



**Your Columbia Bank accounts listed below are part of a proposed
branch sale to 1st Security Bank on February 27, 2023**

Dear Valued Client,

As part of Columbia Bank's merger with Umpqua Bank, the Department of Justice is requiring the divestiture of ten Columbia branches. A divestiture means that we must sell an existing branch location, along with associated deposits and loans, to another financial institution. The selection of these branches was not made by Columbia Bank or Umpqua Bank.

The Department of Justice Antitrust Division closely reviews mergers between banks to ensure a market continues to provide competitive banking options after the merger is complete. Upon reviewing our overlapping footprint, they determined there are ten locations that should be divested to ensure appropriate competition in the market after the close of our merger. We value all of the communities and customers we serve and are committed to supporting customers and employees of these locations as we work to meet the Department of Justice requirement.

We recently announced we have entered into an agreement to sell seven branches to 1st Security Bank. The sale includes five Oregon branches located in Newport, Waldport, Manzanita, Tillamook and Ontario, and two Washington branches located in Goldendale and White Salmon. We were pleased to find a partner with a reputation for service and community support and we anticipate the sale to take place on February 27, 2023. Additional information about 1st Security Bank is enclosed with this letter.

Your accounts listed below are part of the proposed transition:

Note: Your personalized letter was mailed on January 17, 2023. Please review your personal letter for a listing of accounts included in the transition.

Continue To Bank As Usual

Please continue using your Columbia Bank checks, cards and digital services as you always have. If you have a loan, please continue to make payments according to the terms of your agreement. We will be working closely with 1st Security Bank to provide you with detailed communication about the transition of your accounts well in advance of any changes. Be sure to watch for communications from 1st Security Bank in the next few weeks.

We are committed to providing you with a smooth transition. Enclosed you'll find answers to frequently asked questions as well as a welcome letter from 1st Security Bank. You may also reach out to your branch directly or call us at 1-877-272-3678 with additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Clint Stein', written in a cursive style.

Clint Stein
CEO, Columbia Bank

General information about the sale of branches to 1st Security Bank

On November 7, 2022, Columbia Bank announced a definitive agreement for the sale of seven branches in Oregon and Washington to 1st Security Bank. Divesting these branches was required by the Department of Justice as a condition of our upcoming merger with Umpqua Bank. A divestiture includes the branch location, along with associated deposits and loans. Employees who work in the seven branches will become employees of 1st Security Bank at the time of the divestiture.

About 1st Security Bank

1st Security Bank of Washington, member FDIC and Equal Housing Lender, provides loan and deposit services to customers at its twenty-one branches, and mortgage services at each branch as well as lending offices in the greater Puget Sound area, Vancouver, and the Tri-Cities. FS Bancorp, Inc., a Washington corporation, (ticker: FSBW) is the holding company for the bank. The bank was rated the number one Community Bank nationally in Bank Director's 2022 "Ranking Banking" study, as well as the #1 Leadership Team of all banks studied nationally. 1st Security is the top bank in its category in the Puget Sound Business Journals "Washington's Best Workplaces" from 2015-2022 and named one of American Banker's "Best Banks to Work For" from 2017-2021. For more information visit 1st Security Bank's website at www.fsbwa.com.

Continue to bank as usual

There will be no interruption in access to your accounts or services due to this announcement. You may continue to use your debit and credit cards, checks, online banking, mobile apps, and all other services as you always have. Please continue to make loan payments according to the terms of your loan.

Transition of accounts and services

We anticipate completing the divestiture in February of 2023, subject to satisfaction of various conditions including receipt of regulatory approval. Your accounts and services will transition to those offered by 1st Security at that time. You will receive communication about the transition well in advance and team members in your branch will work with you to ensure you are prepared.

Familiar faces

You will continue to work with the same talented bankers who know you and your business. Employees who work in the seven branches being divested will become employees of the new financial institution. These bankers will be there to assist you throughout and beyond the transition.

Questions and Answers

Which locations will transition to 1st Security?

A list of the seven branches is provided below.

Branch	Address	City	State	Zip
Newport Branch	506 Southwest Coast Hwy	Newport	Oregon	97365
Waldport Branch	425 Northwest Hemlock	Waldport	Oregon	97394
Ontario Branch	98 South Oregon Street	Ontario	Oregon	97914
Manzanita Branch	715 Laneda Avenue	Manzanita	Oregon	97130
Tillamook Branch	1806 3 rd Street	Tillamook	Oregon	97141
Goldendale Branch	202 West Main Street	Goldendale	Washington	98620
White Salmon Branch	390 NE Tohomish Street	White Salmon	Washington	98672

What does this mean for my banking relationship?

At this time, there are no changes to your banking relationship. Please continue to conduct your banking as

usual. If you have accounts or loans at one of the seven locations, you will receive additional communications from Columbia and 1st Security during the divestiture process. Information about the transition of your accounts and services will be provided to you well in advance. We are committed to making this a smooth transition for you.

What will happen to my banker?

Employees who work in one of the seven branches being divested will become employees of the new financial institution. We expect that you will continue to enjoy the same relationship with those bankers as you always have. Additionally, your banker will be there to support you throughout the transition and beyond.

When will these divestitures occur?

We anticipate completing the divestiture in February of 2023, subject to satisfaction of various conditions including receipt of regulatory approval. Information about the transition of your services will be provided to you well in advance of the divestiture date.

Is there anything I need to do to prepare?

Please update your contact information. We will use the information we have on file to keep you updated during the transition process. Be sure to open mail and email from Columbia Bank and 1st Security Bank throughout the transition.

Will my accounts and services change?

Nothing will change prior to the close of the divestiture. Any changes to accounts or loans and the services attached to them would occur when your accounts are transitioned to 1st Security. 1st Security will communicate any changes to your accounts and services well in advance of that transition.

Can I still open new accounts and other services at my branch?

Yes, you may still open new accounts and enroll in new services at any of the divesting branches. These services will convert to those offered by 1st Security at the close of the divestiture.

Can I continue to use my Columbia Bank checks? If I'm almost out, can I order more?

Yes, please continue to use your Columbia Bank checks. If you need to order more, we recommend ordering a limited supply at this time.

I have a loan in process. How should I proceed?

Please continue to work with your loan officer to complete the loan process.

What will happen to my safe deposit box?

Your valuables will continue to be secured in their current location throughout the transition and beyond. There will be no interruption in access to your safe deposit box throughout the transition.

Where can I find more information about this transition?

Up-to-date information about the divestitures and transition of those accounts and services will always be available at www.columbiabank.com and www.fsbwa.com.

I did not see my question in the Q and A.

Please contact your banker directly, or call us at 877-272-3678.

1ST SECURITY BANK

We Are So Excited To Welcome You!

Who is 1st Security Bank? We are a community bank with roots in the Pacific Northwest going back to 1936, headquartered in Mountlake Terrace, Washington. 1st Security Bank is looking forward to extending our branch presence to your neighborhood as a result of the upcoming Columbia Bank branch divestiture.

It is a privilege to be expanding into Oregon and Southern Washington and to have the opportunity to serve you in Klickitat County in Washington, and Lincoln, Malheur and Tillamook counties in Oregon.

Beyond traditional products and services, we provide the kind of personal attention that can make a real difference in your life and service that is personal, knowledgeable and friendly. We want to be your banking partner, a bank that comes through for you, your family and business. Our strength lies in communities that have a real sense of community.

At 1st Security Bank, we know your money is more than a number. It's the path to a better future. That matters to us, too. And since actions speak louder than words, we strive to be the bank that shows up to help.

In the first quarter of 2023, keep an eye on your mailbox for **your Welcome Guide** which will provide all the details you'll need for the transition to 1st Security Bank. Once your Welcome Guide arrives please call us at **(800) 658-7744** or email us at **Welcome@fsbwa.com** if you have questions. We look forward to getting to know you and assisting with your banking needs for years to come.

■ What You Can Expect:

- The **same great bankers** at your local branch whom you've grown to know and trust.
- Products and services to fit the needs of your family and your business.
- A local bank that truly gets involved in the community.
- Access to the MoneyPass® ATM network, with over 40,000 fee-free ATMs nationwide.

■ What You Need To Do:

- Sit back, relax and continue to bank as you do today.
- **Watch your mailbox for your Welcome Guide and subsequent communications. Please retain these documents, or visit our website at www.fsbwa.com/welcome to ensure a smooth transition.**

■ Fun Facts About 1st Security Bank:

- We are rated the #1 Community Bank in the nation in Bank Director's 2022 "Ranking Banking" study.
- We have been the highest-ranked bank in Puget Sound Business Journal's "Washington's Best Workplaces" from 2015 - 2022.
- Rated one of the Best Banks to Work For by American Banker 2017 - 2021.