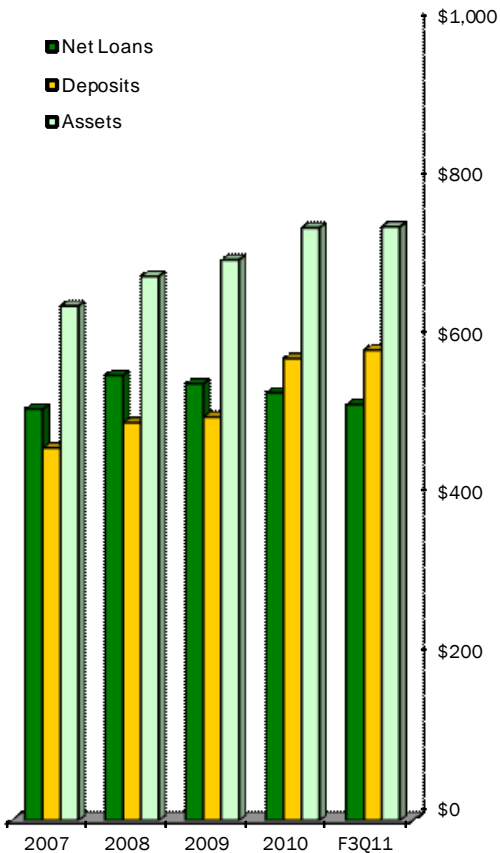


# FACT SHEET

## Balance Sheet (in millions)



## Financial Highlights

### Fiscal Third Quarter 2011 ended June 30, 2011

- ◆ Timberland earned \$1.16 million in the first nine months of fiscal 2011, which includes a net loss of \$1.28 million in F3Q11.
- ◆ Solid capital ratios with total risk-based capital ratio at 16.60% and Tier 1 capital ratio at 11.01%. Tangible equity to tangible assets is a solid 11.01%.
- ◆ Net interest margin remained strong at 3.76%.
- ◆ Nonperforming assets to total assets were 5.53% from 5.28% a year ago. Delinquent loans (past due 30 days or more) and nonaccrual loans decreased 15% to \$45.0 million from \$52.8 million at March 31, 2011.
- ◆ Single-family speculative construction, multi-family construction and land development loans now account for less than 3% of total loans.
- ◆ Year-to-date net income was \$1.16 million, compared to a net loss of \$2.15 million in the first nine months of fiscal 2010.
- ◆ Book value per common share totaled \$9.99 and tangible book value per common share was \$9.13 at June 30, 2011.

Period	EPS*	Net Income (Loss)*	Net Loans	NPA/Assets	Risk-Based Capital/Assets	Tangible Equity / Tangible Assets
YTD 2011	\$ 0.05	\$ 0.37	\$521	5.53%	16.60%	11.01%
FY10	\$ (0.50)	\$ (3.33)	\$528	5.53%	16.26%	10.75%
FY09	\$ (0.15)	\$ (1.01)	\$547	5.52%	15.94%	11.62%
FY08	\$ 0.61	\$ 4.01	\$558	1.83%	13.62%	10.10%
FY07	\$ 1.17	\$ 8.16	\$515	0.23%	13.64%	10.61%
FY06	\$ 1.12	\$ 8.16	\$425	0.02%	17.50%	12.67%
FY05	\$ 0.91	\$ 6.62	\$388	0.62%	17.90%	12.32%

\$ in millions except per share data. Adjusted for 2-for-1 split on June 5, 2007.

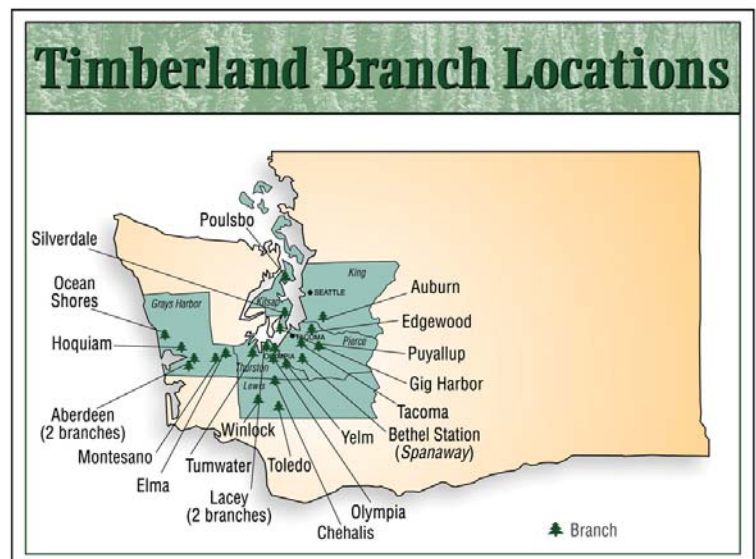
\*After preferred dividends.

## ABOUT TIMBERLAND BANCORP

Timberland Bancorp, parent company of Timberland Bank, is a full-service community bank serving consumers and small business customers throughout Western Washington.

Headquartered in the heart of the Olympic Peninsula on Washington's scenic coast, the company has 22 offices in Grays Harbor, Lewis, Thurston, Pierce, Kitsap and King Counties. Its 2004 acquisition of 7 branch offices complemented its expansion into high growth markets in Pierce, King and Thurston Counties.

Timberland Bank earned a three and a half star rating from Bauer Financial, an independent bank rating agency that has been reporting on and analyzing the performance of U.S. banks and credit unions since 1983.



# TSBK

## Share Price at July 28, 2011

Recent Price	\$5.73	Tangible Book Value	\$9.13
Shares Outstanding	7.05M	Price/Tangible Book	63%
Estimated Float	5.9M	EPS (TTM)	(\$0.01)
Institutional Ownership	30%	Reserves/Loans	2.21%
52-week Price Range	\$3.00 - \$6.50	NPA/Assets	5.53%
Market Cap	\$40.4M	Tangible Equity Ratio	11.01%



### STRONG RESERVES

## FINANCIAL HIGHLIGHTS

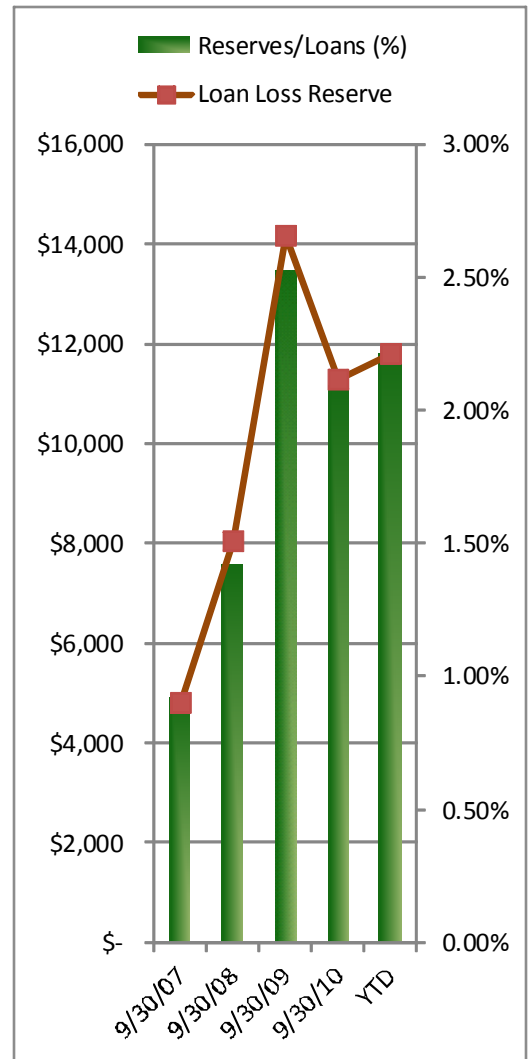
(in thousands, except per share)

### Income Statement

(unaudited)	Quarter Ended		
	6/30/2011	3/31/2011	6/30/2010
Interest and Dividend Income	\$ 8,431	\$ 8,493	\$ 9,102
Interest Expense	2,019	2,141	2,711
Net Interest Income	6,412	6,352	6,391
Provision for Loan Losses	3,400	700	750
Net Interest Income after Provision	3,012	5,652	5,641
Non-interest Income	1,761	2,108	1,941
Non-interest Expense	6,782	6,178	6,422
Net Income (Loss) before Taxes	(2,009)	1,582	1,160
Provision (Benefit) for Taxes	(729)	499	356
Net Income (Loss)	(1,280)	1,083	804
Preferred Stock Dividends & Accretion	(265)	(264)	(261)
Net Income (Loss) to Common S/H	\$ (1,545)	\$ 819	\$ 543
Diluted EPS	\$ (0.23)	\$ 0.12	\$ 0.08
Diluted Weighted Avg. Shares O/S	6,745	6,745	6,715

### Balance Sheet

	6/30/2011	3/31/2011	6/30/2010
Total Assets	\$ 735,018	\$ 743,858	\$ 732,418
Net Loans	\$ 521,298	\$ 527,227	\$ 533,131
Total Deposits	\$ 589,498	\$ 597,163	\$ 567,985
Total Stockholders' Equity	\$ 86,334	\$ 87,581	\$ 85,679
Book Value / Share	\$ 9.99	\$ 10.18	\$ 9.93
Tangible Book Value / Share	\$ 9.13	\$ 9.31	\$ 9.04



## MARKET MAKERS

Citadel	Credit Suisse	D.A. Davidson
FBR Capital	FIG Partners	Goldman, Sachs
Hudson Securities	Janney Montgomery Scott	Jefferies & Co.
Keefe Bruyette & Woods	Knight	McAdams Wright Ragen
Merrill Lynch	Raymond James	RBC Capital Markets
Sterne Agee	Stifel Nicolaus	Susquehanna
Timber Hill	UBS Securities	Rodman & Renshaw

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