Heritage Financial CORPORATION

INVESTOR PRESENTATION

Q2 2026

Heritage Financial CORPORATION

FORWARD LOOKING STATEMENTS

This presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Heritage Financial Corporation (the "Company") intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Such statements often include words such as "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," as well as the negative of such words. Forward-looking statements are not historical facts but instead represent management's current expectations and forecasts regarding future events, many of which are inherently uncertain and outside of our control. Actual results may differ, possibly materially, from those currently expected or projected in these forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated or implied by forward-looking statements. Factors that could cause our actual results to differ materially from those described in the forward-looking statements include, but are not limited to, the following:

- potential adverse impacts to economic conditions nationally or in our local market areas, other markets where we have lending relationships, or other aspects of our business operations or financial markets, including, without limitation, as a result of credit quality deterioration, pronounced and sustained reductions in real estate market values, employment levels, labor shortages and a potential recession or slowed economic growth;
- changes in the interest rate environment, which could adversely affect our revenues and expenses, the value of assets and obligations, and the availability and cost of capital and liquidity;
- the level and impact of inflation and the current and future monetary policies of the Board of Governors of the Federal Reserve System and executive orders in response thereto;
- previous and potential future disruptions, security breaches, insider fraud, cybersecurity incidents or other adverse events, failures or interruptions in, or attacks on, our information technology systems or on the third-party vendors who perform critical processing functions for our business, including sophisticated attacks using artificial intelligence and similar tools;
- legislative or regulatory changes that adversely affect our business, including changes in banking, securities, and tax laws, in regulatory policies and principles, or the interpretation and prioritization of such rules and regulations;
- effects on the U.S. economy resulting from actions taken by the federal government, including the threat or implementation of tariffs, immigration enforcement and changes in foreign policy;
- the effects of acts of war or terrorism, foreign relations, military conflicts, including the wars in Iran and Ukraine, ongoing conflicts in the Middle East, and other international military conflicts that can increase levels of political and economic unpredictability, contribute to rising energy and commodity prices, affect global supply chains, increase the volatility of financial markets, and other matters beyond our control;
- effects of other external events on our business and the businesses of our clients;
- credit and interest rate risks associated with our business, including our customers' borrowing, repayment, and deposit practices;
- fluctuations in deposits and the concentration of large deposits from certain customers, who have deposit balances above current FDIC insurance limits;
- liquidity issues, including our ability to borrow funds or raise additional capital, if necessary;
- fluctuations in the value of our investment securities;
- credit risks and risks from concentrations (including by type of geographic area, collateral and industry) within our loan portfolio;
- the effectiveness of our risk management framework;
- rapid technological changes implemented by us and other parties, including third-party vendors, which may be more difficult to implement or more expensive than anticipated or which may have unforeseen consequences to us and our customers, including the development and implementation of tools incorporating artificial intelligence;
- increased competition in the financial services industry from non-banks such as credit unions and financial technology companies, including digital asset service providers;
- our ability to adapt successfully to technological changes to compete effectively in the marketplace, including as a result of competition from other commercial banks, mortgage banking firms, credit unions, securities brokerage firms, insurance companies, and financial technology companies;
- emerging issues related to the development and use of artificial intelligence that could give rise to legal or regulatory action, damage our reputation or otherwise materially harm our business or customers;
- our ability to implement our organic and acquisition growth strategies, including the recent acquisition of Olympic Bancorp, Inc. ("Olympic"), and our ability to successfully integrate Olympic's customers and operations following the acquisition;
- 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;
- the commencement, costs, effects and outcome of litigation and other legal proceedings and regulatory actions against us or to which we may become subject, including in connection with prior acquisitions;
- potential impairment to the goodwill we recorded in connection with our past acquisitions, including as a result of the recent acquisition of Olympic;
- loss of, or inability to attract, key personnel;
- our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may acquire, including as a result of the recent acquisition of Olympic, into our operations and our ability to realize related revenue synergies and cost savings within expected time frames or at all, and any goodwill charges related thereto and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, which might be greater than expected;
- the effects of climate change, severe weather events, natural disasters, pandemics, epidemics and other public health crises;
- 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 extensive regulatory framework that applies to us;
- the overall health of local and national real estate markets;
- the level of nonperforming assets on our balance sheet;
- risks related to acquiring assets in or entering markets in which we have not previously operated and may not be familiar;
- changes in consumer spending, borrowing and saving habits;
- the availability of future equity and debt issuances and other capital raising opportunities on favorable terms; and
- our success at managing and responding to the risks involved in the foregoing items.

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, 2025, as well as those set forth in other reports we file with or furnish to the Securities and Exchange Commission (the "SEC") which are available on our website at www.hf-wa.com and on the SEC's website at www.sec.gov. 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.

Except as otherwise indicated, this presentation speaks as of June 30, 2026. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company after such date. Certain of the information contained herein may be derived from information provided by industry sources. We believe that such information is accurate and that the sources from which it has been obtained are reliable. We cannot guarantee the accuracy of such information, however, and we have not independently verified such information.

Non-GAAP Financial Information

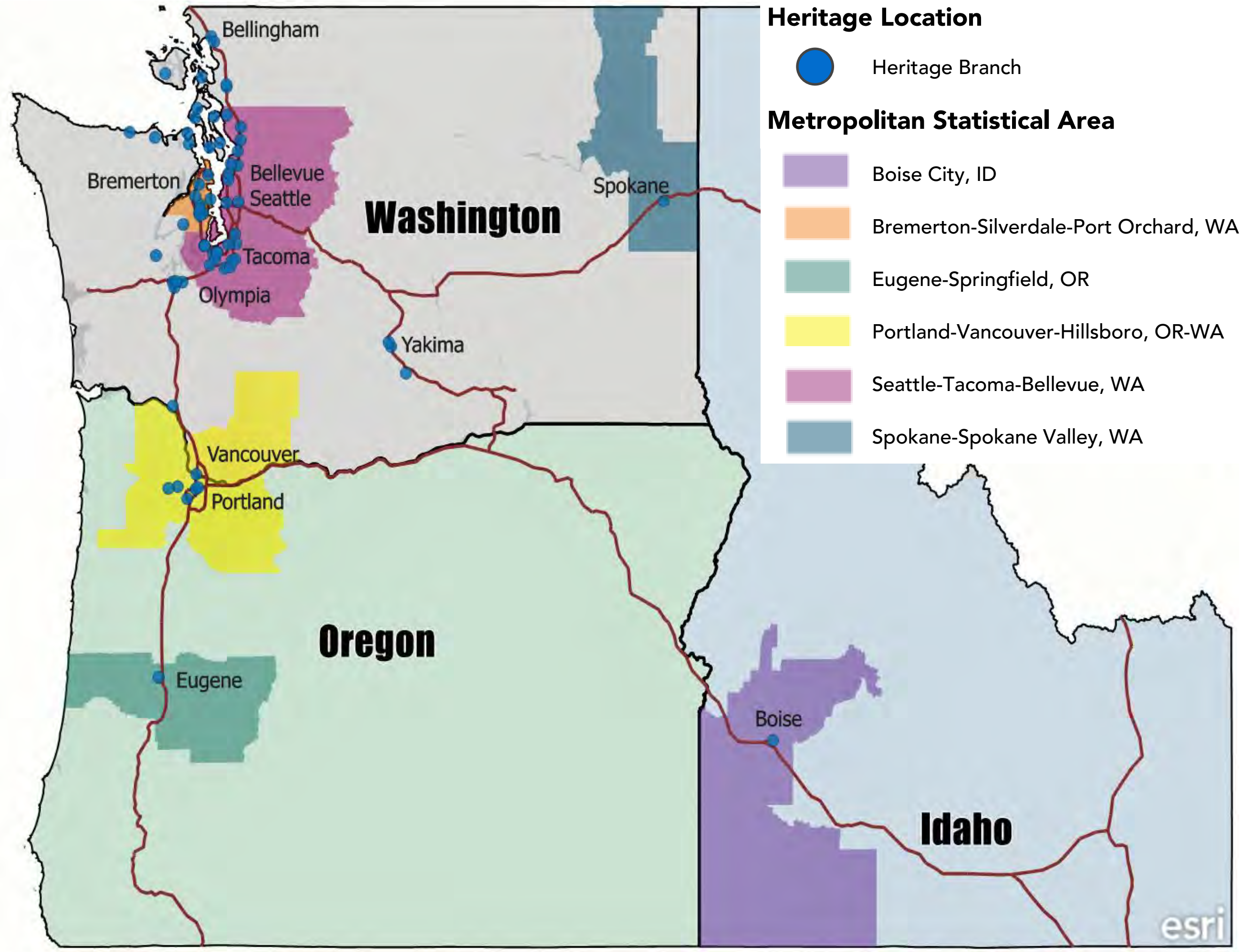
The Company reports its results in accordance with United States generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP performance measures used in managing the business may provide meaningful information about underlying trends in its business. Non-GAAP 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 in the Appendix - Reconciliation of Non-GAAP Financial Measures and Quarterly Financial Statistics hereto.

All dollars amounts presented throughout the entire presentation are in millions unless otherwise noted, except per share amounts. Percentages presented may not total 100% due to rounding. All tables and charts are as of June 30, 2026, unless otherwise indicated.

HERITAGE FINANCIAL CORPORATION OVERVIEW

Heritage Financial CORPORATION

OVERVIEW



General Overview	
Nasdaq symbol	HFWA
Stock price(2)	$29.81
Market capitalization(2)	$1.2 billion
Institutional ownership(2)	85.9%
Headquarters	Olympia, WA
# of branches	66
Year established	1927

Q2 2026 Financial Highlights	
Assets	$8.4 billion
Deposits	$7.0 billion
Loans receivable	$5.7 billion
Net income	$17.5 million
Net interest margin	3.99%
ROAE(3)	6.33%
ROATCE(1)(4)	10.17%
Adjusted ROATCE(1)(4)	13.29%
Efficiency ratio	76.5%
Adjusted efficiency ratio(1)	63.9%
Leverage ratio	10.4%
Total capital ratio	13.4%

Certain locations of branches overlap on the map.

(1) Represents a non-GAAP financial measure
(2) Market information as of July 6, 2026.
(3) Return on average equity
(4) Return on average tangible common equity

Heritage Financial CORPORATION

COMPANY STRATEGY

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 including branch openings in Eugene, Oregon and Boise, Idaho and Spokane, Washington • 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
Generate stable profitability and risk adjusted returns	• Adjusted return on average tangible common equity(1) ("ROATCE") averaged 12.0% from 2023 to 2025. • Five-year growth in tangible book value(1) of $2.39, or 14.3%, to $19.15 at June 30, 2026 from $16.76 at June 30, 2021
Remain active and disciplined in M&A	• On January 31, 2026, completed the acquisition of Olympic Bancorp, Inc. - $1.6B in assets. • Six completed 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 • Net charge-offs on loans to average loans remains low at 0.03% for the quarter ended June 30, 2026
Focus on core deposits to increase franchise value over the long term	• 28.0% noninterest demand deposits to total deposits at June 30, 2026 • 1.21% cost of total deposits; top 12% performance among US publicly traded banks in Q1 2026
Engage in proactive capital management	• History of increasing regular dividends and utilizing special dividends to manage capital • Strong capital ratios: leverage ratio(3) = 10.4%; total capital ratio(3) = 13.4%

(1) Represents a non-GAAP financial measure
(2) Comparable cost of total deposits provided by S&P Global Market Intelligence for the first quarter of 2026 and includes banks nationwide with shares on Nasdaq or NYSE with total assets less than $100 billion excluding pending merger targets
(3) Current quarter capital ratios are estimates pending completion and filing of the Company's regulatory reports

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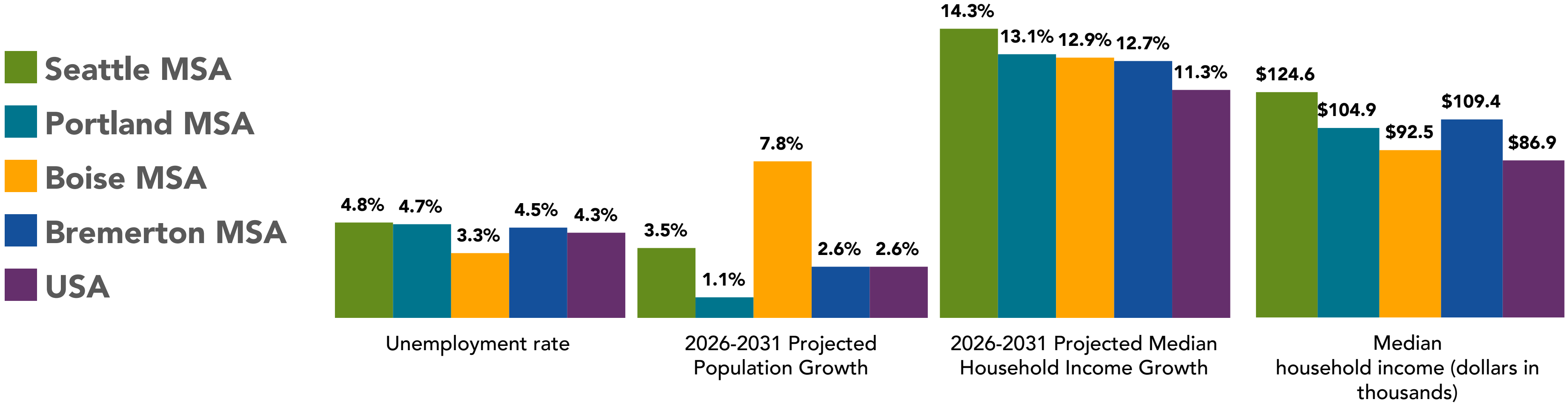
STRONG AND DIVERSE ECONOMIC LANDSCAPE

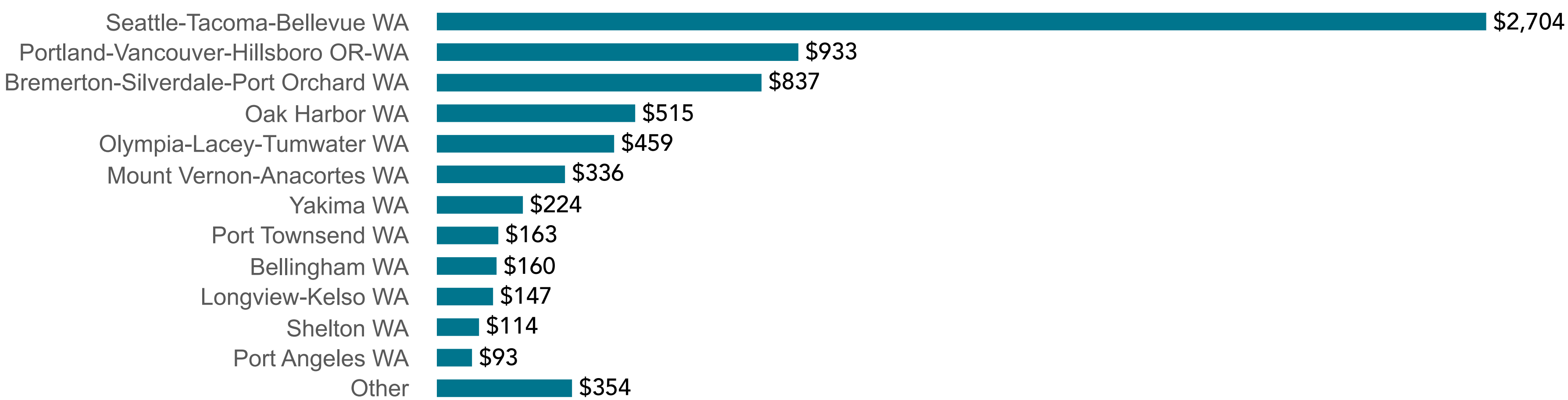


Major Employers in the Pacific Northwest

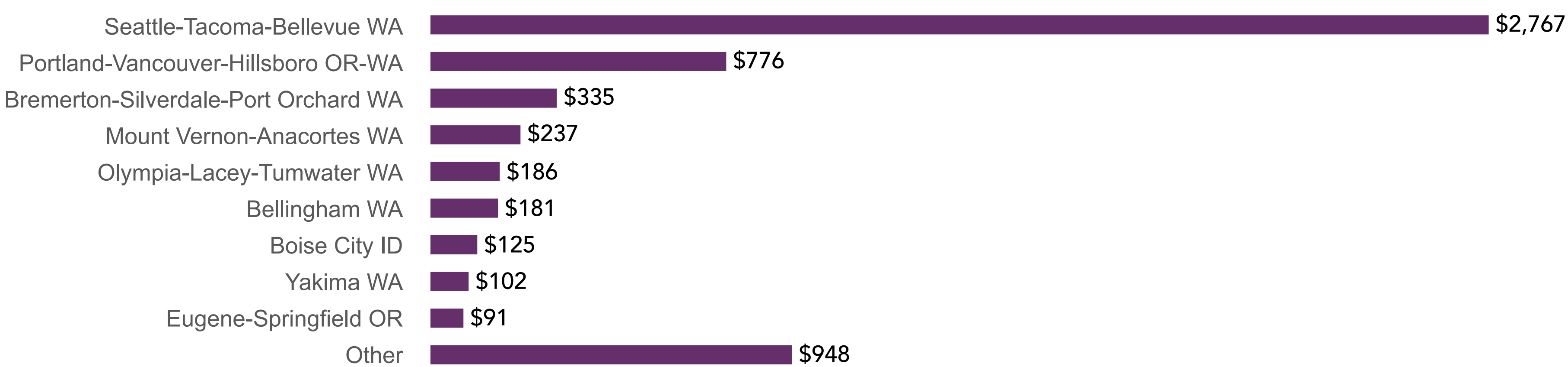
Data obtained from www.bls.gov, www.bea.gov and S&P Global Market Intelligence
Unemployment data reflects the BLS's latest monthly Economic New Release - Employment & Unemployment
Economic data as of January 2026

LOANS AND DEPOSITS BY LOCATION

Deposit by MSA



Loans by MSA



MSA = Metropolitan or Micropolitan Statistical Area
Location based upon branch or office location

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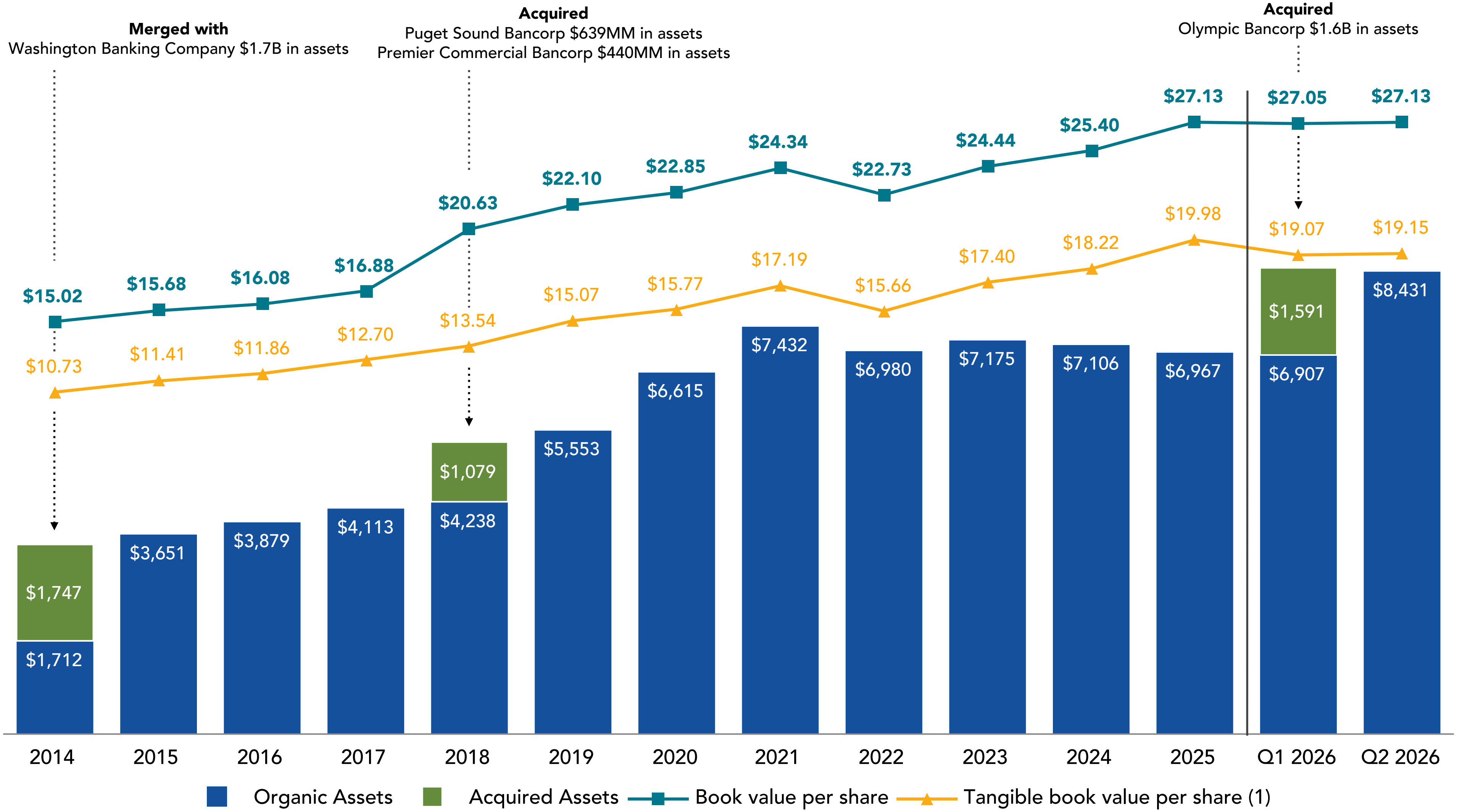
POTENTIAL GROWTH OPPORTUNITIES

● Bank headquarters

- Long-term goal to build a Pacific Northwest ("PNW") regional commercial community bank; potential opportunities for M&A and production team lift-outs in WA, OR and ID.
- Significant number of banks remaining in HFWA footprint; further consolidation is expected.
  - 10 banks between $200 million and $500 million in assets
  - 9 banks between $500 million and $1.0 billion in assets
  - 12 banks between $1.0 billion and $3.5 billion in assets
- Target metrics include 15% IRR and earnback of < 3 years.

Map obtained from S&P Global Market Intelligence
Certain locations of bank headquarters overlap on the map
Financial information as of the most recent quarter publicly available
Excluding banks with pending mergers and acquisitions

HISTORICAL GROWTH ORGANIC AND ACQUISITIVE



(1) Represents a non-GAAP financial measure

Bank Acquisitions and Team Additions

YEAR	ACTIVITY
2013	• Acquired Valley Community Bancshares - $254MM in assets • Acquired Northwest Commercial Bank - $65MM in assets
2014	• Merged with Washington Banking Company - $1.7B in assets
2015	• Added a commercial banking team in Seattle, Washington • Formed Capital Markets Group as result of the added expertise
2017	• Added commercial banking team in the greater Portland, Oregon area • Expanded expertise in non-profit lending and added a commercial position focused on deposit production
2018	• Acquired Puget Sound Bancorp - $639MM in assets • Acquired Premier Commercial Bancorp - $440MM in assets
2019	• Added commercial banking team in the greater Portland, Oregon area • Expanded expertise in the dental and healthcare fields
2022	• 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 (branch opened August 2022)
2023	• Expanded into a new market with addition of commercial banking team and full service branch in Boise, Idaho (branch opened January 2023)
2024	• Expanded Builder Banking team with hiring of new SVP, Director of Builder Banking and sales position in greater Seattle, Washington area.
2025	• Expanded into a new market with addition of commercial banking team and loan production office in Spokane, Washington in January 2025 (branch opened May 2026)
2026	• Acquired Olympic Bancorp, Inc. - $1.6B in assets

Bank Acquisition   Team Addition

FINANCIAL UPDATE

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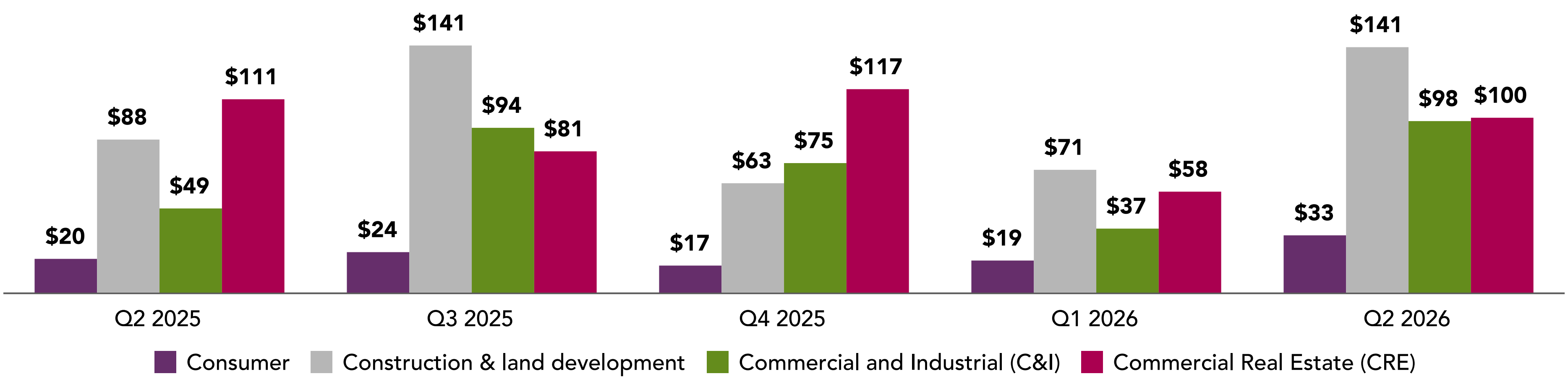
LOAN PORTFOLIO

Loan Portfolio Composition

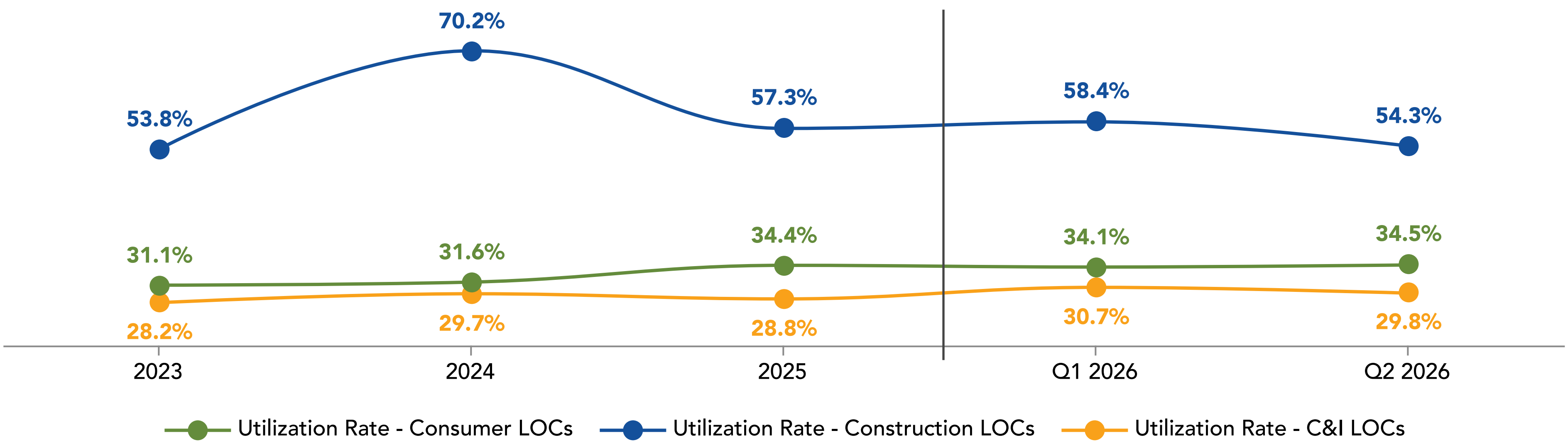
New Loan Commitments*



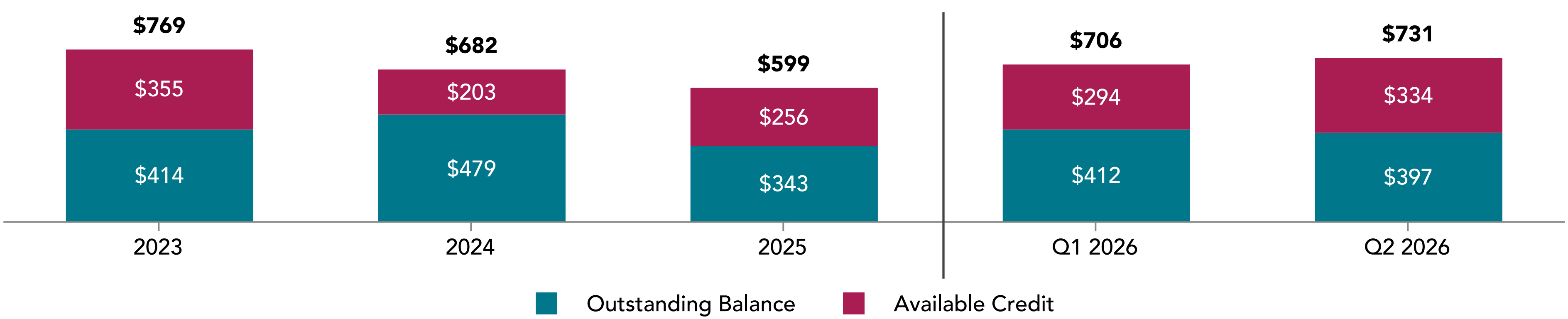
*New loan commitments in Q1 2026 do not include Olympic activity prior to acquisition date of January 31, 2026.

LINE OF CREDIT ("LOC") UTILIZATION

LOC Utilization Rates



Construction Commitments



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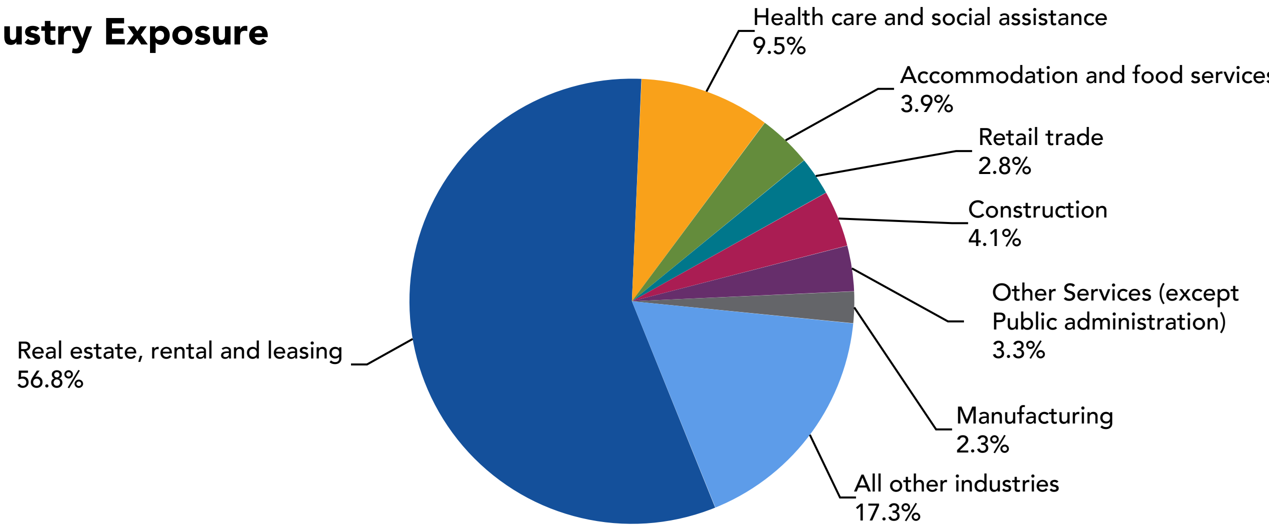
COMMERCIAL LOAN EXPOSURE

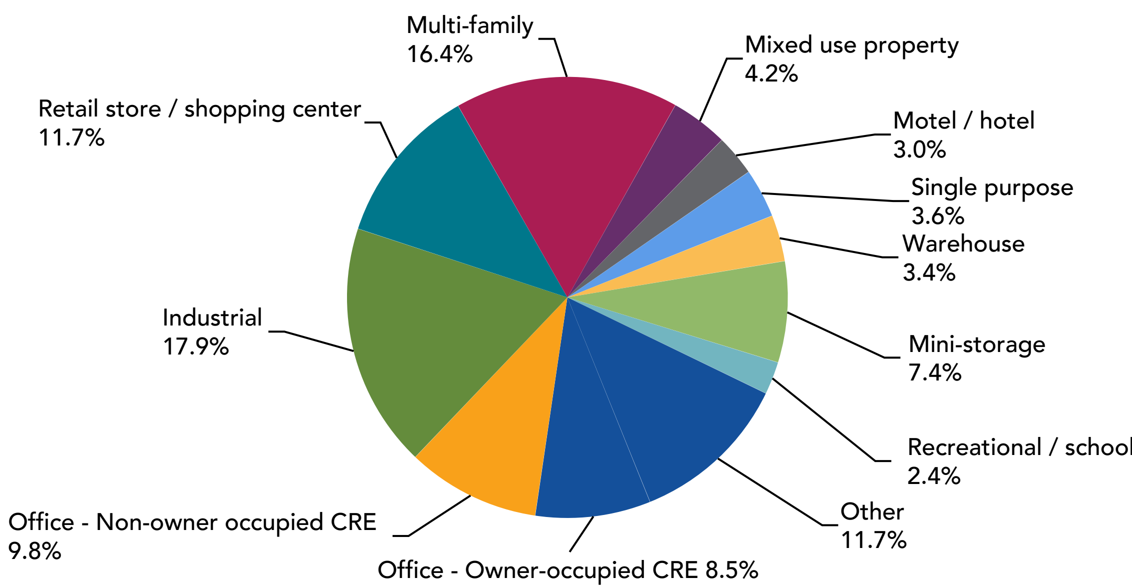
Commercial Business Loans by Industry Exposure

Industry	Amount	WARR at 06/30/26
Real estate, rental and leasing	$2,719	4.5
Health care and social assistance	455	4.3
Accommodation and food services	189	5.2
Retail trade	134	4.6
Construction	196	5.0
Other services (except Public administration)	157	4.8
Manufacturing	110	4.8
All other industries	828	4.5
Total	**$4,788**	**4.5**



CRE Loans only by Collateral Type

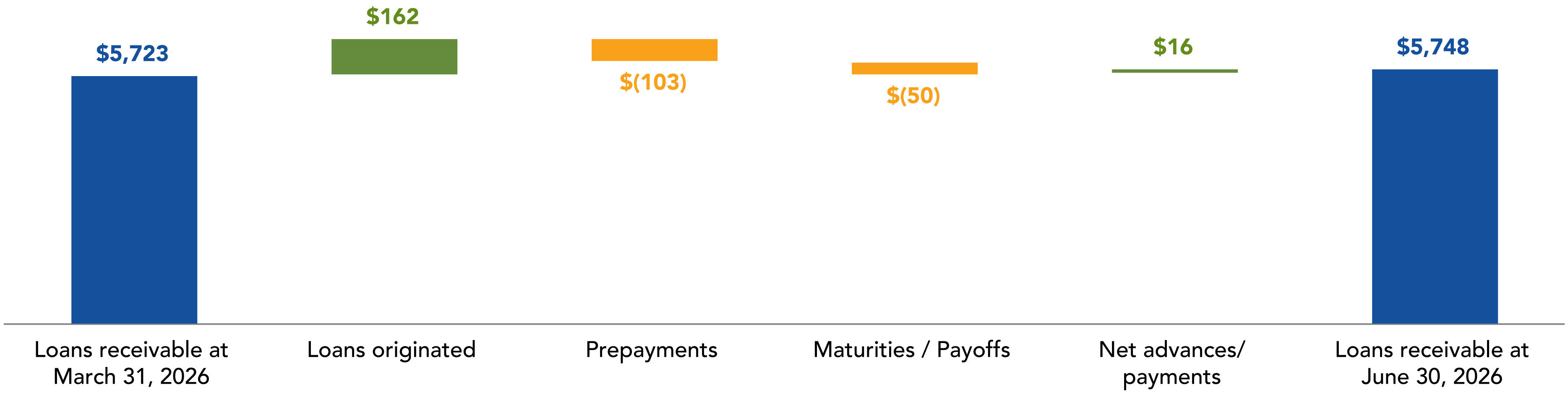
Collateral Type	Amount	WARR at 06/30/26
Office	$685	4.3
Industrial	669	4.6
Retail store / shopping center	439	4.5
Multi-family	615	4.6
Mixed use property	157	4.7
Motel / hotel	111	5.1
Single purpose	136	4.7
Warehouse	128	4.6
Mini-storage	275	3.9
Recreational / school	90	4.8
Other	432	4.6
Total	**$3,737**	**4.5**



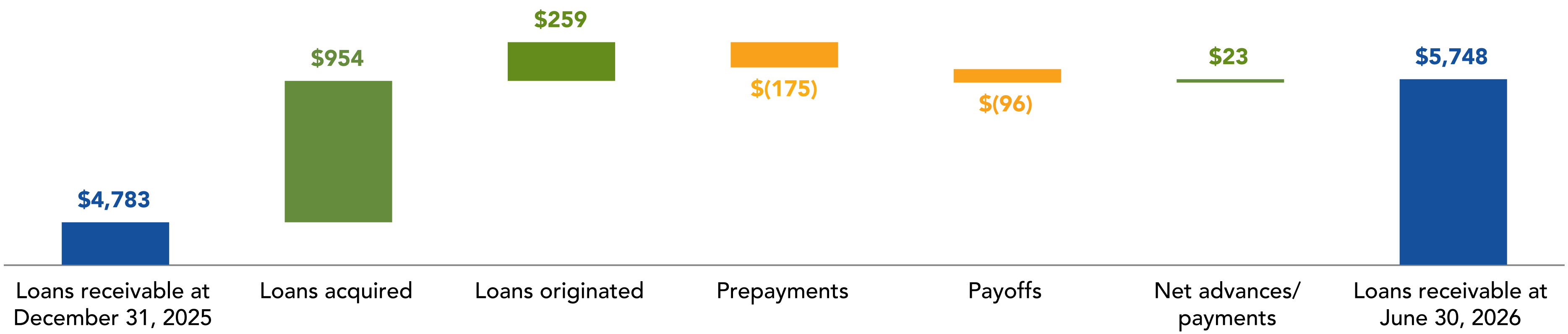
WARR = Weighted average risk rating
Categorized by NAICS code.

CHANGES IN LOANS RECEIVABLE

Change in loans - Q2 2026



Change in loans - YTD 2026



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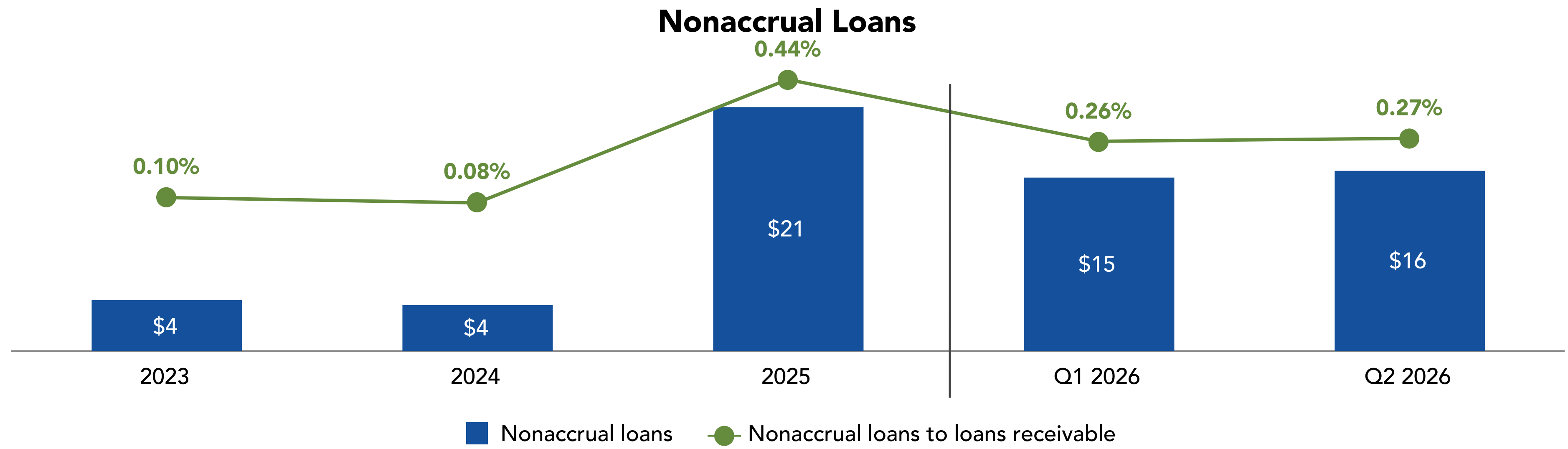
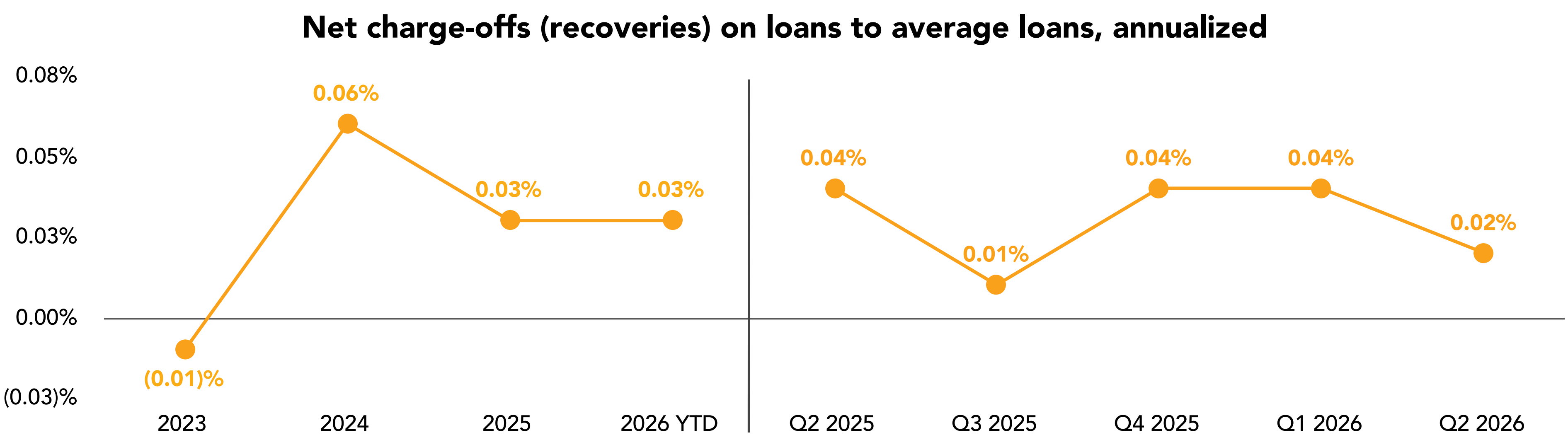
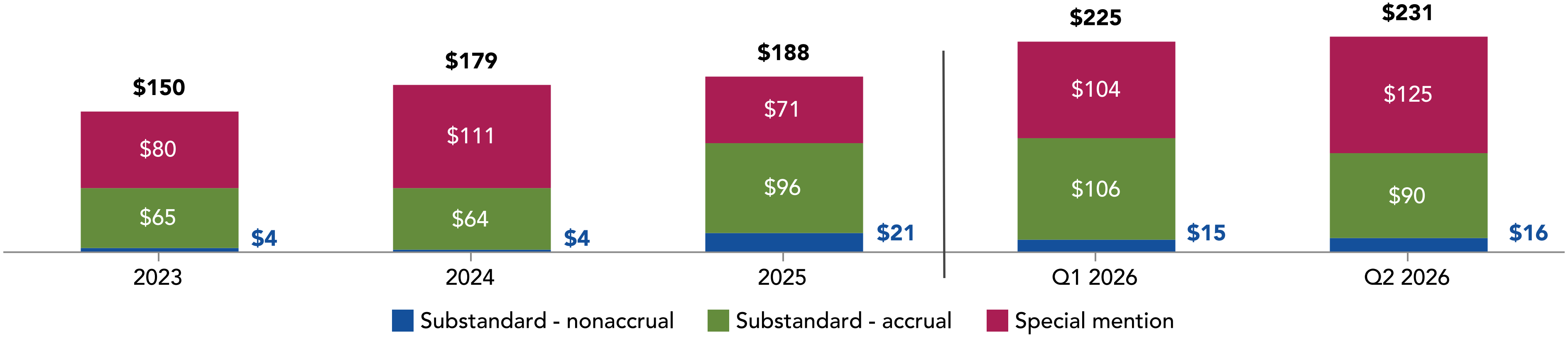
NONACCRUAL LOANS AND NET CHARGE-OFFS

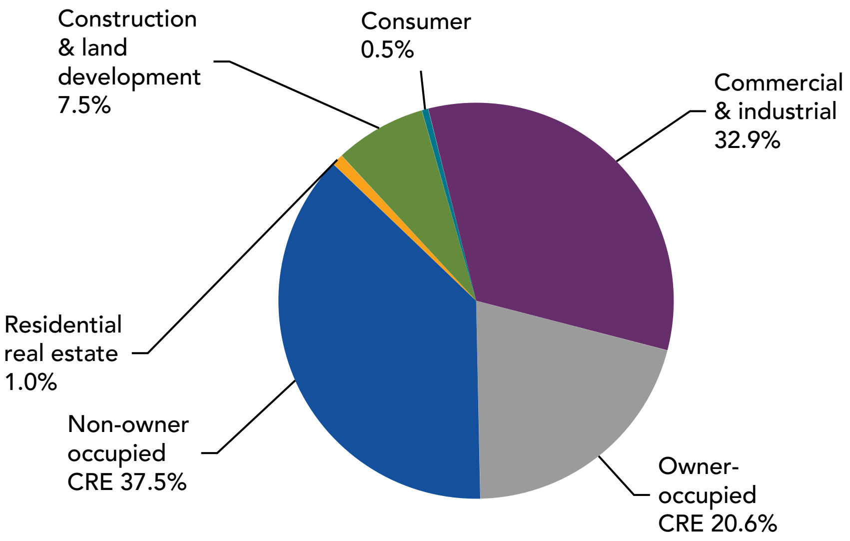




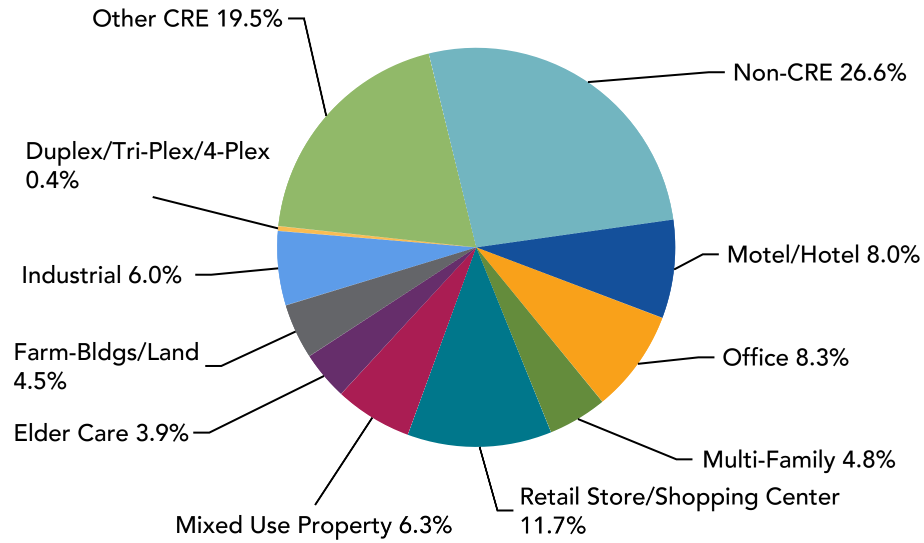
CRITICIZED LOANS



Criticized Loans by Loan Segment



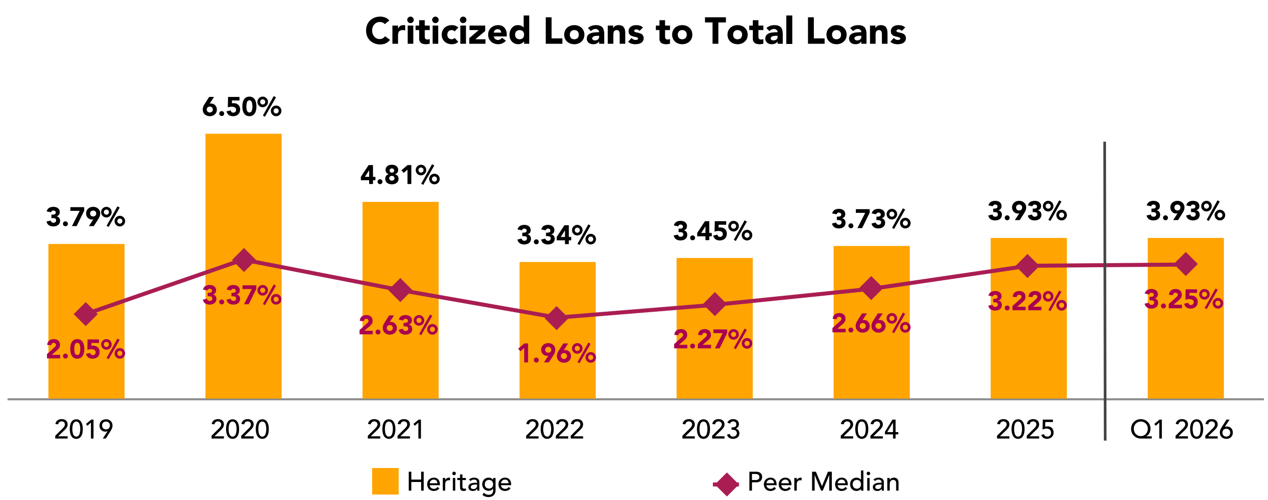
Criticized Loans by Collateral Type

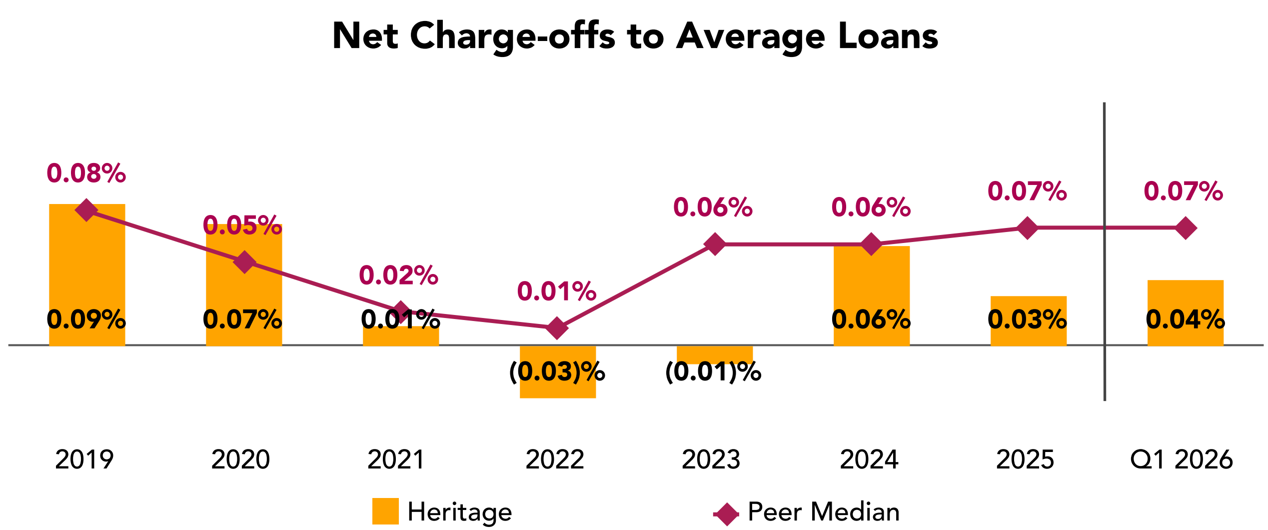


CRITICIZED LOANS AND NET CHARGE-OFF HISTORY

<u>Proactive Credit Management</u>

- Heritage proactively downgrades loans that are experiencing financial difficulty.
- Criticized loans(1) to total loans higher than peer median(2) since 2019
- NCOs recognized during the same period were generally lower than peer median.

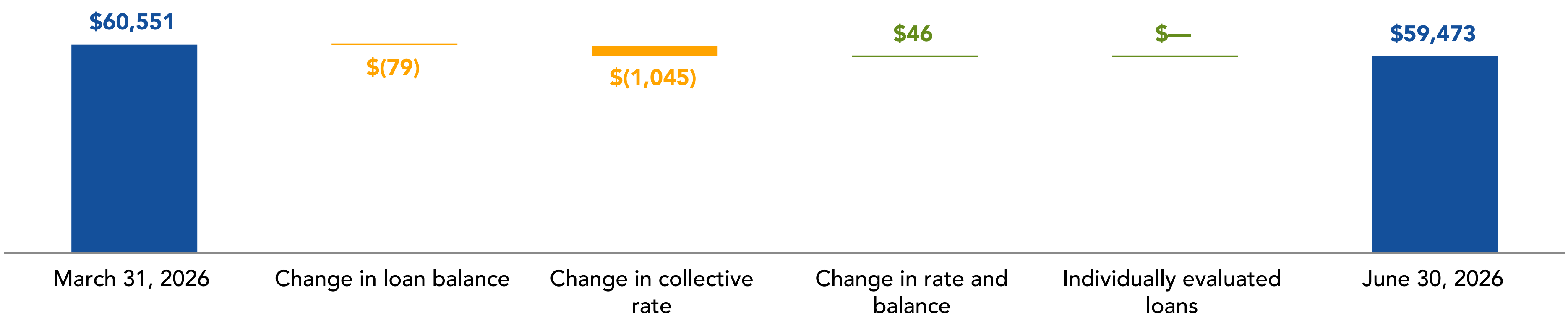




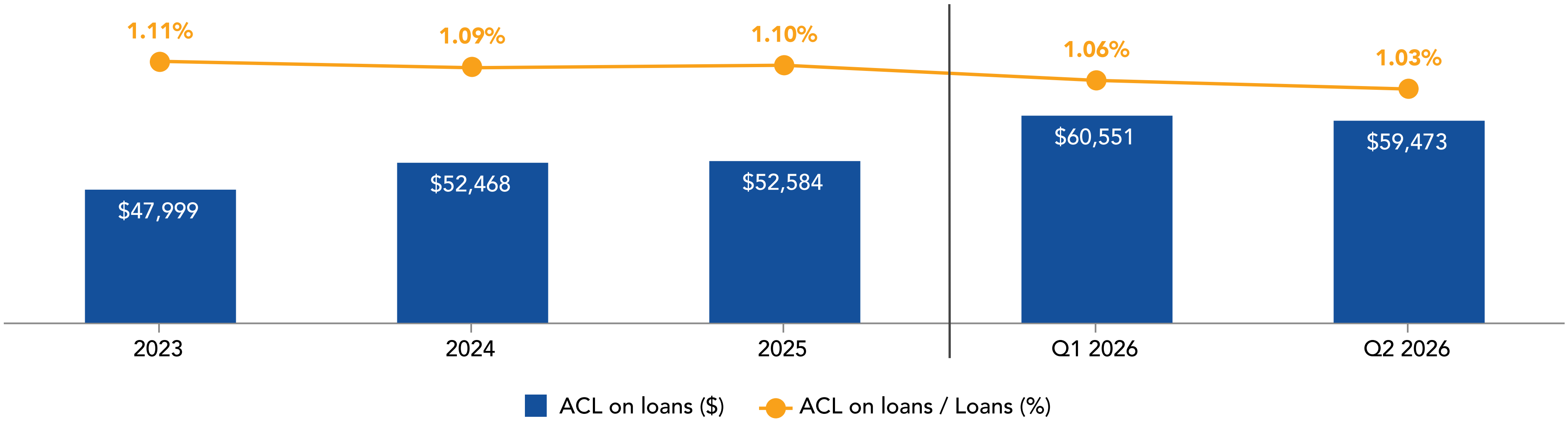
(1) Criticized loans includes loans graded special mention or worse
(2) Peer Median is the median of 20 identified peer banks and is as of March 31, 2026

ALLOWANCE FOR CREDIT LOSSES ("ACL") ON LOANS

Change in ACL on Loans - Q2 2026



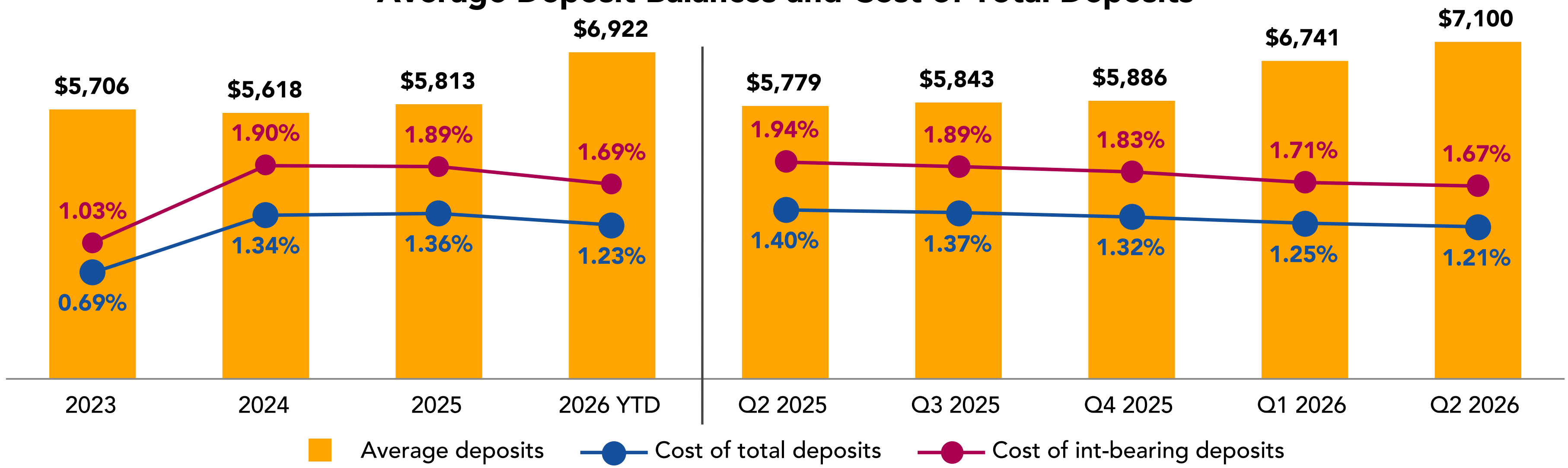
ACL on Loans



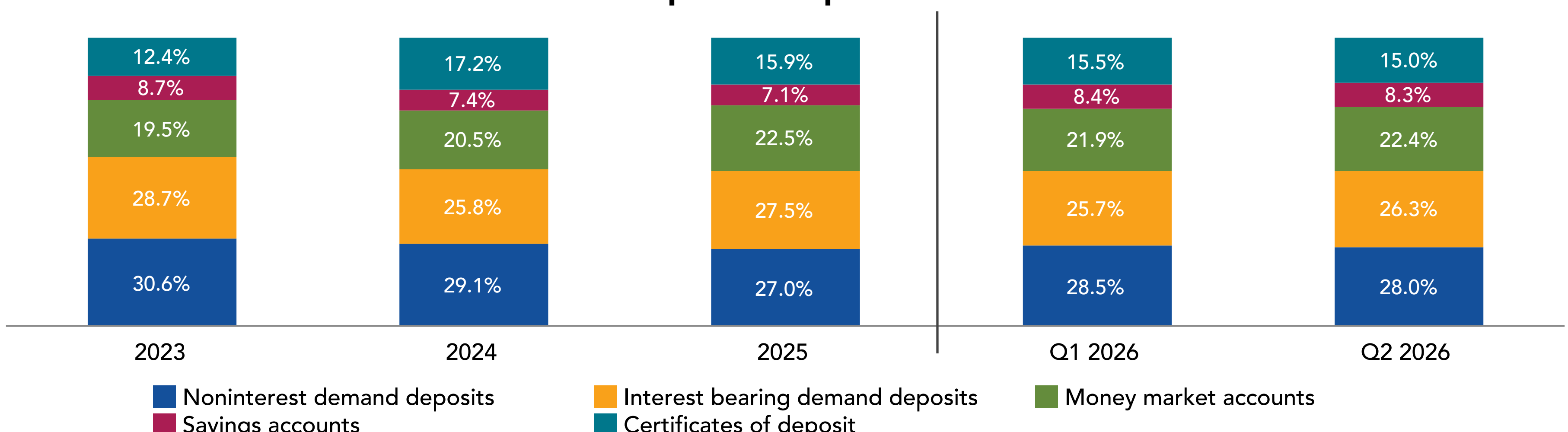
Dollars in thousands

DEPOSITS

Average Deposit Balances and Cost of Total Deposits



Deposit Composition



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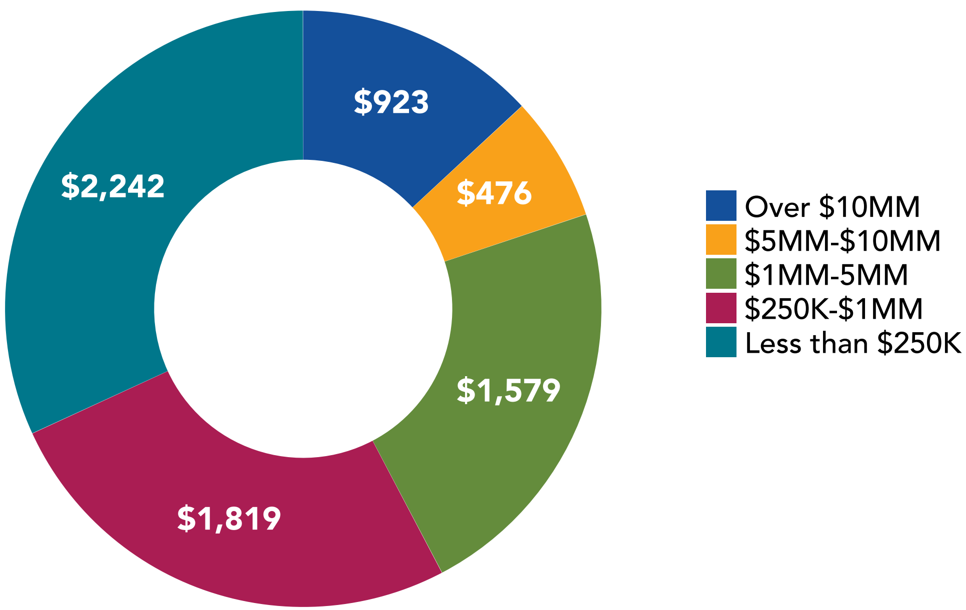
DEPOSIT COMPOSITION

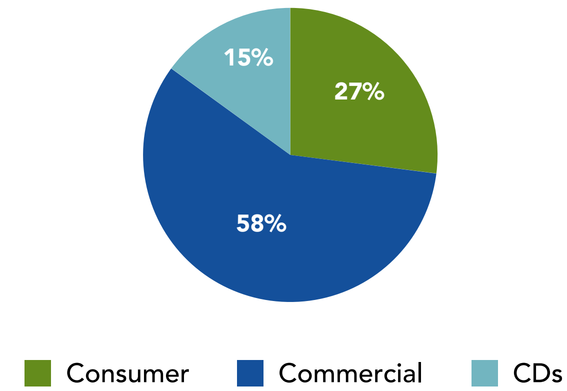
Deposit portfolio as of June 30, 2026:

- Majority of deposits are to customers with relationships of $1 million or less.
- Uninsured deposits at 39% of total deposits.
- 13% of uninsured deposits are public deposits that are 100% pledged.
- Mix of commercial and consumer accounts.

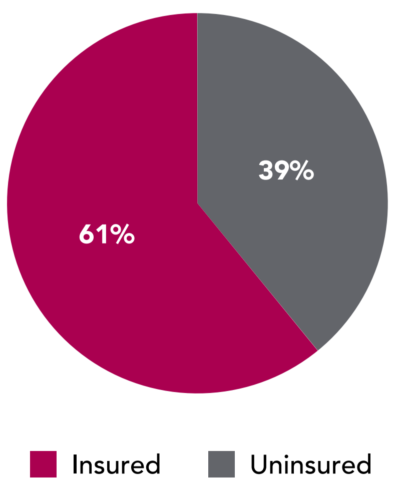
Customer Deposits by Relationship Size



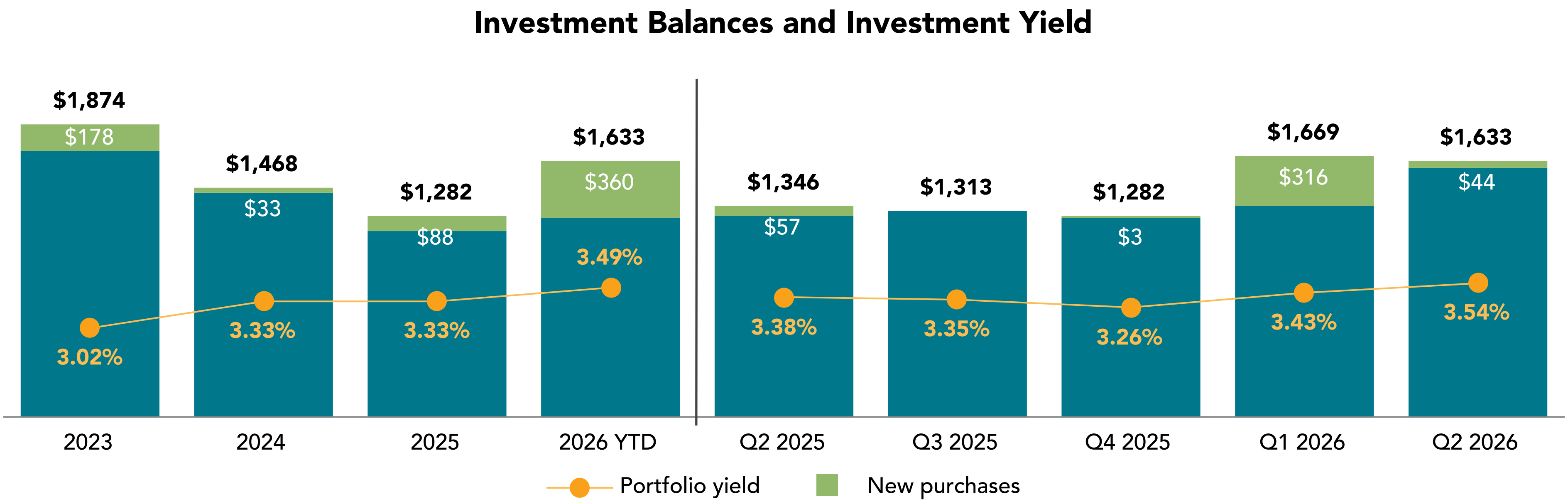
Consumer Accounts vs. Business Accounts

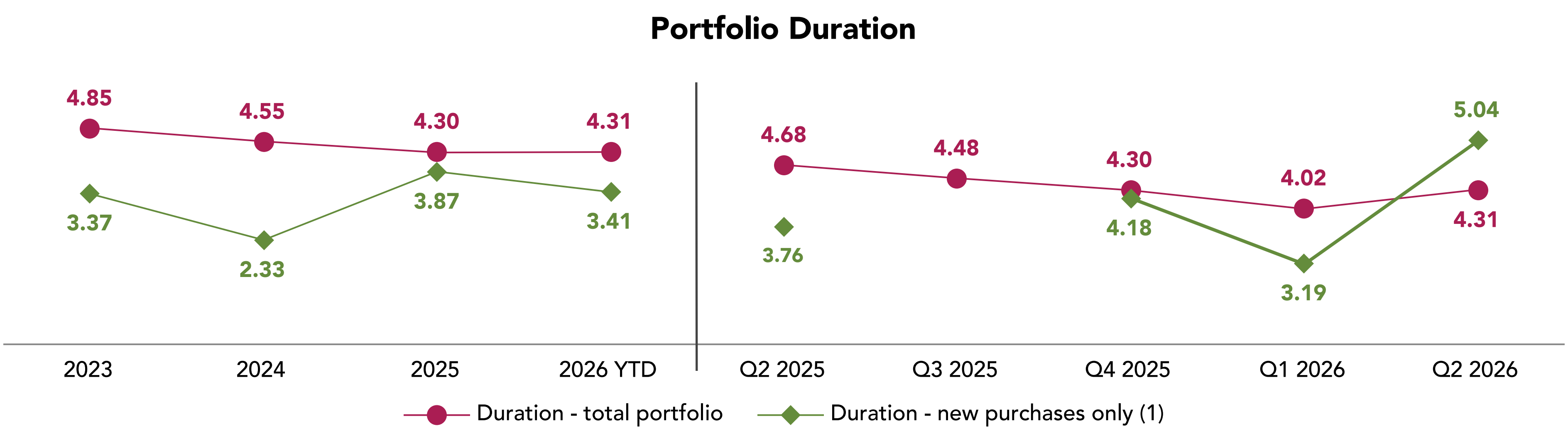


Insured vs. Uninsured



INVESTMENT PORTFOLIO





(1) No investments were purchased during Q3 2025

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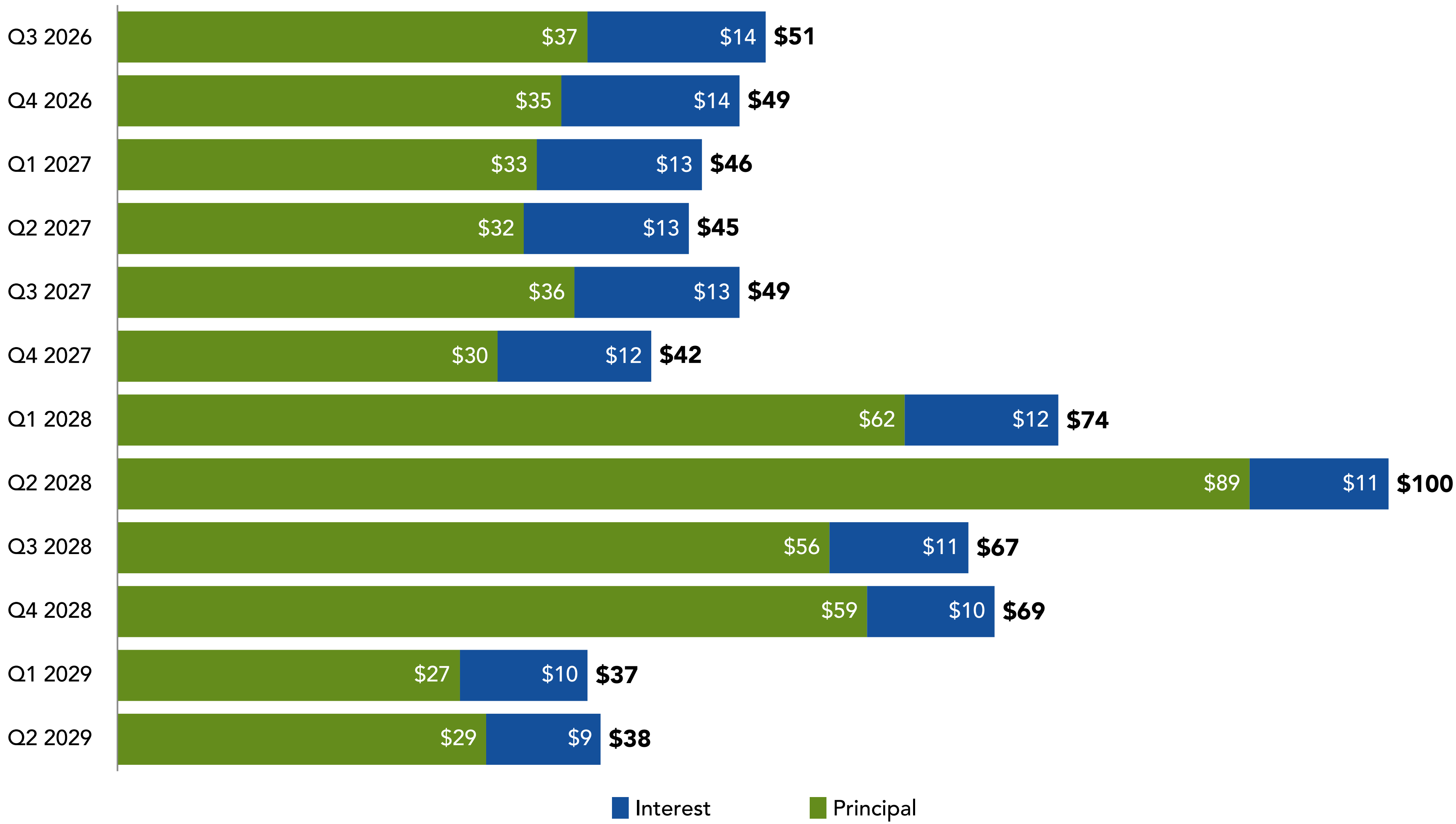
INVESTMENT CASHFLOWS

Investment cashflows[1] are estimated to be $667 million through Q2 of 2029.



(1) Cashflow estimates based on third-party bond accounting service

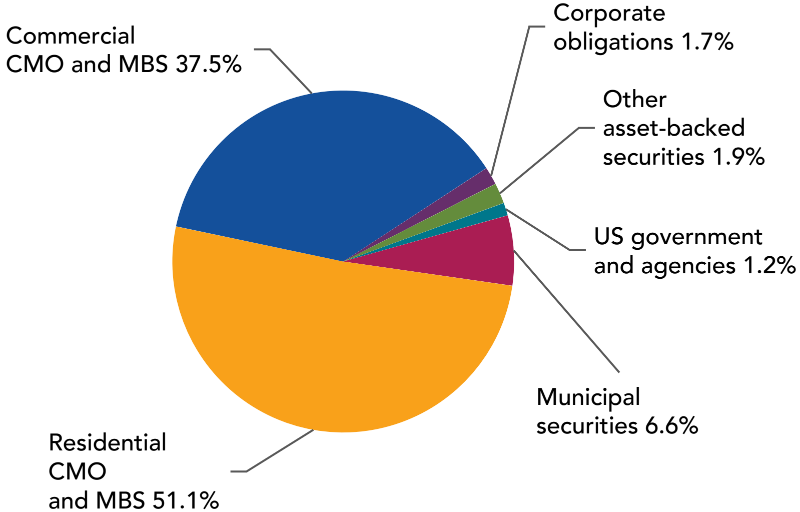
INVESTMENT PORTFOLIO

Strong Credit Quality of Portfolio:

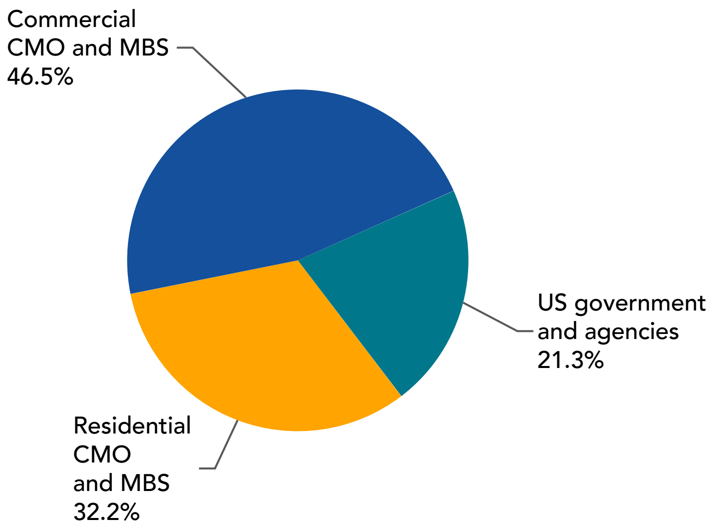
AFS Securities
- 91.2% of AFS in U.S. government and agency securities
- Only 1.7% of AFS are rated less than AA
- 97.7% of AFS portfolio are unpledged

HTM Securities
- All HTM investments are U.S. government and agency securities
- 100% HTM portfolio pledged for public deposits and Federal Reserve Bank borrowings

AFS Investment by Type



HTM Investment by Type



Available for sale ("AFS") and held to maturity ("HTM") investment securities percentages are based on fair value as of June 30, 2026 unless otherwise noted

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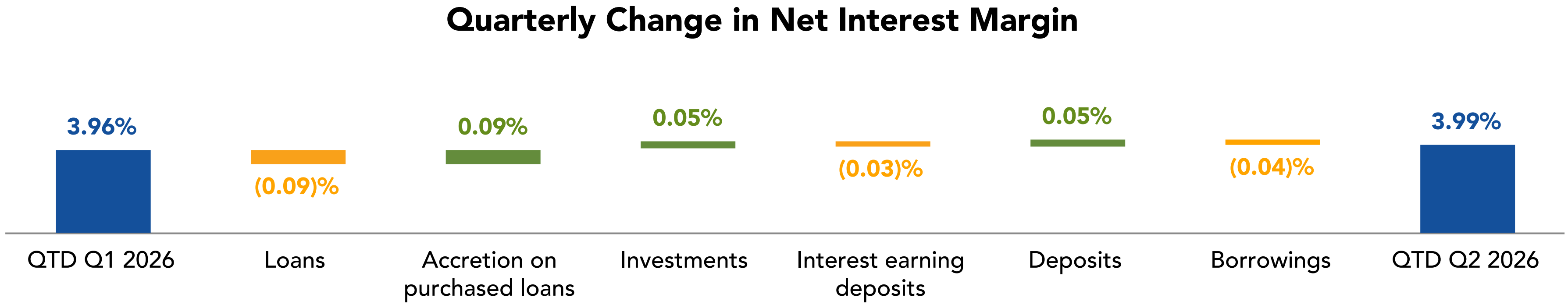
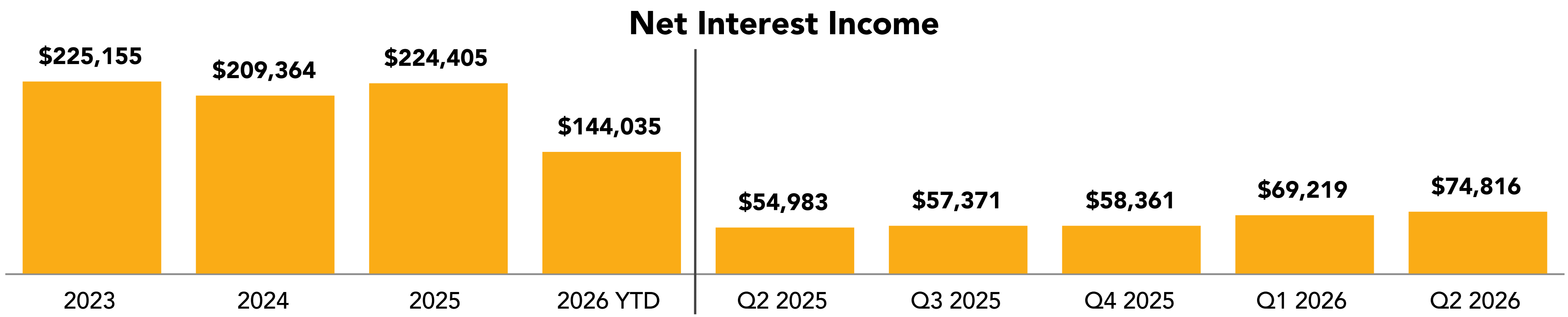
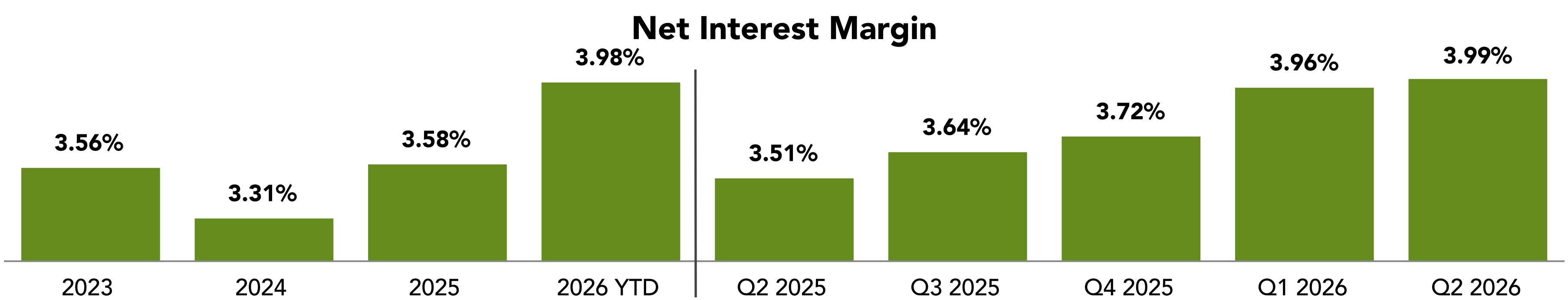
NET INTEREST MARGIN



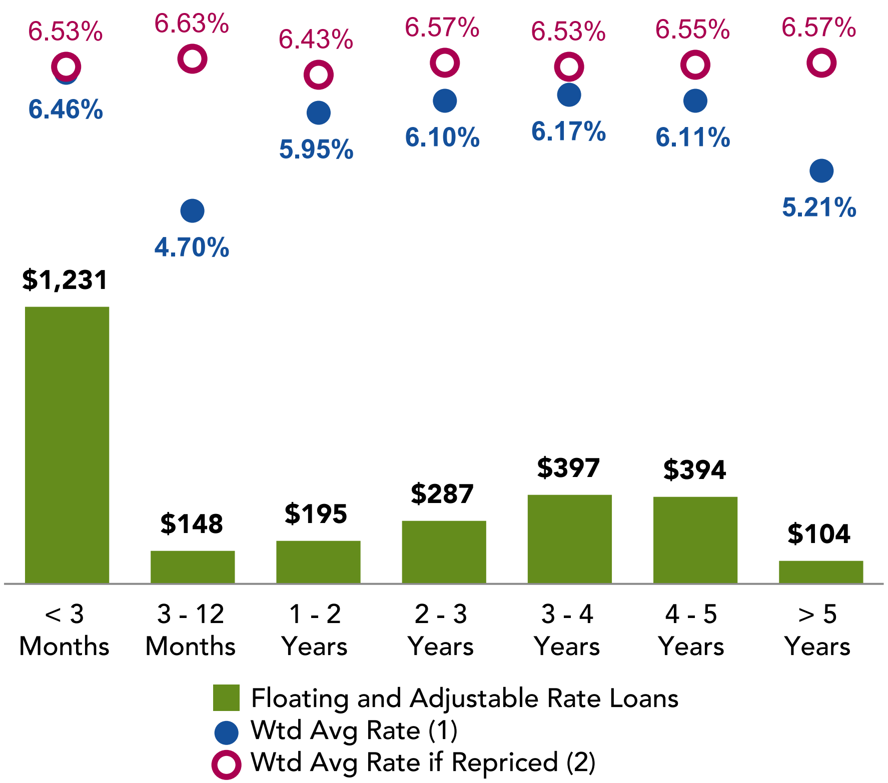




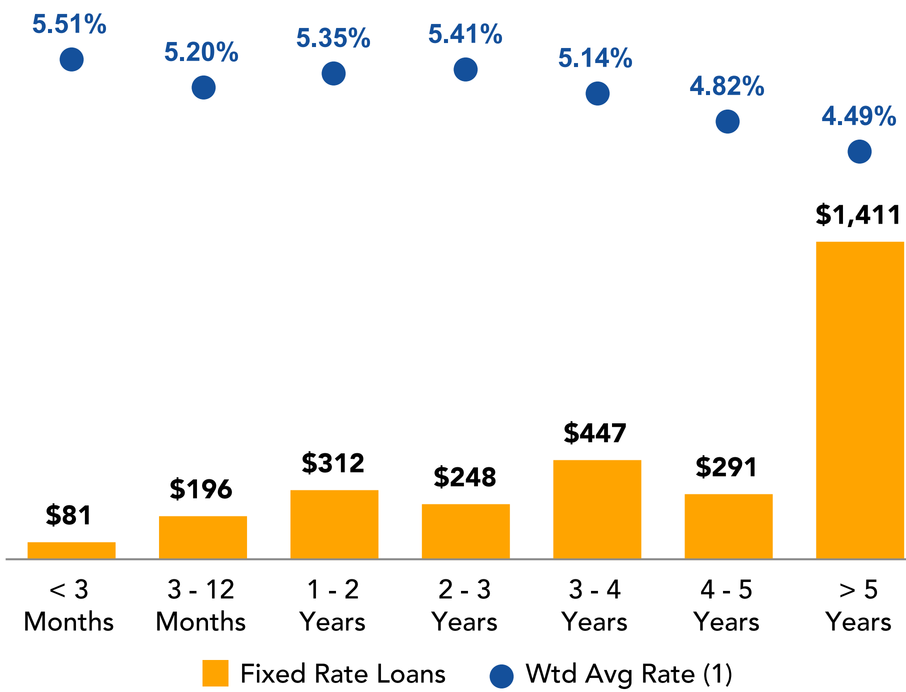
Heritage Financial CORPORATION

LOAN MATURITY AND REPRICING

Adjustable Rate Loans - Repricing Schedule



Fixed Rate Loans - Maturity Schedule



Adjustable Rate Loans

- $2.8 billion in total
- 55% tied to FHLB index, 23% tied to Prime, 23% tied to SOFR

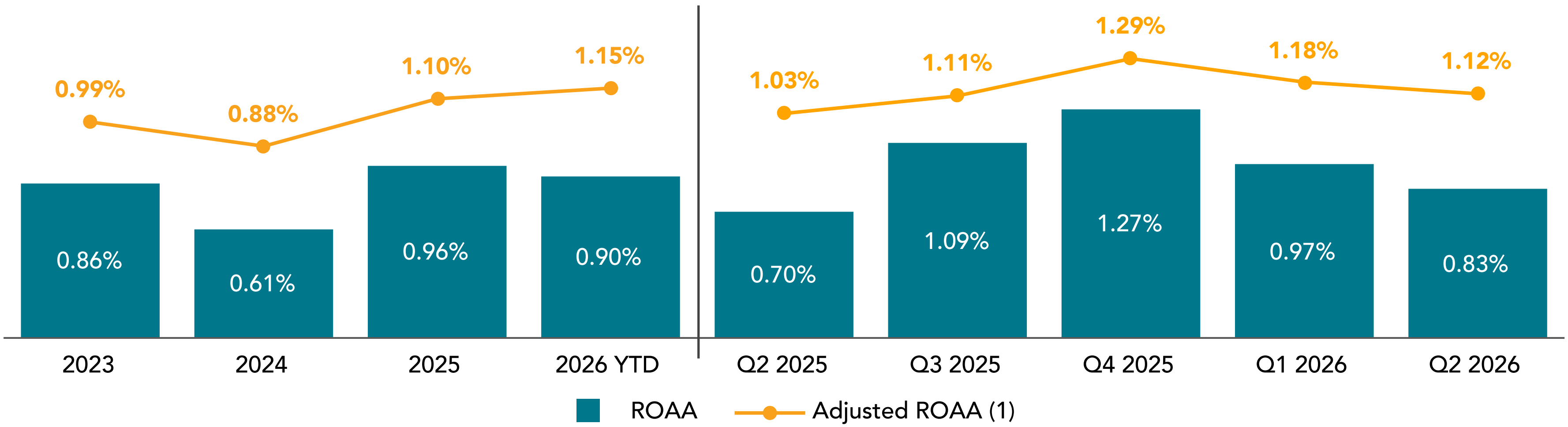
Fixed Rate Loans

- $3.0 billion in total

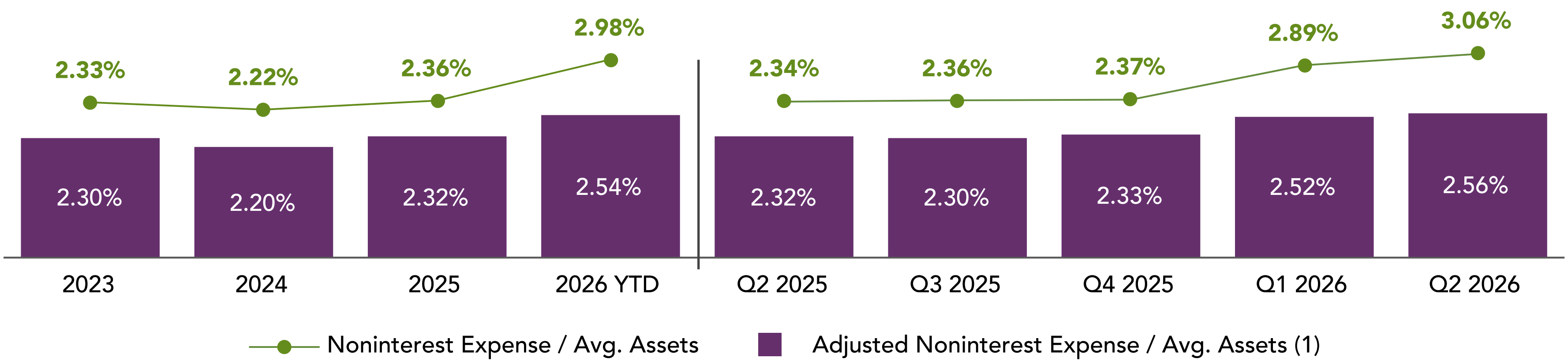
NOTE: Interest rates disclosed above are based upon the loan rate and do not consider amortization/accretion of deferred fees and purchase accounting adjustments.
(1) Weighted Average Rate as of June 30, 2026 and repricing period signifies the sooner of the next scheduled reprice date or maturity
(2) Weighted Average Rate if Repriced as of June 30, 2026 and assumes same index and margin

PROFITABILITY TRENDS

ROAA and Adjusted ROAA(1)



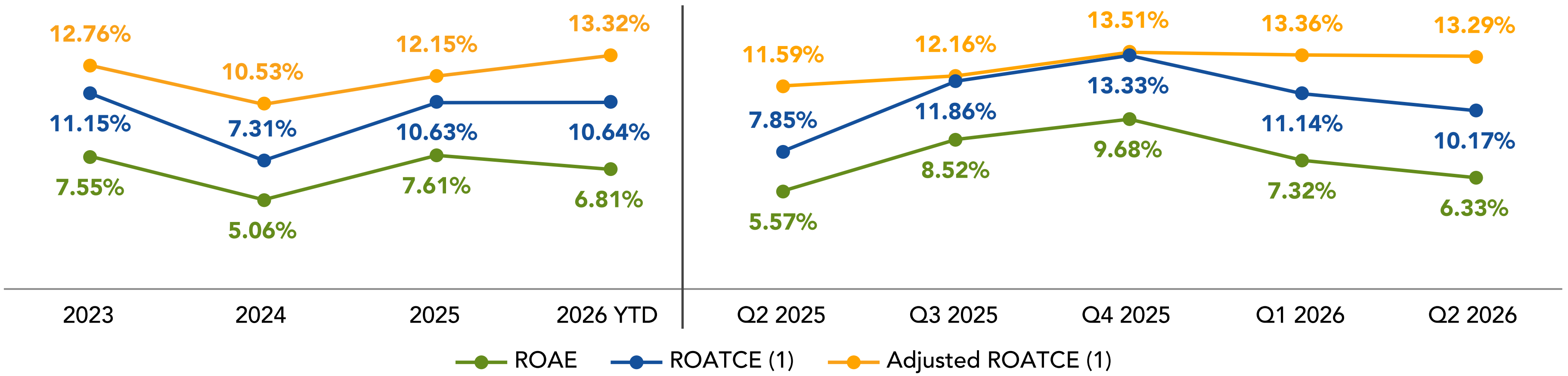
Noninterest Expense/Avg. Assets



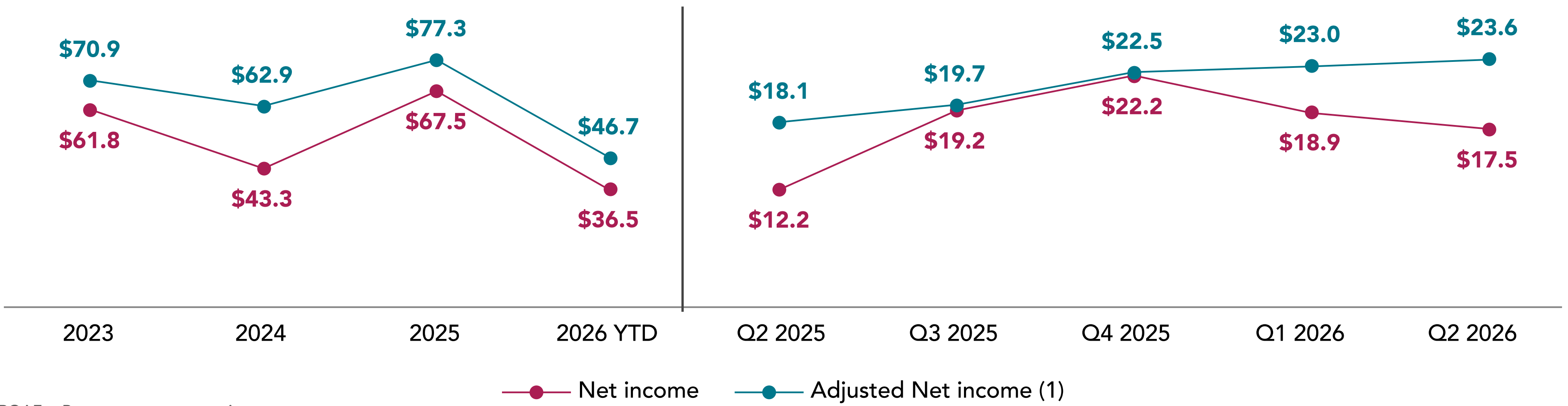
ROAA = Return on average assets
(1) Represents a non-GAAP financial measure

PROFITABILITY TRENDS

ROAE, ROATCE(1) and Adjusted ROATCE(1)



Net Income and Adjusted Net Income(1), in millions

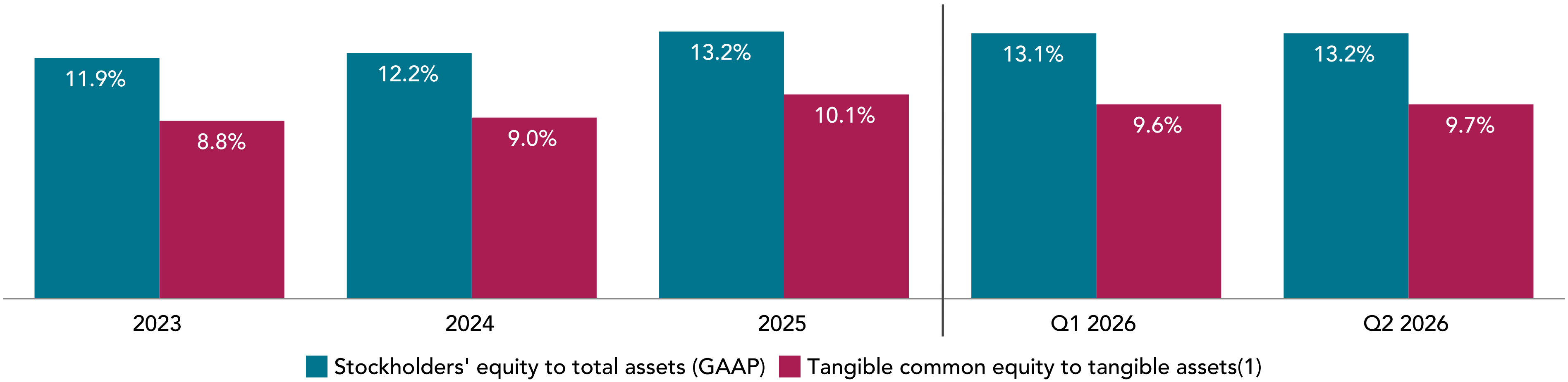


ROAE = Return on average equity
ROATCE = Return on average tangible common equity
(1) Represents a non-GAAP financial measure

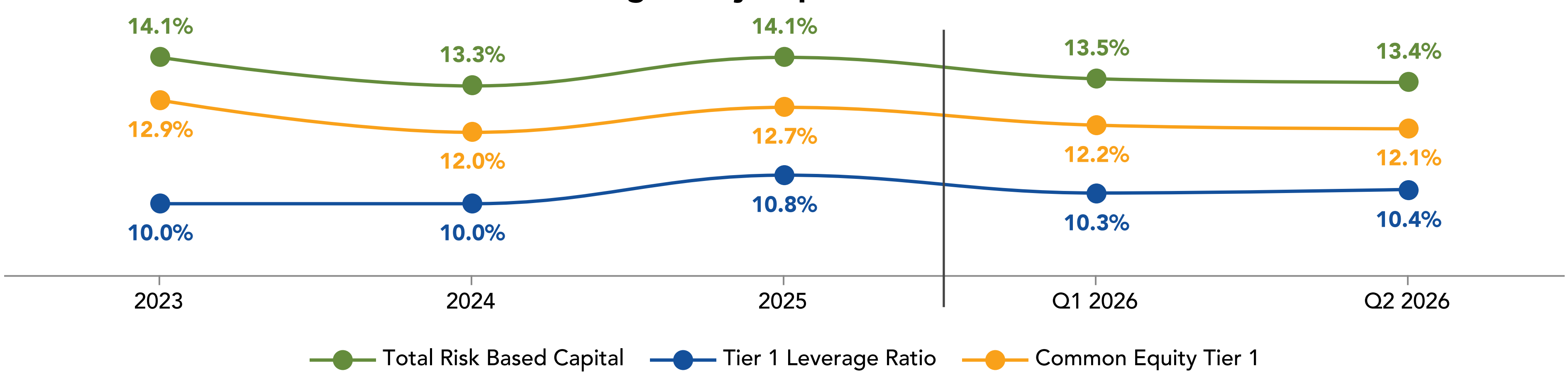
Heritage Financial CORPORATION

CAPITAL RATIOS

Equity Ratios



Regulatory Capital Ratios(2)

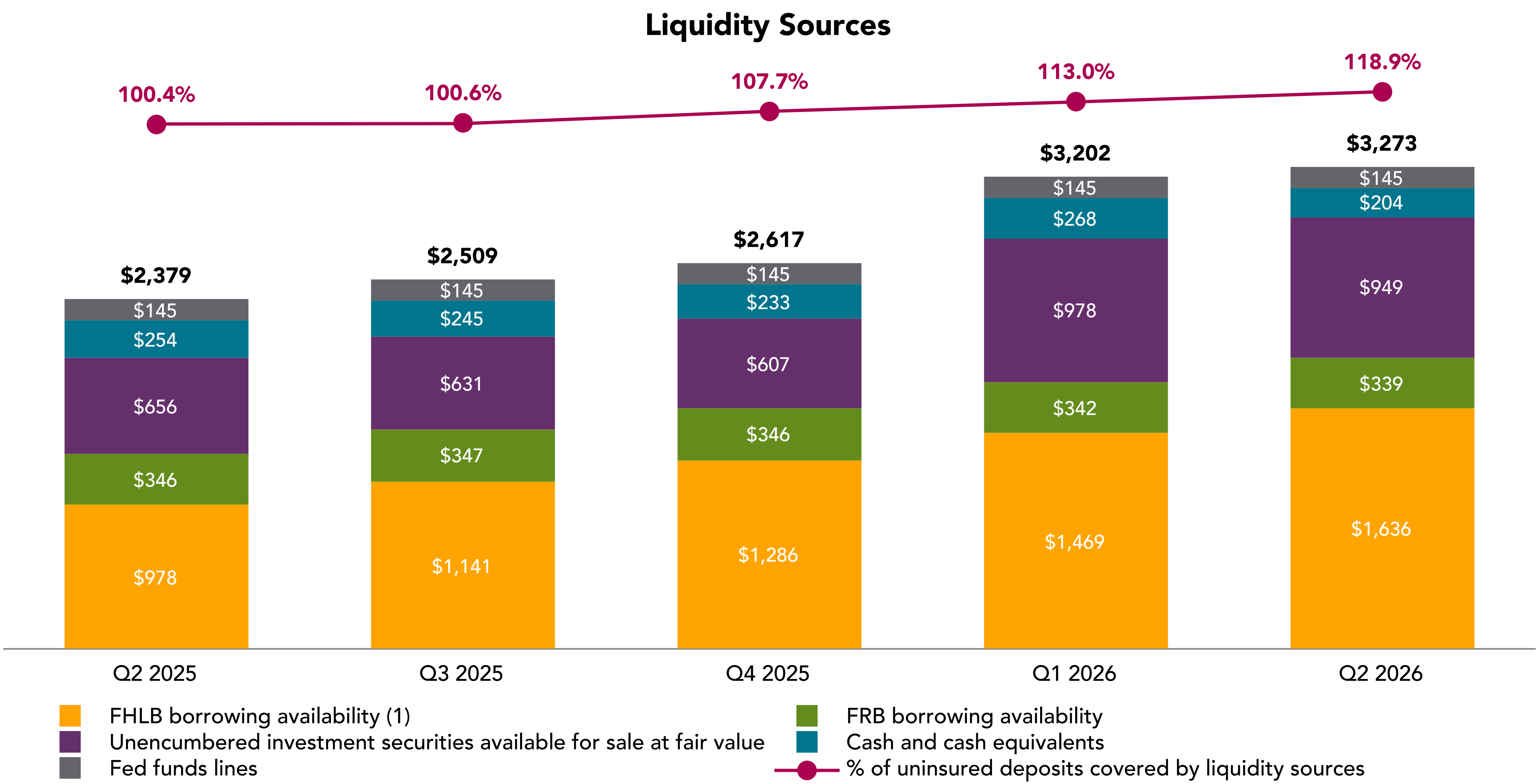


(1) Represents a non-GAAP financial measure
(2) Current quarter ratios are estimates pending completion and filing of the Company's regulatory reports

LIQUIDITY POSITION

Liquidity position at June 30, 2026:

- Sufficient liquidity to cover estimated uninsured deposits of $2.8 billion.
- Access to brokered deposits of $1.1 billion per internal company policy.



(1) Includes FHLB borrowing availability of $1.80 billion at June 30, 2026 based on pledged assets, however, maximum credit capacity is 45% of the Bank's total assets one quarter in arrears or $3.82 billion

SHAREHOLDER RETURN

Heritage Financial CORPORATION

TOTAL SHAREHOLDER RETURN

Stock Summary[2]

Ticker	HFWA
Exchange	Nasdaq
Stock price	$29.81
Market capitalization (in millions)	$1,228.7
Dividend yield (regular dividend only)	3.22 %

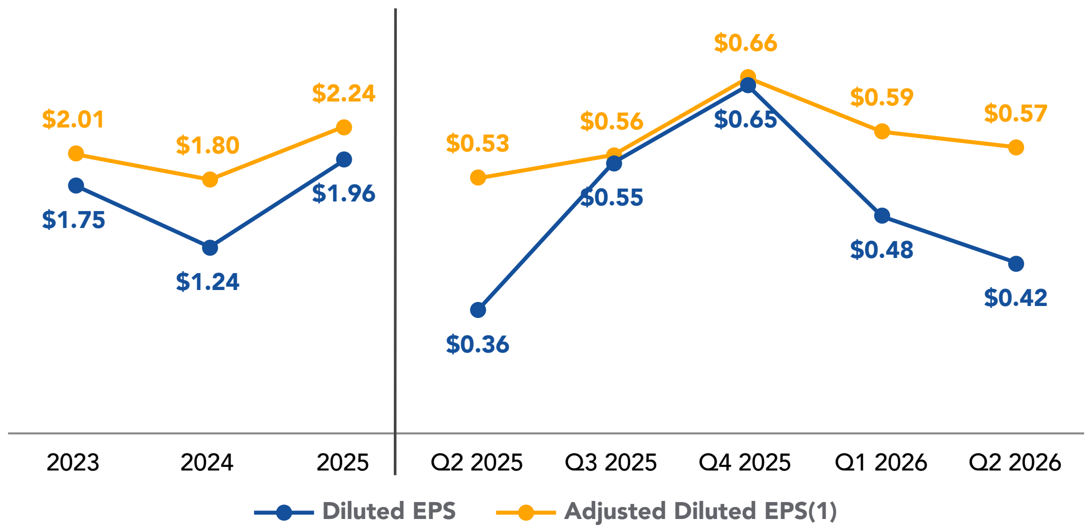
Average Daily Volume (3 month)	
Average daily volume (shares)	236,890
Average daily volume ($000s)	$7,062

52-Week High and Low Price	
52-week high (July 2, 2026)	$30.58
52-week low (November 18, 2025)	$21.32

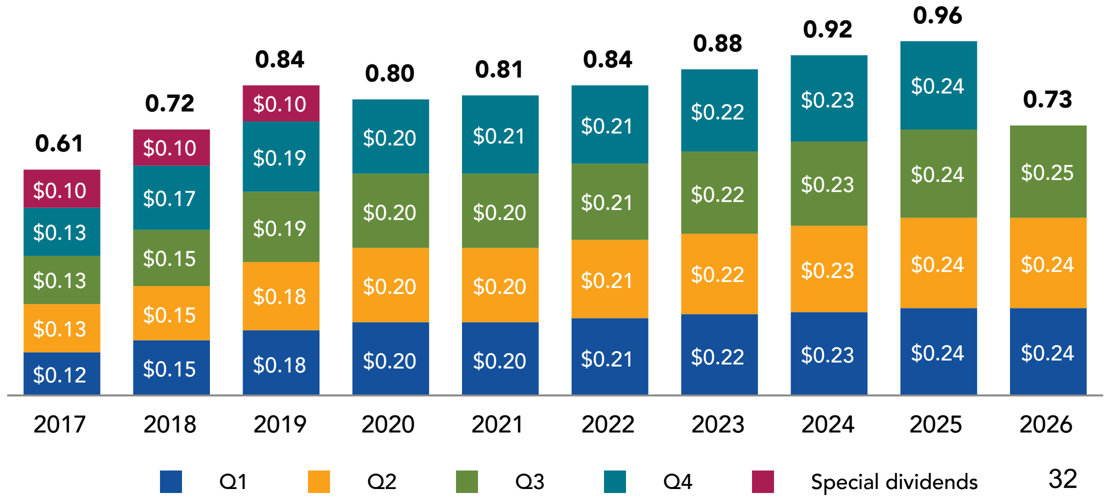
Per Share	
Tangible book value per share[1]	$19.15
EPS - 2026E	$2.39
EPS - 2027E	$2.80
Number of research analysts	6

Valuation Ratios	
Price / Tangible book value[1]	155.7 %
Price / 2026E EPS	12.5x
Price / 2027E EPS	10.7x

Diluted EPS and Adjusted Diluted EPS[1]



Dividends Per Share Declared[3]



(1) Represents a non-GAAP financial measure
(2) Market information as of July 6, 2026 and earnings per share and valuation ratios are based on analysts consensus
(3) Dividend information as of July 22, 2026

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

Heritage Financial CORPORATION

NON-GAAP FINANCIAL MEASURES

	2023	2024	2025	2026 YTD	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Adjusted Net Income and Adjusted Return on Average Assets ("ROAA"):									
Net income (GAAP)	$ 61,755	$ 43,258	$ 67,532	$ 36,493	$ 12,215	$ 19,169	$ 22,237	$ 18,947	$ 17,546
Exclude (gain) loss on sale of investment securities, net	12,231	22,742	10,741	217	6,854	—	—	—	217
Exclude gain on sale of branch including related deposits, net	(610)	—	—	—	—	—	—	—	—
Exclude merger related costs	—	—	1,020	12,671	—	635	385	5,178	7,493
Exclude gain on sale of premise and equipment	—	(1,552)	(8)	—	(5)	—	—	—	—
Exclude tax effect of adjustments	(2,440)	(4,450)	(2,468)	(2,706)	(1,438)	(133)	(81)	(1,087)	(1,619)
Exclude BOLI restructuring costs included in BOLI Income	—	508	—	—	—	—	—	—	—
Exclude tax expense related to BOLI restructuring	—	2,371	515	—	515	—	—	—	—
Adjusted net income (non-GAAP)	$ 70,936	$ 62,877	$ 77,332	$ 46,675	$ 18,141	$ 19,671	$ 22,541	$ 23,038	$ 23,637
Average ("Avg") total assets	$7,140,024	$7,133,046	$7,027,138	8,187,549	$7,046,943	$7,006,140	$6,954,110	$7,935,002	8,437,320
ROAA, annualized (GAAP)	0.86 %	0.61 %	0.96 %	0.90 %	0.70 %	1.09 %	1.27 %	0.97 %	0.83 %
Adjusted ROAA, annualized (non-GAAP)	0.99 %	0.88 %	1.10 %	1.15 %	1.03 %	1.11 %	1.29 %	1.18 %	1.12 %
Adjusted Noninterest Expense / Average Assets:									
Noninterest Expense (GAAP)	$ 166,623	$ 158,296	$ 165,566	$ 120,875	$ 41,085	$ 41,615	$ 41,483	$ 56,551	$ 64,324
Exclude merger related costs	—	—	1,020	12,671	—	635	385	5,178	7,493
Exclude amortization of intangible assets	$ 2,434	$ 1,640	$ 1,174	$ 5,015	$ 302	$ 284	$ 285	$ 2,058	$ 2,957
Adjusted noninterest expense (non-GAAP)	$ 164,189	$ 156,656	$ 163,372	$ 103,189	$ 40,783	$ 40,696	$ 40,813	$ 49,315	$ 53,874
Avg. total assets	$7,140,024	$7,133,046	$7,027,138	$8,187,549	$7,046,943	$7,006,140	$6,954,110	$7,935,002	$8,437,320
Noninterest Expense/Avg. Assets (GAAP)	2.33 %	2.22 %	2.36 %	2.98 %	2.34 %	2.36 %	2.37 %	2.89 %	3.06 %
Noninterest expense/Avg. Assets (non-GAAP)	2.30 %	2.20 %	2.32 %	2.54 %	2.32 %	2.30 %	2.33 %	2.52 %	2.56 %

Dollars in thousands

Heritage Financial CORPORATION

NON-GAAP FINANCIAL MEASURES

	2023	2024	2025	2026 YTD	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Return on Average Tangible Common Equity ("ROATCE") and Adjusted ROATCE:									
Net income (GAAP)	$ 61,755	$ 43,258	$ 67,532	$ 36,493	$ 12,215	$ 19,169	$ 22,237	$ 18,947	$ 17,546
Add amortization of intangible assets	2,434	1,640	1,174	5,015	302	284	285	2,058	2,957
Exclude tax effect of adjustment	(511)	(344)	(247)	(1,053)	(63)	(60)	(60)	(432)	(621)
Tangible net income (non-GAAP)	$ 63,678	$ 44,554	$ 68,459	$ 40,455	$ 12,454	$ 19,393	$ 22,462	$ 20,573	$ 19,882
Tangible net income (non-GAAP)	$ 63,678	$ 44,554	$ 68,459	$ 40,455	$ 12,454	$ 19,393	$ 22,462	$ 20,573	$ 19,882
Exclude (gain) loss on sale of investment securities, net	12,231	22,742	10,741	217	6,854	—	—	—	217
Exclude gain on sale of branch including related deposits, net	(610)	—	—	—	—	—	—	—	—
Exclude merger related costs	—	—	1,020	12,671	—	635	385	5,178	7,493
Exclude gain on sale of premise and equipment	—	(1,552)	(8)	—	(5)	—	—	—	—
Exclude tax effect of adjustments	(2,440)	(4,450)	(2,468)	(2,706)	(1,438)	(133)	(81)	(1,087)	(1,619)
Exclude BOLI restructuring costs included in BOLI Income	—	508	—	—	—	—	—	—	—
Exclude tax expense related to BOLI restructuring	—	2,371	515	—	515	—	—	—	—
Adjusted tangible net income (non-GAAP)	$ 72,859	$ 64,173	$ 78,259	$ 50,637	$ 18,380	$ 19,895	$ 22,766	$ 24,664	$ 25,973
Average stockholders' equity (GAAP)	$ 818,042	$ 854,172	$ 887,679	$1,080,785	$ 879,808	$ 892,280	$ 911,454	$1,049,044	$1,112,178
Exclude average intangible assets	(246,965)	(244,910)	(243,500)	(314,355)	(243,651)	(243,350)	(243,069)	(300,391)	(328,166)
Average tangible common stockholders' equity (non-GAAP)	$ 571,077	$ 609,262	$ 644,179	$ 766,430	$ 636,157	$ 648,930	$ 668,385	$ 748,653	$ 784,012
ROAE, annualized (GAAP)	7.55 %	5.06 %	7.61 %	6.81 %	5.57 %	8.52 %	9.68 %	7.32 %	6.33 %
ROATCE, annualized (non-GAAP)	11.15 %	7.31 %	10.63 %	10.64 %	7.85 %	11.86 %	13.33 %	11.14 %	10.17 %
Adjusted ROATCE, annualized (non-GAAP)	12.76 %	10.53 %	12.15 %	13.32 %	11.59 %	12.16 %	13.51 %	13.36 %	13.29 %

Dollars in thousands

Heritage Financial CORPORATION

NON-GAAP FINANCIAL MEASURES

	2023	2024	2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Diluted Earnings per Share and Adjusted Diluted Earnings per Share:								
Net income (GAAP)	$ 61,755	$ 43,258	$ 67,532	$ 12,215	$ 19,169	$ 22,237	$ 18,947	$ 17,546
Exclude (gain) loss on sale of investment securities, net	12,231	22,742	10,741	6,854	—	—	—	217
Exclude gain on sale of branch including related deposits, net	(610)	—	—	—	—	—	—	—
Exclude merger related costs	—	—	1,020	—	635	385	5,178	7,493
Exclude gain on sale of premise and equipment	—	(1,552)	(8)	(5)	—	—	—	—
Exclude tax effect of adjustments	(2,440)	(4,450)	(2,468)	(1,438)	(133)	(81)	(1,087)	(1,619)
Exclude BOLI restructuring costs included in BOLI Income	—	508	—	—	—	—	—	—
Exclude tax expense related to BOLI restructuring	—	2,371	515	515	—	—	—	—
Adjusted net income (non-GAAP)	$ 70,936	$ 62,877	$ 77,332	$ 18,141	$ 19,671	$ 22,541	$ 23,038	$ 23,637
Average number of diluted shares outstanding	35,258,189	34,899,036	34,456,904	34,446,710	34,413,386	34,405,793	39,104,569	41,541,763
Diluted earnings per share (GAAP)	$ 1.75	$ 1.24	$ 1.96	$ 0.36	$ 0.55	$ 0.65	$ 0.48	$ 0.42
Adjusted diluted earnings per share (non-GAAP)	$ 2.01	$ 1.80	$ 2.24	$ 0.53	$ 0.56	$ 0.66	$ 0.59	$ 0.57

Dollars in thousands

Heritage Financial CORPORATION

NON-GAAP FINANCIAL MEASURES

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tangible Book Value Per Share:									
Total stockholders' equity (GAAP)	$ 505,305	$ 760,723	$ 809,311	$ 820,439	$ 854,432	$ 797,893	$ 853,261	$ 863,527	$ 921,504
Exclude intangible assets	(125,117)	(261,553)	(257,552)	(254,027)	(250,916)	(248,166)	(245,732)	(244,092)	(242,918)
Tangible common equity (non-GAAP)	$ 380,188	$ 499,170	$ 551,759	$ 566,412	$ 603,516	$ 549,727	$ 607,529	$ 619,435	$ 678,586
Total assets (GAAP)	$4,113,270	$5,316,927	$5,552,970	$6,615,318	$7,432,412	$6,980,100	$7,174,957	$7,106,278	$6,967,350
Exclude intangible assets	(125,117)	(261,553)	(257,552)	(254,027)	(250,916)	(248,166)	(245,732)	(244,092)	(242,918)
Tangible assets (non-GAAP)	$3,988,153	$5,055,374	$5,295,418	$6,361,291	$7,181,496	$6,731,934	$6,929,225	$6,862,186	$6,724,432
Stockholders' equity to total assets (GAAP)	12.3 %	14.3 %	14.6 %	12.4 %	11.5 %	11.4 %	11.9 %	12.2 %	13.2 %
Tangible common equity to tangible assets (non-GAAP)	9.5 %	9.9 %	10.4 %	8.9 %	8.4 %	8.2 %	8.8 %	9.0 %	10.1 %
Shares outstanding	29,927,746	36,874,055	36,618,729	35,912,243	35,105,779	35,106,697	34,906,233	33,990,827	33,963,500
Book value per share (GAAP)	$ 16.88	$ 20.63	$ 22.10	$ 22.85	$ 24.34	$ 22.73	$ 24.44	$ 25.40	$ 27.13
Tangible book value per share (non-GAAP)	$ 12.70	$ 13.54	$ 15.07	$ 15.77	$ 17.19	$ 15.66	$ 17.40	$ 18.22	$ 19.98

	2026	2026
Tangible Book Value Per Share (cont'd):	Q1	Q2
Total stockholders' equity (GAAP)	$1,115,691	$1,109,692
Exclude intangible assets	(329,255)	(326,298)
Tangible common equity (non-GAAP)	$ 786,436	$ 783,394
Total assets (GAAP)	$8,498,404	$8,430,566
Exclude intangible assets	(329,255)	(326,298)
Tangible assets (non-GAAP)	$8,169,149	$8,104,268
Stockholders' equity to total assets (GAAP)	13.1 %	13.2 %
Tangible common equity to tangible assets (non-GAAP)	9.6 %	9.7 %
Shares outstanding	41,249,873	40,906,122
Book value per share (GAAP)	$ 27.05	$ 27.13
Tangible book value per share (non-GAAP)	$ 19.07	$ 19.15

Dollars in thousands

Heritage Financial CORPORATION

NON-GAAP FINANCIAL MEASURES

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Efficiency Ratio and Adjusted Efficiency Ratio					
Total noninterest expense (GAAP)	$ 41,085	$ 41,615	$ 41,483	$ 56,551	$ 64,324
Exclude merger related costs	—	635	385	5,178	7,493
Exclude amortization of intangible assets	$ 302	$ 284	$ 285	$ 2,058	$ 2,957
Adjusted noninterest expense (non-GAAP)	$ 40,783	$ 40,696	$ 40,813	$ 49,315	$ 53,874
Net interest income (GAAP)	$ 54,983	$ 57,371	$ 58,361	$ 69,219	$ 74,816
Total noninterest income (GAAP)	$ 1,517	$ 8,325	$ 7,987	$ 8,699	$ 9,311
Exclude (gain) loss on sale of investment securities, net	6,854	—	—	—	217
Exclude gain on sale of premise and equipment	(5)	—	—	—	—
Adjusted total non interest income (non-GAAP)	$ 8,366	$ 8,325	$ 7,987	$ 8,699	$ 9,528
Efficiency ratio (GAAP)	72.7 %	63.3 %	62.5 %	72.6 %	76.5 %
Adjusted efficiency ratio (non-GAAP)	64.4 %	61.9 %	61.5 %	63.3 %	63.9 %

Dollars in thousands

Heritage Financial CORPORATION

QUARTERLY FINANCIAL STATISTICS

	As of Period End or for the Three Months Ended				
	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
Profitability:					
Net income	$ 12,215	$ 19,169	$ 22,237	$ 18,947	$ 17,546
Adjusted net income[(1)]	$ 18,141	$ 19,671	$ 22,541	$ 23,038	$ 23,637
Diluted earnings per share	$ 0.36	$ 0.55	$ 0.65	$ 0.48	$ 0.42
Adjusted diluted earnings per share [(1)]	$ 0.53	$ 0.56	$ 0.66	$ 0.59	$ 0.57
Return on average assets	0.70 %	1.09 %	1.27 %	0.97 %	0.83 %
Adjusted return on average assets[(1)]	1.03 %	1.11 %	1.29 %	1.18 %	1.12 %
Return on average common equity	5.57 %	8.52 %	9.68 %	7.32 %	6.33 %
Return on average tangible common equity[(1)]	7.85 %	11.86 %	13.33 %	11.14 %	10.17 %
Adjusted return on average tangible common equity[(1)]	11.59 %	12.16 %	13.51 %	13.36 %	13.29 %
Net interest margin	3.51 %	3.64 %	3.72 %	3.96 %	3.99 %
Efficiency ratio	72.7 %	63.3 %	62.5 %	72.6 %	76.5 %
Adjusted efficiency ratio[(1)]	64.4 %	61.9 %	61.5 %	63.3 %	63.9 %
Noninterest expense to average total assets	2.34 %	2.36 %	2.37 %	2.89 %	3.06 %
Adjusted noninterest expense to average total assets[(1)]	2.32 %	2.30 %	2.33 %	2.52 %	2.56 %
Balance Sheet:					
Total assets	$ 7,070,641	$ 7,011,879	$ 6,967,350	$ 8,498,404	$ 8,430,566
Loans receivable	$ 4,774,855	$ 4,769,160	$ 4,783,266	$ 5,722,238	$ 5,747,741
Total deposits	$ 5,784,413	$ 5,857,464	$ 5,920,199	$ 7,248,537	$ 7,038,706
Loan to deposit ratio	82.5 %	81.4 %	80.8 %	78.9 %	81.7 %
Capital:					
Book value per share	$ 26.16	$ 26.62	$ 27.13	$ 27.05	$ 27.13
Tangible book value per share[(1)]	$ 18.99	$ 19.46	$ 19.98	$ 19.07	$ 19.15
Leverage ratio	10.3 %	10.5 %	10.8 %	10.3 %	10.4 %
Total capital ratio	13.6 %	13.8 %	14.1 %	13.5 %	13.4 %
Credit Quality:					
Nonperforming assets to total assets	0.26 %	0.30 %	0.30 %	0.19 %	0.19 %
ACL on loans to loans receivable	1.10 %	1.13 %	1.10 %	1.06 %	1.03 %

Dollars in thousands
(1) Represents a non-GAAP financial measure