



March 23, 2020

Dear Stakeholders:

Our bank has a very short tenure of existence, but a deep and lengthy heritage. When we came together last September, we combined the operations of three banks. The Heritage Bank, Heritage Bank, and Providence were founded in 1911, 1955, and 2006, respectively. We are not only blessed with deep roots in our communities, but we have a great team of bankers that are committed to serving our communities.

Often our age or the color of our hair indicates the experiences we have in life. When we look around the board room or the executive table, we are comforted to see a seasoned group interspersed with the creativity of youth. We see board members from all walks of life and bankers that have weathered many a storm. Today and in the weeks and months ahead we will draw on those experiences and the wisdom they have created to navigate the challenges we all face throughout the world.

Who would have thought just a few weeks ago as the stock market hit all-time highs and consumer sentiment was setting records, we would be where we are today and face the challenges that are just beginning to manifest themselves. It will be difficult to escape the significant pain that will impact many of our customers and friends, but experience tells us a steady and fair approach will lead to better results.

Regardless of the stake you hold in this company and bank, please rest well knowing we are working diligently to pilot us through this challenge. We will draw on the hundreds of years of experiences represented by our leadership team, to anticipate what tomorrow may bring. We will use our vast arsenal of resources to help our clients solve their challenges with creativity and compassion. We will support our team members by providing a safe working environment and the empowerment to help those in need. We will do everything within our power to protect the investment of our shareholders and to continue creating long-term value even in the face of short-term market volatility. As we like to say, this is the recipe that makes us "Better Together".

The comments in this communication are not intended to paint a picture of the future. None of us know what tomorrow brings, but we do know we are prepared for the battle. Our clients have had several very good years of operations to build and strengthen their balance sheets. Many survived the 2008 recession and learned valuable lessons. Our communities have recovered from the devastation of a decade ago and were flourishing in recent years. While we feel the impact of the current COVID-19 crisis will be widespread the depth and severity are an unknown.

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We pray everyone will recover quickly once the contagion of the virus is accomplished; reality is some people and some sectors of the economy will recover much slower. We view the current crisis as a short-term impact to our lives, but the economic recovery as a much more difficult journey.

Therefore, the team at Heritage Southeast Bank views this challenge as two phased. First, we are focused on the day to day operation of the bank and how we can best meet the needs of our clients, and secondly, we are planning the remediation strategies for our clients as they rebuild their financial profiles.

We are so fortunate to live in the greatest country in the history of the world. America is blessed with some of the greatest minds and historically, has solved the problems of the world. This time, this situation will be no different. We will conquer COVID-19 and it will be done in record time. We are also a country of generous servants that will again step up and support those around us most disadvantaged during this time of crisis. Heritage Southeast Bank and its more than 300 employees are prepared and will continue to lead in our communities.

Take care and stay healthy.

Sincerely,

			
Leonard A. Moreland CEO	Brian L. Smith President The Heritage Bank Division	Bradley Serff President Providence Bank Division	H. B. "Rocky" Lipham III President Heritage Bank Division

About us:

Heritage Southeast Bank is the wholly owned subsidiary of Heritage Southeast Bancorporation, Inc. Heritage Southeast Bank is the legal entity of three banking divisions operating in Georgia and Northeast Florida, under the trade names The Heritage Bank, Heritage Bank and Providence Bank. These three banks came together in a merger of equals on September 1, 2019.

Heritage Southeast Bancorporation Inc. is traded on the OTCQX exchange under the symbol "HSBI". If you have questions about our stock or would like to purchase or sell our stock, we encourage you to contact Michael Acampora, Senior Vice President, D.A. Davidson & Co. at 888-877-6807 or email Mike at [macampora@dadco.com](mailto:macampora@dadco.com).

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