Timberland Bank

Corporate Citizenship Report 2026

INTRODUCTION

110 Years strong – Building for the Future

Timberland Bank was founded in 1915 to serve the financial needs of communities in Western Washington with a full range of lending and deposit services. Over a century later, the commitment continues. We are proud to serve you and will continue to expand our services to meet the needs of our communities in a responsible manner. We currently have 24 branch locations with our capable staff members that are eager to help our neighbors, families, and friends succeed financially.

Our Approach to Corporate Citizenship

Corporate Citizenship has always been part of our value system at Timberland Bank, which has been driven by our leadership and staff who all live and work in the communities we serve. We strive to support our communities by providing donations and volunteer hours annually to local non-profit organizations and organizations that our staff value. Our dedicated staff members have developed meaningful relationships with our customers and the Community at large to ensure we continue to offer financial services that will help maintain the long-term viability of the cities and towns we live in and serve. We believe in helping our community, maintaining appropriate corporate governance, and being good stewards of the resources we manage.

A Corporate Citizenship working group was formed in 2023 to effectively manage social, community and governance risks and opportunities.

The Corporate Citizenship working group leads this process with oversight from the Board of Directors through the Governance Committee.

Corporate Citizenship Core Values

- Business Ethics/Code of Conduct
- Consumer Financial Protection
- Human Capital
- Whistleblower Programs
- Data Privacy & Cybersecurity
- Access to Finance

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Community Pillar

Human Capital Management

People are one of the most important assets of the Bank. We must have high quality staff members that are passionate and capable of maintaining great relationships with our customers. We emphasize creating a nurturing dynamic, engaged, and resilient workforce that is deeply connected to the needs and values of our community. We're dedicated to continued growth, guided by the principles of service, integrity, and community stewardship.

We believe that our ability to attract and retain employees is a key to our success. Accordingly, we strive to offer competitive salaries by monitoring salaries in our market areas, offer opportunities for growth through our newly formed employee mentoring program and employee benefits to all employees.

We continue to manage attrition rates and highlight a retention-centric approach in working with our leaders, ensuring stability within our talented teams.

Our recruitment strategy focuses on local talent acquisition and continues to result in bolstering our teams with individuals deeply rooted in the communities we serve. We observe a fair and equitable application process for positions that are advertised both internally and externally.

Generational Workforce	
Generation Z	18%
Millennials	44%
Generation X	30%
Baby Boomers	8%

- 8.58 years average tenure for employees
- 14.8 years average tenure of management
- 76% Female and 24% Male
- 74% of females held management roles
- 37.5% of females held executive management roles

Our community-focused approach has significantly boosted employee engagement, fostering a sense of belonging and purpose. The Bank's strategy is to create long term, productive relationships through developmental growth with its employees.

The Bank offers ongoing training to employees throughout their careers. We use a variety of formats for both regulatory and professional development employee trainings, such as third-party, in-house, and computer system-based trainings.

Managers and supervisors are offered monthly training on a variety of management areas, including performance coaching and employee development. This training is created and facilitated in-house and can be offered virtually. We also recognize the value of allowing employees to shadow and observe other areas of the Bank to promote career development.

Currently, all employees receive performance reviews each year and can participate in an Employee Climate Survey. Results from the survey are reviewed and additional engagement strategies continue to be developed based on the findings.

Our culture is one that values integrity, honesty, hard work, and community. Employees are free to voice their ideas and supported in their attempts to better themselves professionally and improve the organization. Employees receive recognition through several metrics based on performance, time in service, process improvements and efficiencies.

We recognize that the skills and knowledge of employees is critical to the success of the organization.

Timberland promotes training and continuing education as an ongoing function for employees.

Employee Climate Survey Comments:

- Community and Family Culture: Employees enjoy the small-town, family-oriented environment and feel valued as people, not just workers.
- Supportive Coworkers: Teams are friendly, collaborative, and help each other, making the workplace enjoyable.
- Work-Life Balance: Flexible scheduling and understanding management allow employees to manage family and personal needs.
- Growth Opportunities: The bank promotes from within, offering learning and career advancement for motivated employees.
- Customer Relationships: Employees take pride in strong community ties and providing personal, high-quality customer service.

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We provide competitive, comprehensive benefits to our employees. Our commitment to ensuring a safe, healthy workplace has been unwavering, with proactive measures to safeguard our employees' well-being.

Benefit programs available to eligible employees includes 401(k) savings plan, health and life insurance, health savings accounts and flexible spending accounts, employee assistance program, paid holidays, paid time off, paid volunteer time, paid time off for the employee's birthday and other leave as applicable.

We promote wellness initiatives to all employees that focuses on self-care, nutrition, work life balance, and financial education. Sustained focus on employee health and safety underscores our commitment to a secure workplace.

Our compliance training program provides annual training courses to ensure that all employees and officers know the rules applicable to their jobs. Additional training and testing programs are offered to employees of certain job positions to promote and recognize advancement of skill and mastery within the position.

Training programs are continuously expanded and refined to help our staff grow so they will better assist our customers. More than 2,000 online training hours completed annually.

Employees are encouraged to attend external education opportunities in the form of training, conferences, and networking events.

Internal, robust talent development programs cater to the unique needs of our employees, ensuring their growth aligns with our organizational values. Succession planning initiatives and specific training programs ensure a pipeline of skilled individuals prepared to lead the Bank into the future.

Employee Assistance Program

Employee, Spouse/ Domestic Partner, and children to age 26 are covered.

- Anxiety and Depression
- Couple's/Relationships/ Parenting
- Crisis Support
- Alcohol/Drug Problems
- Grief and Loss
- Work Conflict
- Compulsive Behaviors
- Childcare and Eldercare
- Home Ownership
- ID Theft
- And Many More...

Employee Wellness Challenges:
- March Teams Walk – 16 teams participated with a total of 8,964 miles
- June 5K – 11 runners and 56 walkers participated

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Data Privacy & Cybersecurity

Communication and information systems are essential to the conduct of our business, as we use the various systems to manage our customer relationships and all other aspects of our business. Data Privacy and Cybersecurity are key to maintaining customer and company privacy while ensuring business continuity.

Risk assessments are conducted to assist in the planning of third-party annual audits and testing of critical information security controls. To effectively identify and address security risks, Timberland uses an Intrusion Detection and Response system, Data Loss Prevention tools, Antivirus/malware, Security Information and Event Management tools with third-party after-hours Security Operations Center. In addition, regular vulnerability scanning, and internal/external penetration testing is performed.

External audits are conducted regularly to ensure compliance with top information security standards issued by the National Institute of Standards and Technology ("NIST"), Cybersecurity and Infrastructure Security Agency ("CISA"), and Federal Financial Institution Examination Council ("FFIEC").

The result of these audits and testing confirm that management oversite and control processes are satisfactory, and the program is strong.

We have made a considerable investment in technology to help us protect our clients' information. We are constantly upgrading our systems to stay ahead of malicious operators, using technology to assist in identifying fraud and cyberattacks in real time.

We ensure controls are developed that meet industry standards and integrate best practices from our industry, state, and federal agencies. We have not experienced a material information security breach.

Timberland Bank has a vendor management program that evaluates new vendors and annually reviews existing vendors. Quarterly trainings are performed on cybersecurity, information security, identity theft prevention and data privacy, including a comprehensive policy review and required employee sign-off.

Timberland Bank performs regular data privacy and cybersecurity training for all employees and Directors. This includes:

- Elder Financial Abuse
- Red Flags
- Identity Theft Protection
- Fair Lending
- Privacy and Information Security

Consumer Financial Protection

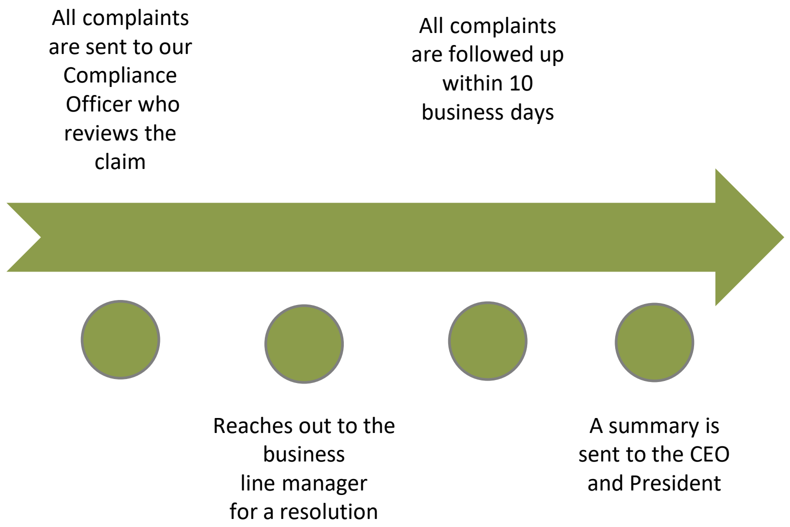
Safeguarding our customers' financial interests is our top priority. We have an internal training program that ensures our customers are treated fairly and protected.

We assess new products for potential risk before they are launched and implement processes to mitigate risk when needed. We have a compliance team that works to keep us up to date with current regulatory best practices.

We also offer loan modification options including workout modifications, term extensions, and income-qualified modifications.

We value customer feedback, so we have a third-party vendor that conducts phone and email surveys monthly. Our branches, call center and lending teams regularly review surveys and follow up with at-risk customers to resolve issues.

Our Marketing team reviews the results of the surveys monthly and provides results to executive management. Customers can reach out to us with comments, questions and complaints through our online banking platform, website, in person, or through the Washington State Department of Financial Institutions/FDIC.



Consumer Financial Protection
Customer Education

Timberland has a quarterly eNewsletter that our customers can subscribe to and can also be located on our website.

Within the newsletter we provide educational information on upcoming Bank events, highlights on current products, and current scam alerts.

Scam alerts provide information on ways to protect yourself from falling victim.

Items covered over the last few years:

- AI powered scams
- Holiday credit card fraud
- Older Americans financial exploitation
- How to spot an SMS scam
- Prevent check fraud and protect your mail
- Advanced password tips
- Cybersecurity

Link to 2026 Spring eNewsletter Scam information:

https://www.timberlandbank.com/resources/beware-of-tax-identity-theft

Timberland also has a blog on our website to help our customers with financial tips, home-buying insights, and provide helpful resources to navigate every step of their financial journey for both personal and business.

Topics covered:

- Catfish and AI – What you need to know
- Construction Loan or Home Equity Loan: Which is right for your home remodel?
- Savings: Get financially fit

Link to Bank blog Financial Compass:

https://www.timberlandbank.com/blog-The Financial Compass

What is cybersecurity?
Cybersecurity is the protection of online devices, networks, data and electronic systems from attacks by hackers, scammers and cybercriminals.

Construction or Home Equity Loan?
Every home improvement project is unique, and the right financing solution depends on your specific goals and financial situation.

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Access to Finance

We offer a variety of options to expand access to finance, including no minimum balance or maintenance fee checking and savings accounts. Our checking accounts offer free access to bill pay, online/mobile banking, and mobile check deposit.

We offer several types of consumer and business loans including short-term loans, SBA lending, and construction loans. We have lending options for first time home buyers. We are also proud participants in the Washington Community Reinvestment Association (WCRA) and the Washington State Office of Minority and Women's Business Enterprises Small Business Assistance.

<u>In 2025 Timberland Bank originated:</u>
$5.07 million in residential loans to low/moderate income borrowers.
$14.5 million in small business loans to borrowers with annual gross revenue less than $1 million.
$13.5 million to create affordable housing in our local market areas and throughout Washington State.

The Chronicle

Saturday, November 30, 2024

Timberland Bank partners with another bank to donate $772,000 to 43 Western Washington nonprofits

"We have experienced an outpouring of appreciation from the recipients of these grants."

Housing
- Habitat for Humanity of Grays Harbor - $10,000
- Habitat for Humanity of South Puget Sound - $10,000
- WA Home Builders Foundation Build Strong Academy - $10,000
- NeighborWorks of Grays Harbor -$10,000
- Homestead Community - $10,000
- Homes First (Heroes for Housing) - $10,000
- New Phoebe House Association - $10,000

Rotary
- Rotary Club of Lacey - $10,000
- Rotary Club of Poulsbo-North Kitsap - $10,000
- Tacoma Rotary 8 Foundation -$10,000
- Rotary Club of Gig Harbor - $10,000
- Sumner Rotary Club Foundation - $10,000

Food Banks
- Coastal Harvest - $12,000
- Hoquiam Food Bank - $16,000
- Aberdeen Food Bank - $12,000
- Lewis County Seniors - $10,000
- East GH County Food Bank - $12,000
- Ocean Shores Food Bank - $12,000
- Winlock-Vader Food Bank - $12,000
- Montesano Food Bank - $12,000
- Coastal Community Action Program - $12,000
- Copalis Community Church Food Bank - $12,000
- South Kitsap Helpline - $10,000

Service
- Raise for Rowyn - $10,000
- Connections - A Center for Healthy Families - $10,000
- Disabled American Veterans Ch. 41 - $10,000
- Union Gospel Mission Association of Olympia - $10,000
- Permission to Start Dreaming Foundation - $10,000
- SafePlace - $10,000
- Family Promise of Grays Harbor- $10,000
- CAC of Lewis, Mason & Thurston Counties - $10,000
- 7th Street Kids - $10,000

Community
- YMCA of Grays Harbor - $10,000
- Summit Pacific Medical Foundation - $330,000
- Back to School Marketplace - $10,000
- Boys & Girls Club of Thurston County - $10,000
- Big Brothers & Big Sisters of SW WA - $10,000
- GreenTrike - $10,000
- 7th Street Theatre - $10,000
- The Polson Museum - $10,000
- Lions Club of Aberdeen - $10,000
- YMCA South Sound - $10,000
- Grays Harbor Young Life - $10,000

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Community Engagement

We offer and encourage 20 hours of paid volunteer time off each year for Employees to volunteer at nonprofit organizations within the Company's geographic footprint, benefiting the communities Timberland serves.

We embrace the communities we serve by supporting and volunteering at local organizations our staff members value. Volunteerism remains a cornerstone of our culture, reflecting our commitment to help those around us succeed in their lives financially and through the important causes that grow our communities.

We believe in providing monetary donations and sponsorships to local Organizations in our community.
During 2025 Timberland contributed $312,000 to 276 organizations.

Governance Pillar

Board Composition

A strong governance program starts with the Board of Directors. Each Director brings a diverse background of skills, tenure, age, and experiences that are necessary to oversee Timberland Bank’s business. As part of its director nominee evaluation process, the Board considers diverse viewpoints, backgrounds, and experiences, as well as gender, age, race, and ethnicity, as important in selections of directors to enhance the board’s diversity. The Company’s board of directors is currently comprised of the Company’s Chief Executive Officer and seven non-employee directors.

50% gender diversity
13% ethnic diversity
87.5% of our board is independent

Dean Brydon
CEO and Board Member

Parul Bhandari
Board Member

Andrea Clinton
Board Member

Robert Drugge
Board Member

Kathy Leodler
Board Member

David Smith
Board Member

Michael Stoney
Board Chairperson

Kelly Suter
Board Member

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Business Ethics

Business ethics is a key aspect of upholding Timberland Bank's values. Every year our Code of Conduct is approved by the Board of Directors. Each employee must complete the Code of Ethics training upon joining Timberland and annually thereafter. In 2025 we had a 100% completion rating for this training.

To encourage employees to speak up when a violation of the Code of Ethics occurs; we have a whistleblower hotline available 24/7 with the option for confidentiality. Third parties also have access to this whistleblower hotline. All complaints are reviewed by the Audit Committee within 30 days and escalation procedures are in place as needed.

Policy Links:

- Code of Ethics
- Whistleblower
- Privacy Policy

Environmental Pillar

Timberland Bank is in an area with rich forests, fertile farmland, and easy access to waterways. Most people living in our area treasure the rich natural resources we are blessed to live and work nearby. We believe we must be good stewards of the rich resources we manage.

We use paperless technologies to reduce our environmental Impact. We accept online loan and deposit applications and have made significant progress in our electronic digitalization initiative which will promote resource efficiencies. We are continuing to assess the various areas of the Bank to determine additional documents that can be stored electronically.

Over the past 12 years we have been converting to LED lighting, adding more efficient HVAC equipment, and adding higher R-value materials to make our locations more energy efficient. In addition, we added solar panels to one branch to improve the building efficiency. We also encourage the purchase of office supplies that are ecologically friendly.

Recycling:
For several years we have partnered with a local recycling company to offer free shredding events. In 2025, we hosted five shred events which allowed 7.2 tons of paper to be shredded and recycled. In addition, all Timberland Bank locations shred and recycle paper waste.

We use an environmental risk assessment as a part of our loan evaluation process. When inspections are conducted the property is evaluated for visible signs or evidence that any part of the property may be contaminated by hazardous materials or if any hazardous materials are stored on the property.

When appropriate, an investigation is conducted to determine the history of the property related to environmental issues and to determine if hazardous substances had been used on the property in the past. We also require loan applicants that use potential environmental contaminants in its business to have appropriate procedures for handling and disposing of those chemicals.

Timberland Bank

Awards and Recognitions

5-StarBauer Rating

Best of Awards

Puget Sound Business Journal Book of Lists
Timberland Bank Rankings:

- 8th by combined real estate loans as of September 30, 2025, of Washington's fastest growing banks by Real Estate Lending; published January 30, 2026.
- 13th by year-over year change in deposits as of December 31, 2025, of fastest growing banks; published April 17, 2026.
- 8th by Construction and Land Development Loans as of December 31, 2025, of Top Construction Lenders; published April 24, 2026.
- 27th by Corporate and Foundation cash giving in Washington and globally, of Corporate Philanthropists in Washington for Midsize; published May 12, 2026.
- 125th out of 657 Washington State's Largest Employers; published July 3, 2026.

AS SEEN IN
Forbes & Fortune

Growing Community

Timberland Bank's small-town roots have sprouted city branches connected to communities across western Washington since 1915.

In the town of Winlock, Washington, farmers and retirees gather for morning coffee and conversation not at a cafe or diner but at their local bank. It's one of 24 Timberland Bank locations across western Washington, each shaped by its neighbors and backed by the technology and services customers expect from a national bank. "Banking isn't just transactional for us," says Jonathan Fischer, President and COO. "It's important for us to connect with local customers to learn what they need and help them reach their goals through tailored products and loans. We give counsel to help people finance their dreams." Headquartered in the lumber town of Hoquiam since 1915, Timberland Bank follows the philosophy of people helping people, connecting them with community banks that serve towns with the resources of cities and serve cities with the customer service of a neighbor.

"The country is made up of towns and cities that need access to capital for their families and businesses to grow," Fischer explains. "Having local community representation in banking helps create vibrant neighborhoods where people thrive."

Counsel in Construction Lending

Whether in a town or a city, Timberland Bank's people-centric approach to meeting the needs of neighbors naturally led them to become experts in construction lending, particularly in larger markets such as Tacoma and Olympia. "Construction lending is a partnership we build with customers often over 12 to 18 months," says Fischer. "It's not a cookie-cutter loan—we help them navigate banking rules and opportunities as they work with a contractor and inspector to build their dream home."

Banking with Purpose

Like many in the community banking industry, Fischer began his career by accident. "I was already involved in my church and local nonprofits when I got hired at a local bank as a college intern," says Fischer. "I stayed on when I found that I could help my community find success by navigating them through intimidating financial topics."

It's a similar story for many Timberland Bank employees, who began their careers in entry-level roles and over time moved into positions that match their talents. "We often create positions around the skills of the people we hire instead of fitting people into a job," Fischer explains. "When someone joins the team, we find their strengths and learn where they want to grow or create a position that suits them." Employees may start their careers at Timberland Bank by accident; their success, however, comes from a sense of purpose, mentorship, and a shared desire to help neighbors achieve their goals. "I love seeing the people that I work with grow into meaningful careers," says Fischer. "Their success naturally branches out into helping their customers and communities succeed. We all love the communities that we serve. We get to know and count on our neighbors to care for one another."