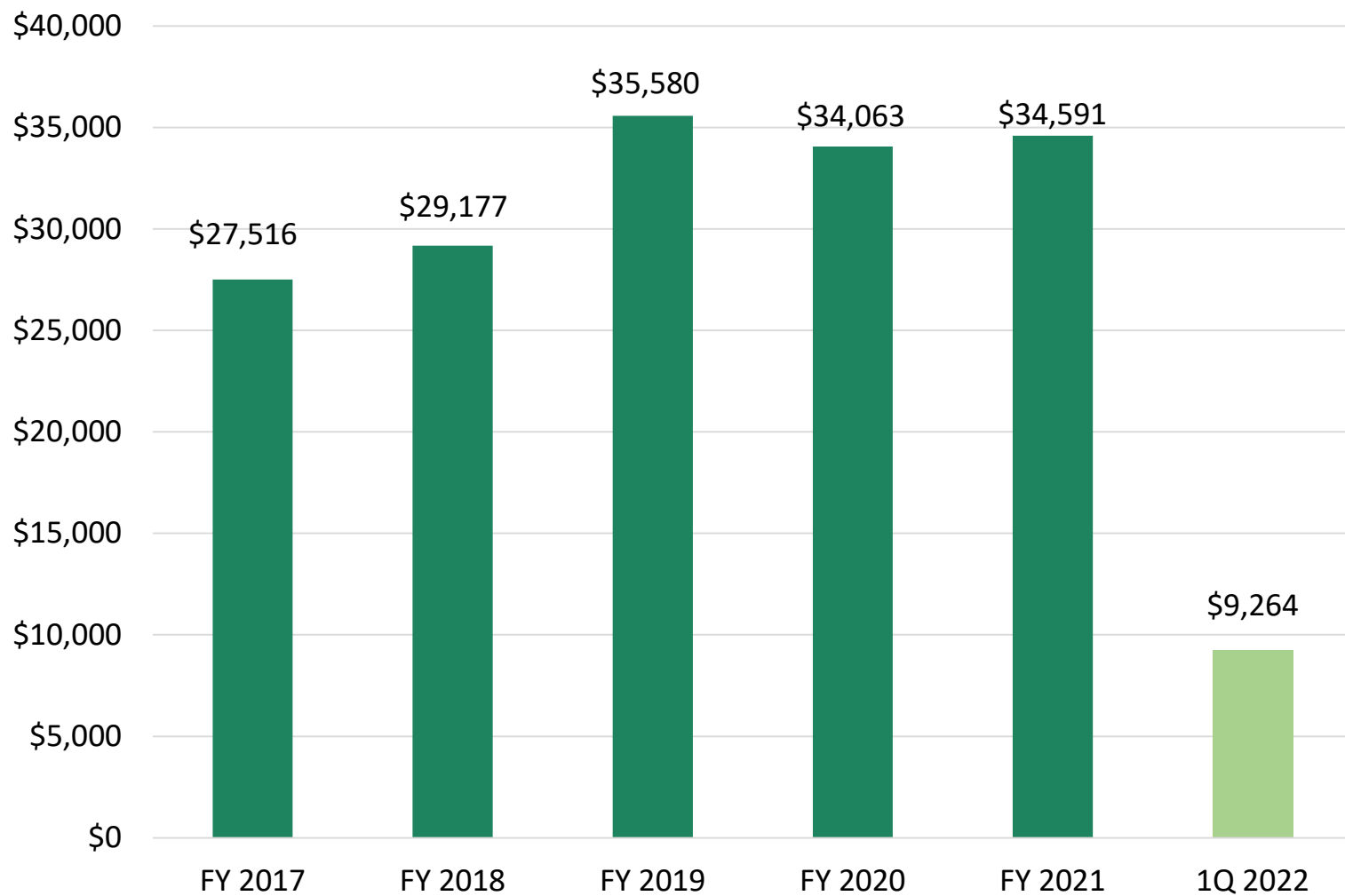


\$ in thousands

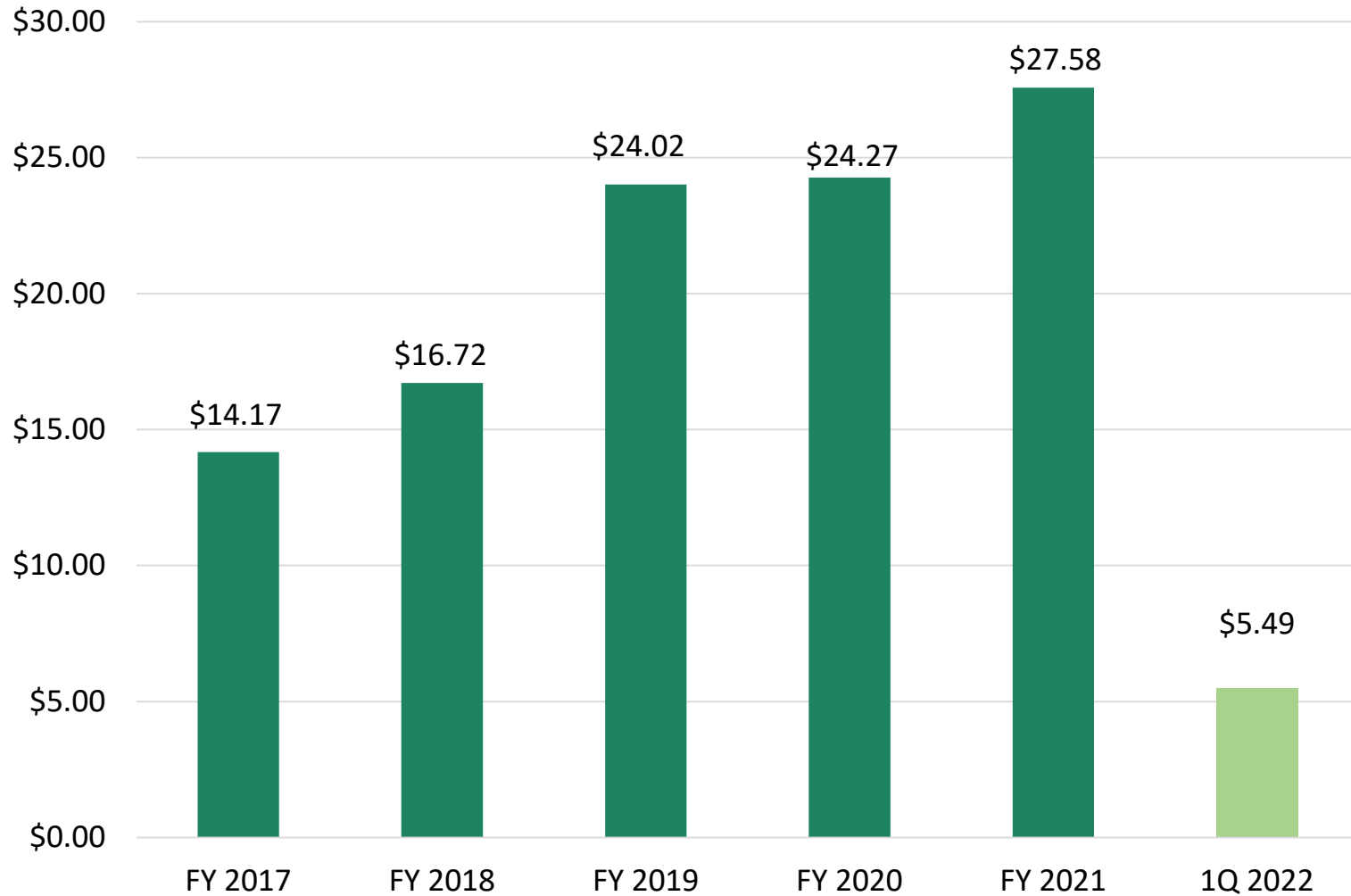
Non-Interest Income \$ in thousands



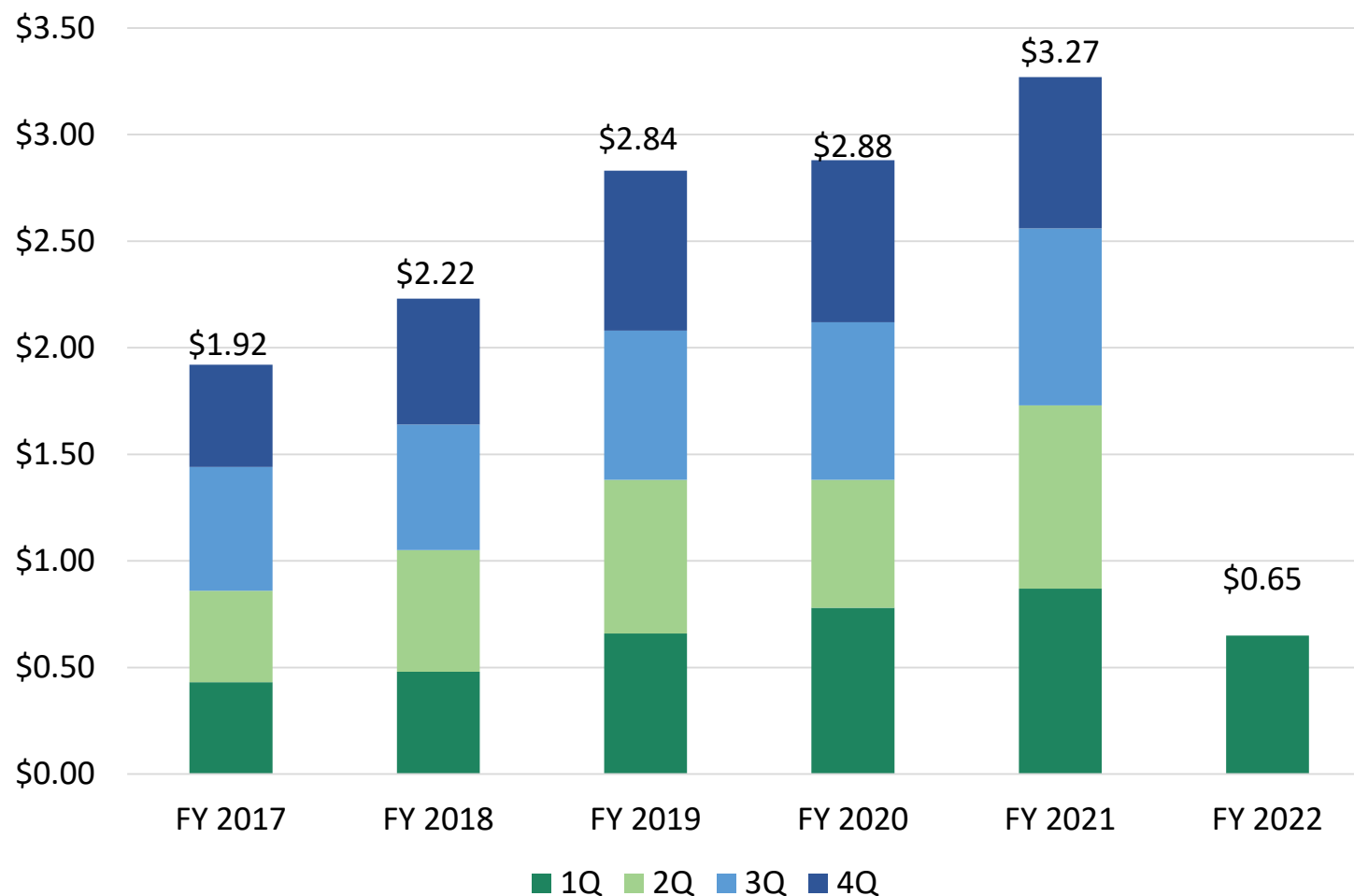
Non-Interest Expense \$ in thousands



Net Income \$ in millions



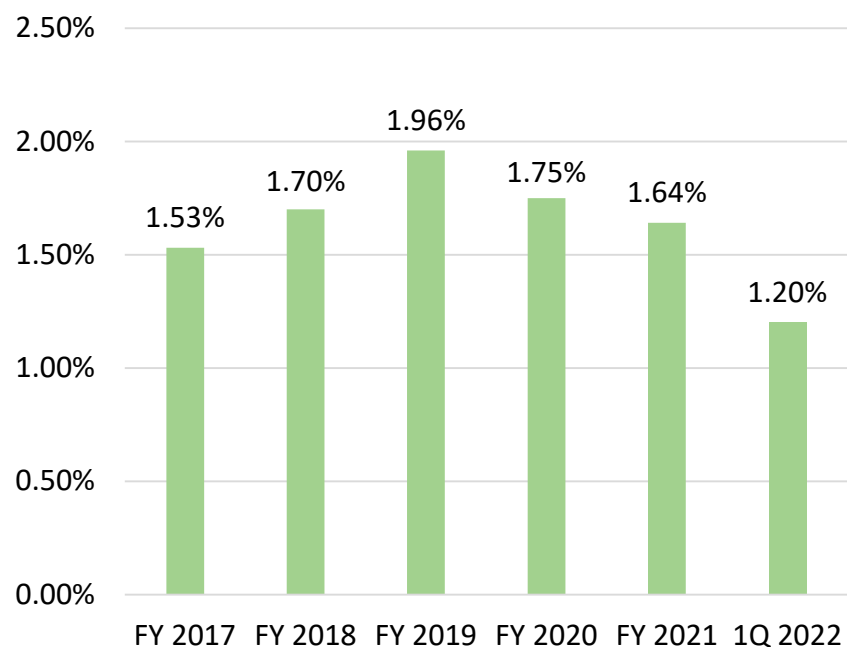
Earnings Per Diluted Share



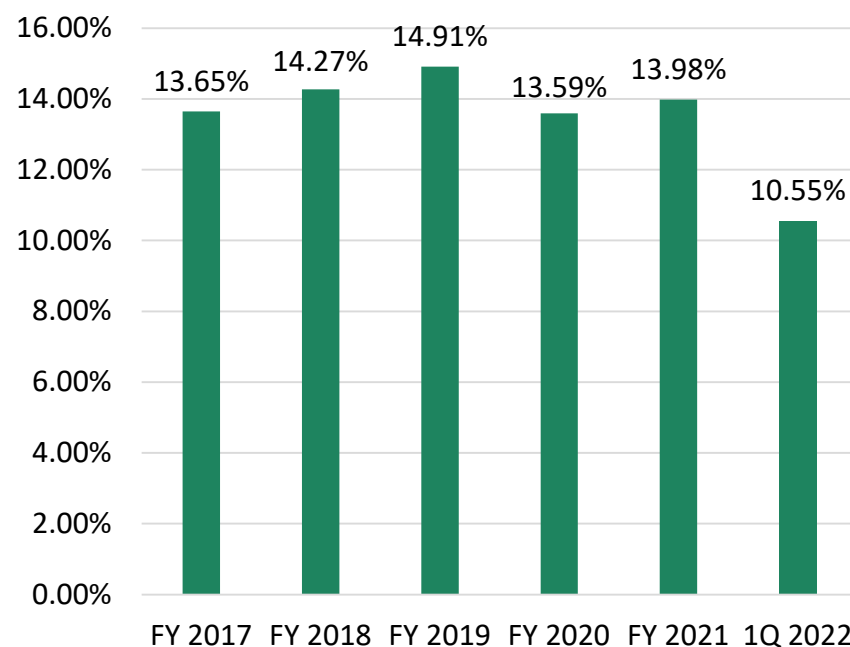
Return on Assets and Return on Equity



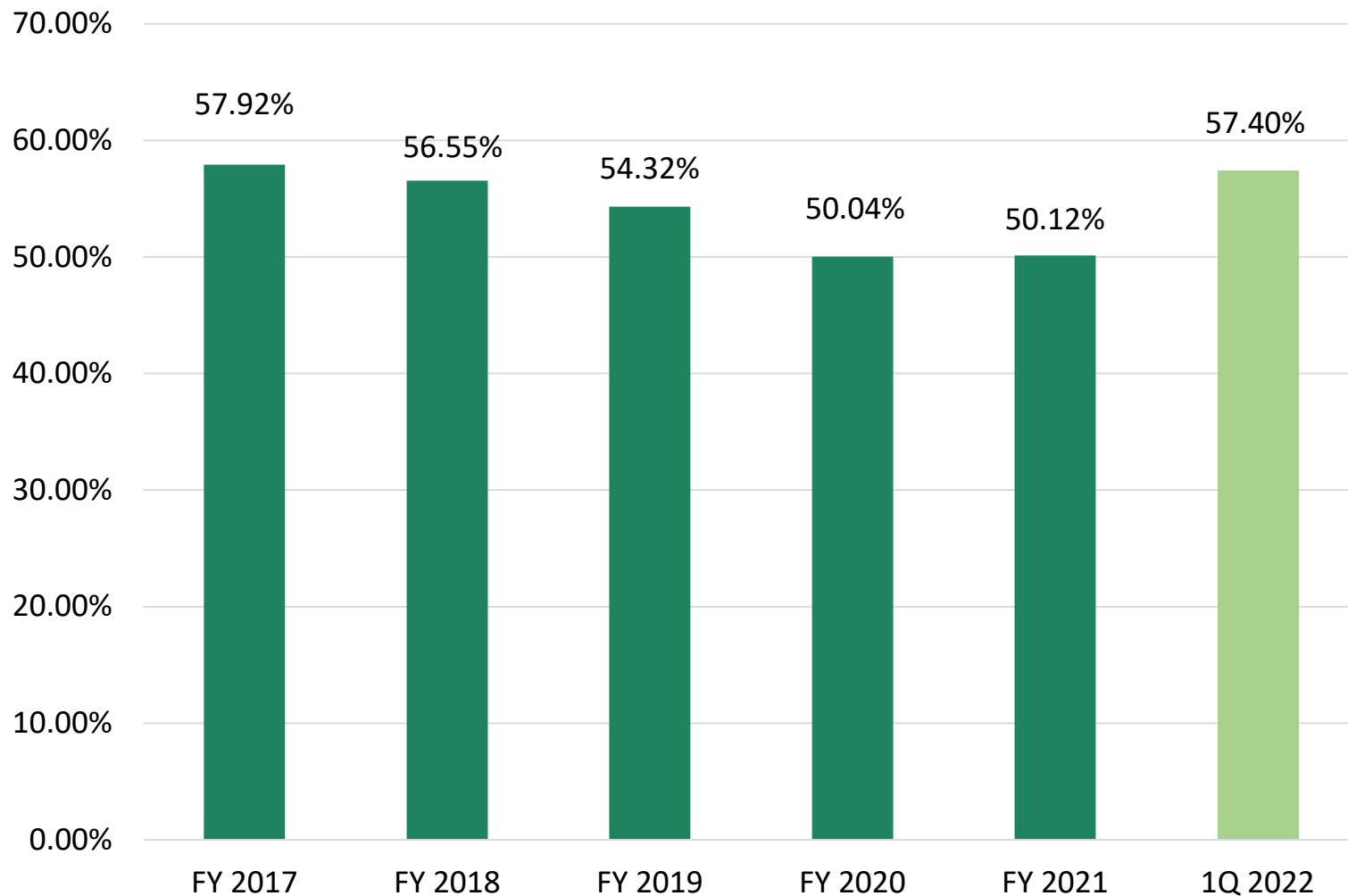
ROA



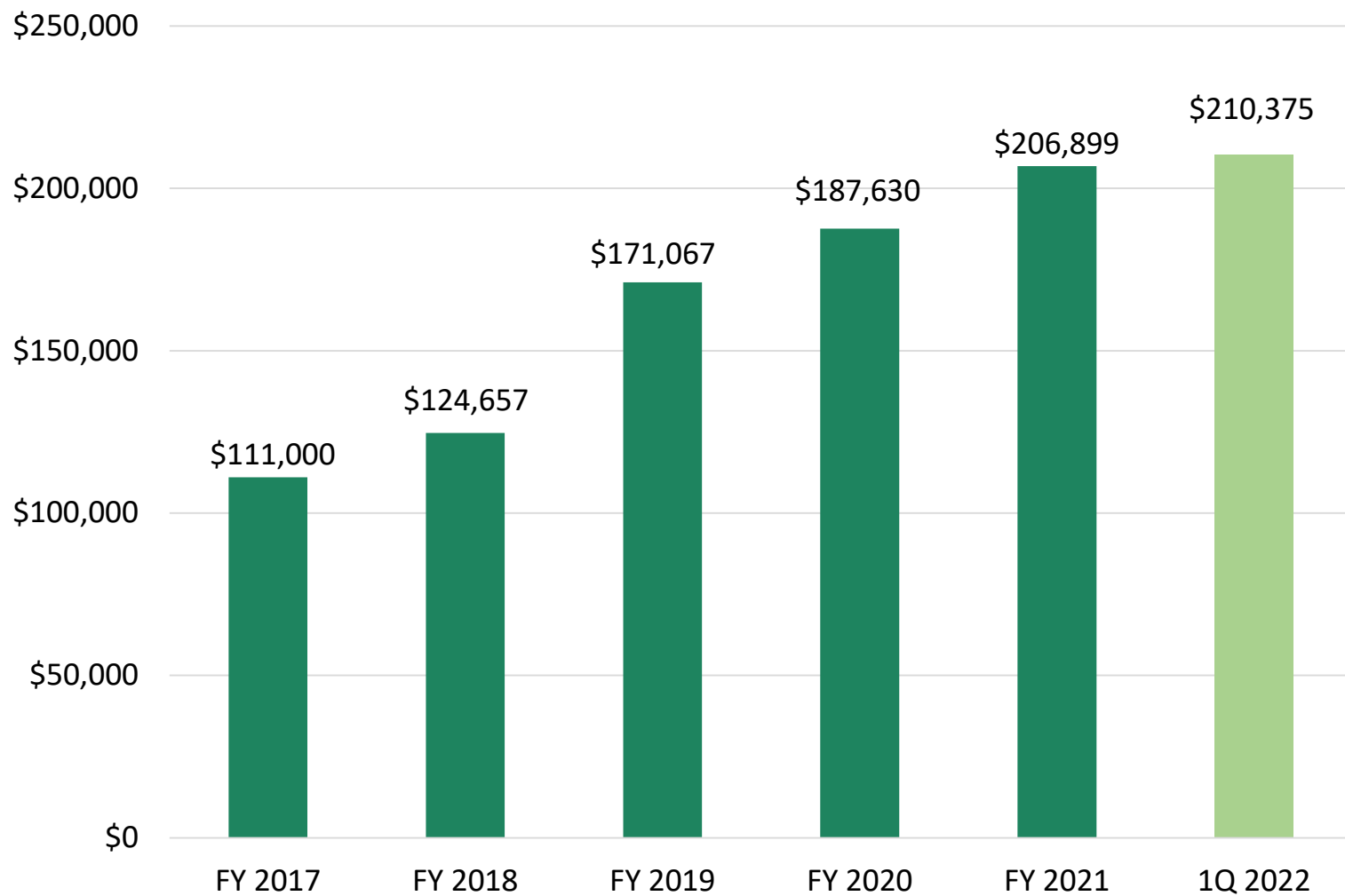
ROE



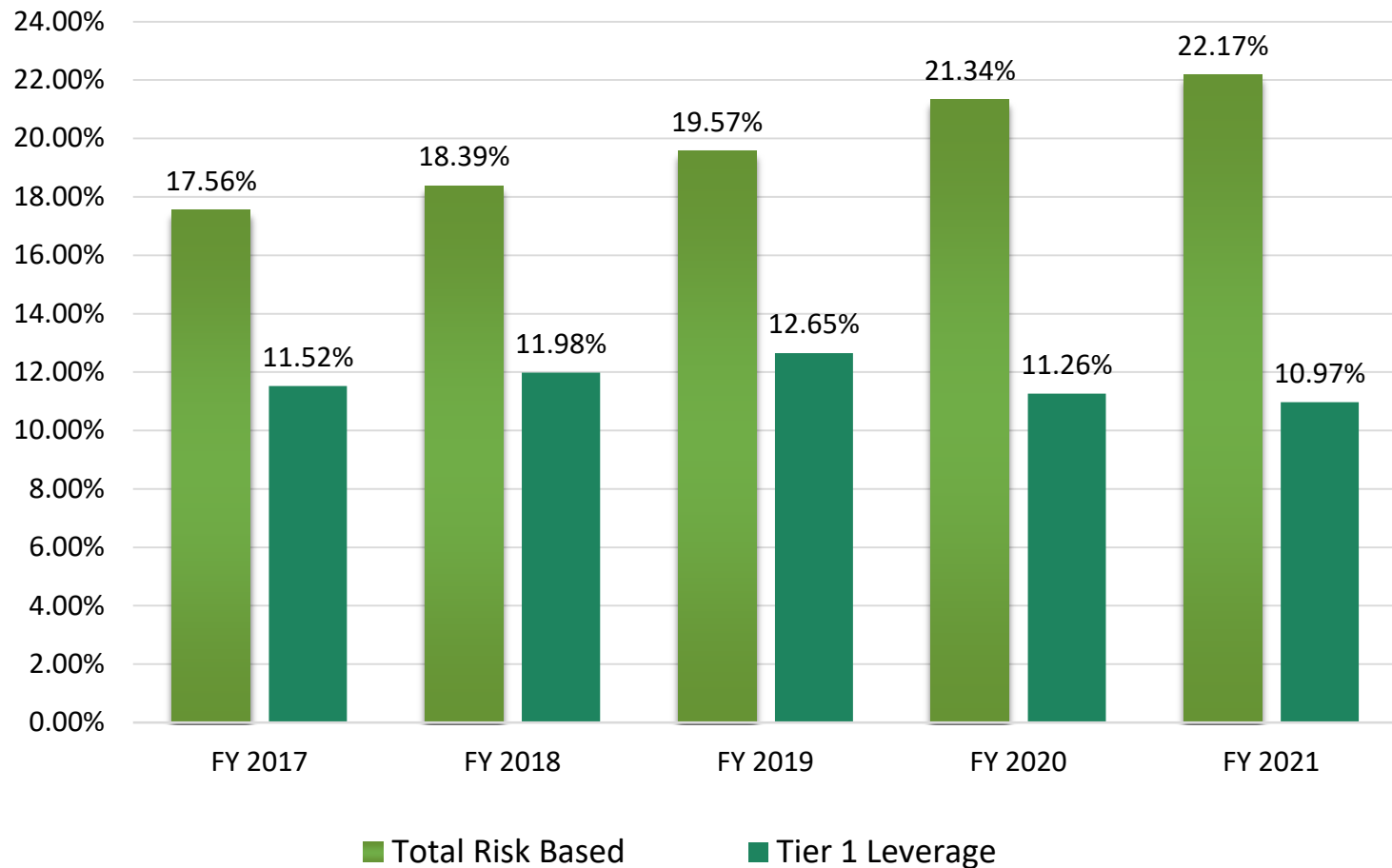
Efficiency Ratio



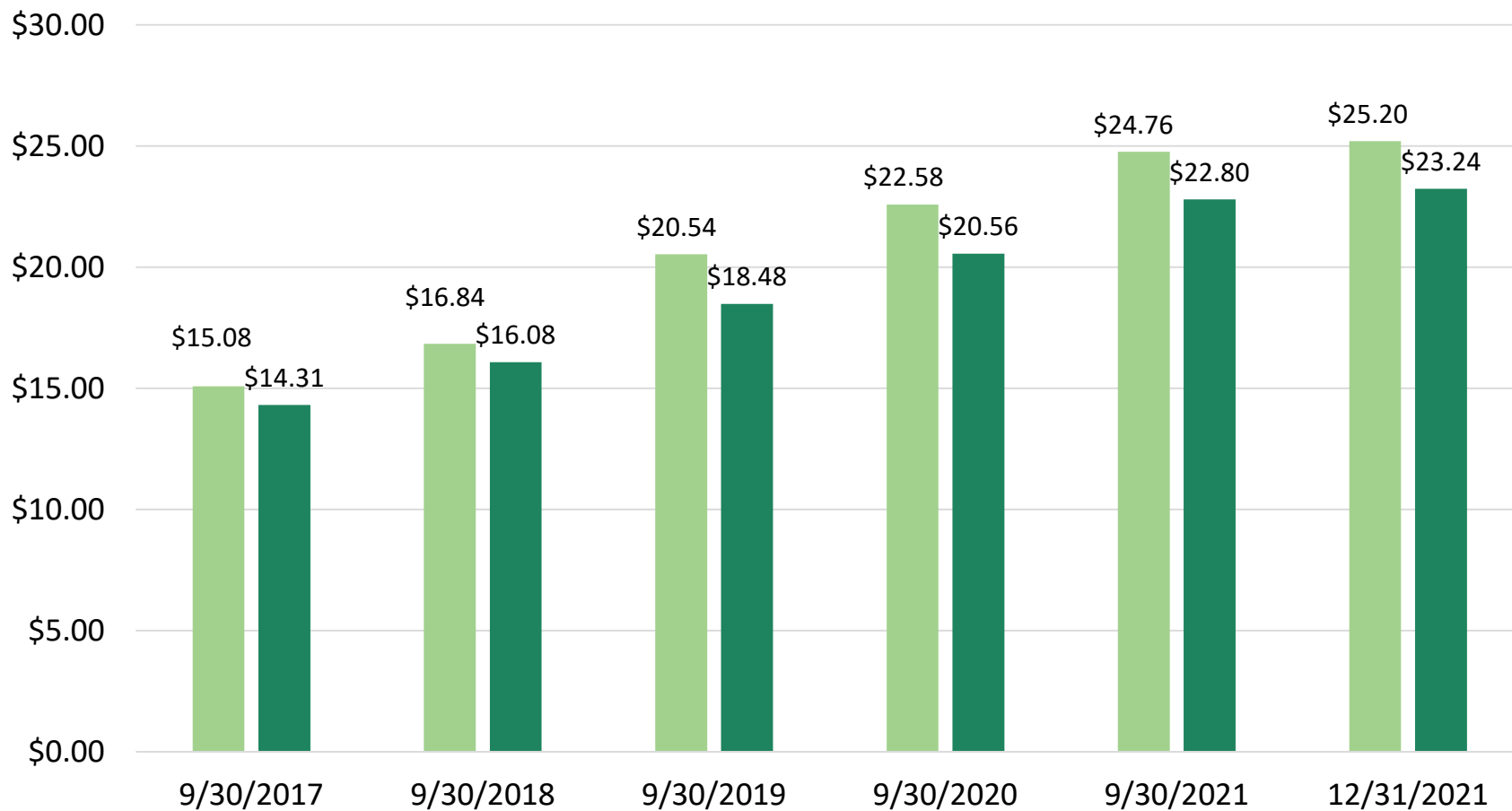
Total Capital \$ in thousands



Capital Strength



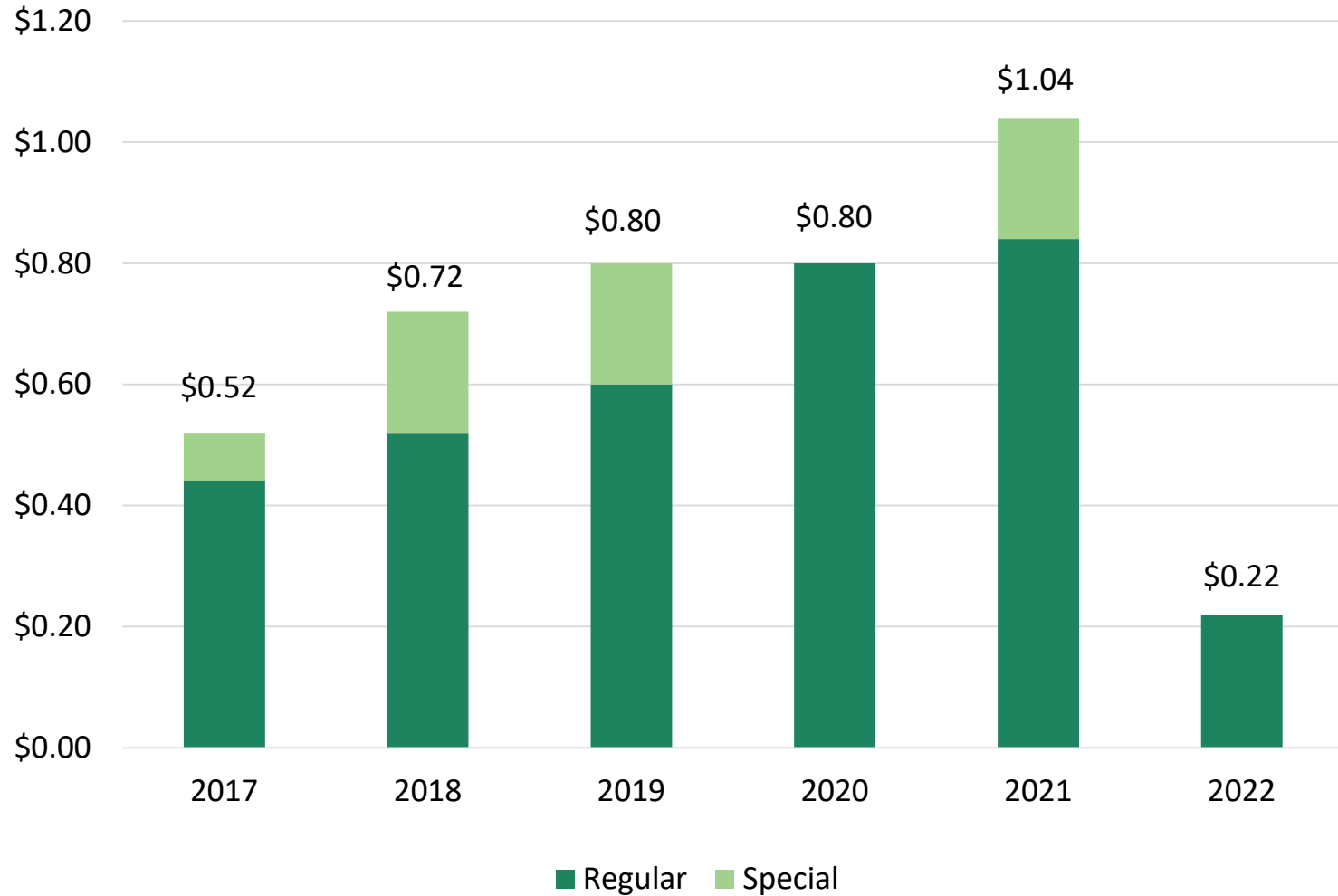
Book Value and Tangible Book Value Per Share



Dividends Paid/Declared Per Common Share



(Calendar Year)



Timberland Bancorp 5-Year Price Performance

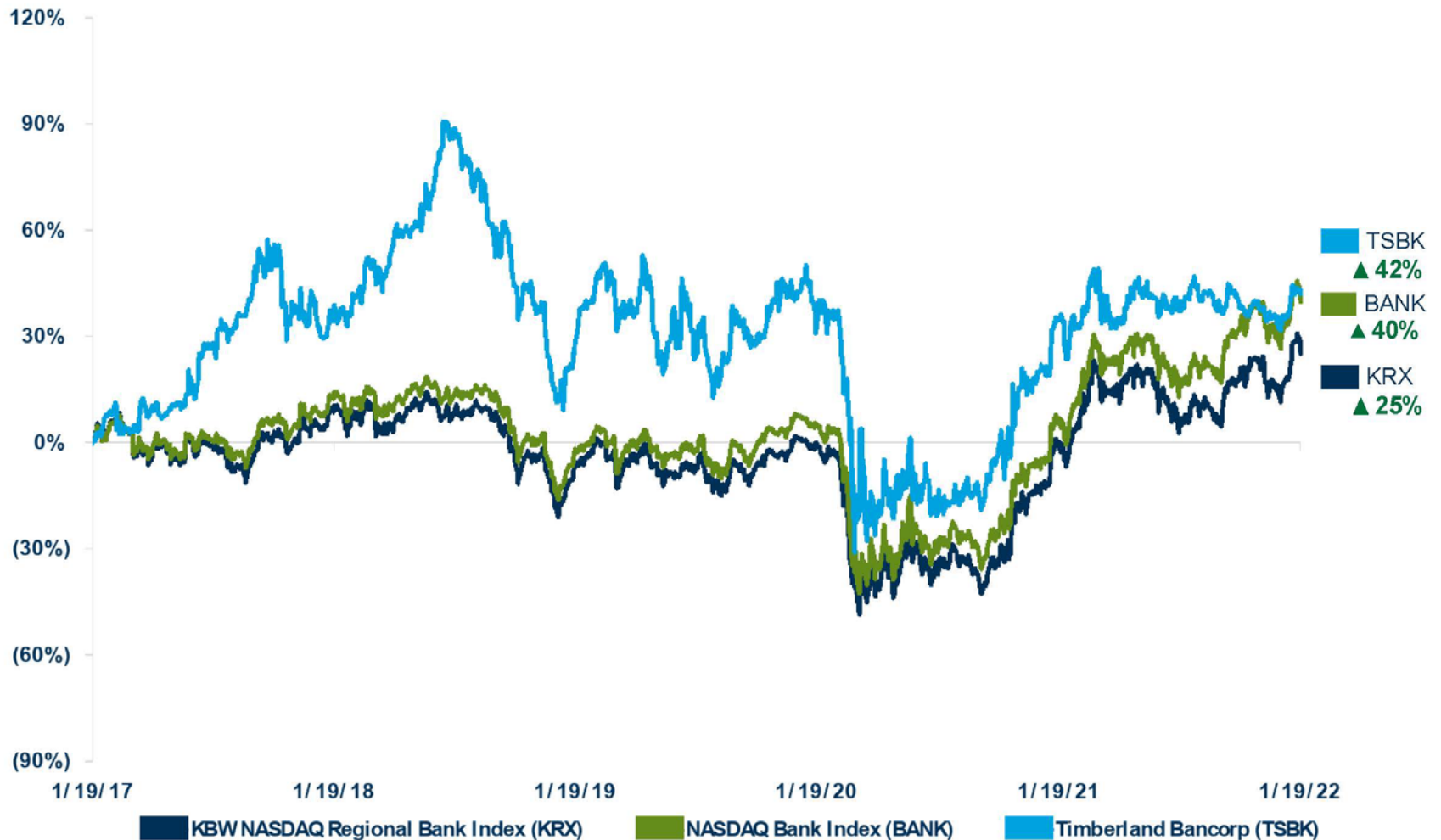


Source: S&P Global Market Intelligence; Market data as of 1/19/22



Market Volatility Continues: Broad Market Shows Signs of Optimism

Timberland Bancorp Returns vs Key Indices



Source: S&P Global Market Intelligence; Market data as of 1/19/22





Timberland Bancorp NASDAQ: TSBK

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