



425 Pike Street  
SEATTLE, WASHINGTON  
[www.wafdbank.com](http://www.wafdbank.com)



Luther Burbank®  
**Corporation**

520 Third Street  
SANTA ROSA, CALIFORNIA  
[www.lutherburbanksavings.com](http://www.lutherburbanksavings.com)

Company Release – 11/13/2022, 6:00 PM PST

**WASHINGTON FEDERAL, INC. AND LUTHER BURBANK CORPORATION  
ANNOUNCE DEFINITIVE MERGER AGREEMENT TO FORM A \$29 BILLION  
ASSET WESTERN US BANK**

Washington Federal, Inc. (NASDAQ: WAFD, “Washington Federal”) and Luther Burbank Corporation (NASDAQ: LBC, “Luther Burbank”) jointly announced today the signing of a definitive merger agreement (“Merger Agreement”) pursuant to which Washington Federal will acquire Luther Burbank and its wholly-owned subsidiary, Luther Burbank Savings, in an all-stock transaction valued at approximately \$654 million based upon the closing price of Washington Federal’s common stock on November 11, 2022.

Upon closing of the transaction, which was unanimously approved by the boards of directors of each of Washington Federal and Luther Burbank and is subject to shareholder and regulatory approval and other customary closing conditions, Luther Burbank shareholders will be entitled to receive 0.3353 shares of Washington Federal common stock for each share of Luther Burbank common stock they own. The transaction, which is anticipated to close as early as the second calendar quarter of 2023, will expand Washington Federal’s franchise into California.

“One thing I have learned is that you do not find the right deal - the right deal finds you. That is the case here,” said Brent Beardall, President and Chief Executive Officer of Washington Federal. “It checks all the boxes. It creates scale. It creates a contiguous footprint from Seattle to Austin. Unlike so many comparable transactions, this transaction does not negatively affect our tangible book value and is accretive to forward-estimated earnings and capital. Frankly, the near-term positive impact to our financial position and physical footprints are bonuses, not our objective. Our objective is long-term value creation, which only happens if there is a harmony of people, values and culture, which we believe to be the case in this strategic transaction. We want everyone at our respective banks to know how excited we are to grow our team and serve our customers and communities together.”

Mr. Beardall continued by noting “Both organizations are committed to lending within their footprints and serving as a source of strength for our clients looking to appropriately utilize leverage to purchase their homes and control their long-term need for shelter. Unlike many financial institutions, both WaFd Bank and Luther Burbank Savings are portfolio lenders, meaning

that we originate mortgage loans to hold on our balance sheets because we fully appreciate the true value of investing in our clients and communities we serve over the long run. As part of the transaction, WaFd Bank is committing \$1 million to support communities in Luther Burbank's California footprint. We look forward to engaging with our new community partners in this endeavor and showing that, together, Luther Burbank Savings and WaFd Bank are committed to our communities' vitality and success."

Simone Lagomarsino, President and Chief Executive Officer of Luther Burbank, commented, "We are very pleased to partner with Washington Federal, which we believe will lead to long-term value creation for our shareholders and the delivery of superior financial products and services to our clients and the communities we serve."

Victor Trione, Chairman of the Luther Burbank Board, commented "This truly is a great opportunity for our shareholders to reinvest in a larger pro forma institution with a shared legacy and long-term perspective on value, customers and community."

Upon completion of the merger, the combined institution will have approximately \$29 billion in total assets, \$23 billion in total loans and \$22 billion in total deposits with over 210 locations in Washington, California, Oregon, Idaho, Utah, Nevada, Arizona, Texas and New Mexico operated through its community bank subsidiary and approximately 2,400 full time employees.

Washington Federal and Luther Burbank management will review additional information regarding the transaction on a conference call beginning at 5:30 am Pacific Standard Time on Monday, November 14, 2022. The call may be accessed by visiting the webcast link <https://edge.media-server.com/mmc/p/s39mqx66>, or by dialing (833) 630-1956 (toll-free) or (412) 317-1837 (international). A slide presentation to accompany management's commentary may be accessed from the webcast link above or from Washington Federal's or Luther Burbank's November 14, 2022 Form 8-K filings with the SEC or at either [www.wafdbank.com](http://www.wafdbank.com) or [www.lutherburbanksavings.com](http://www.lutherburbanksavings.com).

Washington Federal was advised in the transaction by Keefe, Bruyette & Woods, *A Stifel Company* as financial advisor and Davis Wright Tremaine LLP as legal counsel. Luther Burbank was advised by Piper Sandler & Co. as financial advisor and Holland & Knight LLP as legal counsel.

### **About Washington Federal, Inc.**

Washington Federal is headquartered in Seattle, Washington, and has 201 branches in eight western states. As of September 30, 2022, Washington Federal had total assets of \$20.8 billion, total loans of \$16.3 billion and total deposits of \$16.0 billion. Washington Federal conducts its business primarily through its wholly owned subsidiary, Washington Federal Bank ("WaFd Bank")

To find out more about Washington Federal, please visit its website [www.wafdbank.com](http://www.wafdbank.com). Washington Federal uses its website to distribute financial and other material information about the Company.

## **About Luther Burbank Corporation**

Luther Burbank is headquartered in Santa Rosa, California, and operates 10 full service branches in California, 1 full service branch in Washington, 6 loan production offices in California and 1 loan production office in Oregon. As of September 30, 2022, Luther Burbank had total assets of \$7.9 billion, total loans of \$6.9 billion and total deposits of \$5.8 billion. It operates primarily through its wholly-owned subsidiary, Luther Burbank Savings, an FDIC insured, California-chartered bank. Luther Burbank Savings executes on its mission to improve the financial future of customers, employees and shareholders by providing personal banking and business banking services.

To find out more about Luther Burbank, please visit its website [www.lutherburbanksavings.com](http://www.lutherburbanksavings.com). Luther Burbank uses its website to distribute financial and other material information about the Company.

## **Additional Information and Where To Find It**

Washington Federal intends to file with the Securities and Exchange Commission a registration statement on Form S-4, and Washington Federal and Luther Burbank expect to mail a joint proxy statement/prospectus to their respective security holders, containing information about the proposed merger. Investors and security holders of Washington Federal and Luther Burbank are urged to read the joint proxy statement/prospectus and other relevant materials when they become available because they will contain important information about Washington Federal, Luther Burbank and the proposed merger. In addition to the registration statement to be filed by Washington Federal and the joint proxy statement/prospectus to be mailed to the security holders of Washington Federal and Luther Burbank, Washington Federal and Luther Burbank file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other relevant documents (when they become available) and any other documents filed with the Securities and Exchange Commission at its website at [www.sec.gov](http://www.sec.gov). The documents filed by Washington Federal may also be obtained free of charge from Washington Federal by requesting them in writing at Washington Federal, Inc., 425 Pike Street, Seattle, Washington 98101, or by telephone at (206) 624-7930. In addition, investors and security holders may access copies of the documents filed with the Securities and Exchange Commission by Washington Federal on its website at [www.wafdbank.com](http://www.wafdbank.com). The documents filed by Luther Burbank may also be obtained by requesting them in writing at Luther Burbank Corporation, 520 Third Street, 4th Floor, Santa Rosa, CA 95401 or by telephone at (844) 446-8201. In addition, investors and security holders may access copies of the documents filed with the Securities and Exchange Commission by Luther Burbank on its website at [www.lutherburbanksavings.com](http://www.lutherburbanksavings.com).

Washington Federal, Luther Burbank and their respective officers and directors may be deemed to be participants in the solicitation of proxies from the security holders of Luther Burbank with respect to the transactions contemplated by the proposed merger. Information regarding Washington Federal's officers and directors is included in Washington Federal's proxy statement for its 2022 annual meeting of shareholders filed with the Securities and Exchange Commission

on December 6, 2021. Information regarding Luther Burbank's officers and directors is included in Luther Burbank's proxy statement for its 2022 annual meeting of shareholders filed with the Securities and Exchange Commission on March 16, 2022. A description of the interests of the directors and executive officers of Washington Federal and Luther Burbank in the merger will be set forth in Washington Federal's and Luther Burbank's joint proxy statement/prospectus and other relevant documents filed with the Securities and Exchange Commission when they become available.

#### Investor Relations Contacts:

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Investor Relations  
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#### **Forward Looking Statements**

Except for historical information, all other information in this press release consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about: (i) the benefits of the merger between Washington Federal and Luther Burbank, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) Washington Federal's or Luther Burbank's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning generally intended to identify forward-looking statements. These forward-looking statements are based upon the current beliefs and expectations of the management of Washington Federal and Luther Burbank and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements because of numerous possible uncertainties.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of Washington Federal and Luther Burbank may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; (2) the expected growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected; (3) operating costs, customer losses and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected; (4) governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger; (5) the shareholders of Washington Federal or Luther Burbank may fail to approve the merger; (6) adverse governmental or regulatory policies may be enacted; (7) the

interest rate environment may compress margins and adversely affect net interest income; (8) results may be adversely affected by adverse changes to credit quality; (9) competition from other financial services companies in Washington Federal's and Luther Burbank's markets could adversely affect operations; and (10) an economic slowdown could adversely affect credit quality and loan originations. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Washington Federal's and Luther Burbank's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission and available at the SEC's website at [www.sec.gov](http://www.sec.gov).

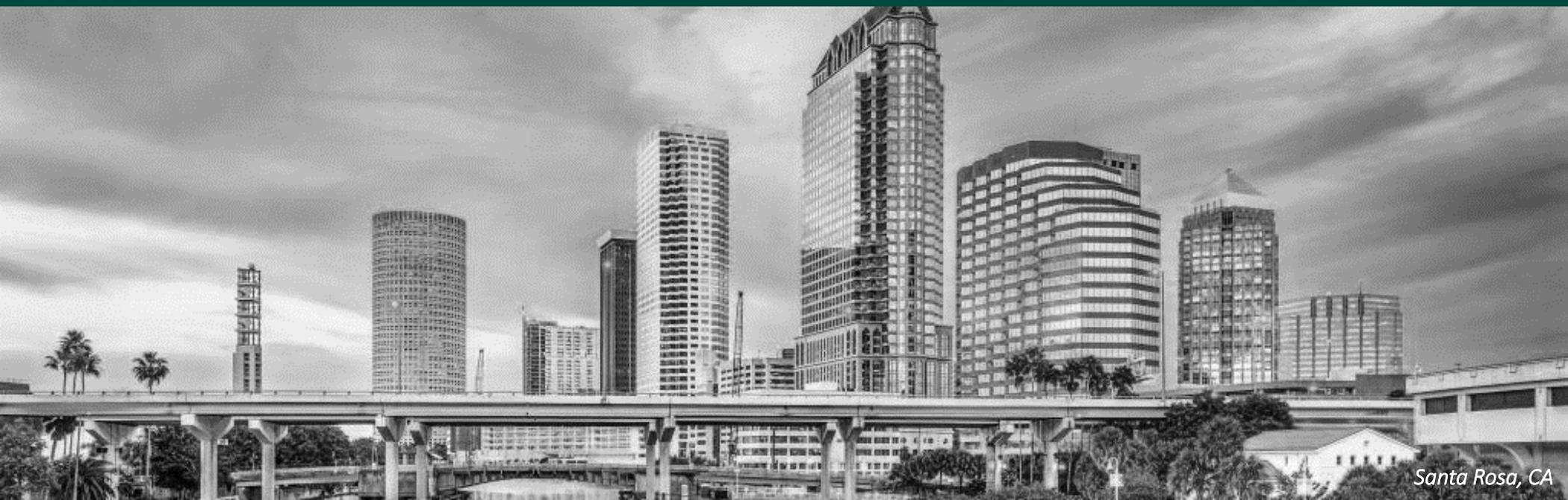
Washington Federal and Luther Burbank caution that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Washington Federal or Luther Burbank, or any person acting on Washington Federal's or Luther Burbank's behalf are expressly qualified in their entirety by the cautionary statements above. Washington Federal and Luther Burbank do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

November 13, 2022



Seattle, WA

 **Wafdbank** *to Enter California Through the Acquisition of*  **Luther Burbank** | **Corporation**



Santa Rosa, CA

# Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the financial condition, results of operations, business plans and the future performance of Washington Federal, Inc. (“WAFD”) and Luther Burbank Corporation (“Luther Burbank”). Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “could,” “may,” “should,” “will” or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on WAFD’s and Luther Burbank’s current expectations and assumptions regarding WAFD’s and Luther Burbank’s businesses, the economy, and other future conditions. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Many possible events or factors could affect WAFD’s or Luther Burbank’s future financial results and performance and could cause actual results or performance to differ materially from anticipated results or performance. Such risks and uncertainties include, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the Merger Agreement, the outcome of any legal proceedings that may be instituted against WAFD or Luther Burbank, delays in completing the transaction, the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) and shareholder approvals or to satisfy any of the other conditions to the transaction on a timely basis or at all, the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where WAFD and Luther Burbank do business, the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, diversion of management’s attention from ongoing business operations and opportunities, potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction, the ability to complete the transaction and integration of WAFD and Luther Burbank successfully. Except to the extent required by applicable law or regulation, each of WAFD and Luther Burbank disclaims any obligation to update such factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments. Further information regarding WAFD, Luther Burbank and factors which could affect the forward-looking statements contained herein can be found in WAFD’s Annual Report on Form 10-K for the fiscal year ended September 30, 2021, its Quarterly Reports on Form 10-Q for the periods ended December 31, 2021, March 31, 2022 and June 30, 2022, and its other filings with the SEC, and in Luther Burbank’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, its Quarterly Reports on Form 10-Q for the periods ended March 31, 2022, June 30, 2022 and September 30, 2022, and its other filings with the SEC.

# Additional Information

## Important Information About the Proposed Transaction and Where to Find It

In connection with the proposed transaction, a registration statement on Form S-4 will be filed by WAFD with the Securities and Exchange Commission (“SEC”) that will include a joint proxy statement/prospectus filed with the SEC to be distributed to the shareholders of WAFD and Luther Burbank in connection with their votes on the Proposed Transaction. INVESTORS AND SECURITY HOLDERS ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE (AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION OR INCORPORATED BY REFERENCE INTO THE JOINT PROXY STATEMENT/PROSPECTUS) BECAUSE SUCH DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION REGARDING THE PROPOSED TRANSACTION AND RELATED MATTERS. The final joint proxy statement/prospectus will be mailed to shareholders of WAFD and Luther Burbank. Investors and security holders will be able to obtain the documents, and any other documents WAFD has filed with the SEC, free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov) or by accessing WAFD’s website at <https://www.wafdbank.com/> under the “Investor Relations” section. Investors and security holders will be able to obtain the documents, and any other documents Luther Burbank has filed with the SEC, free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov) or by accessing Luther Burbank’s website at [www.lutherburbanksavings.com](http://www.lutherburbanksavings.com) under the “About Us/Investor Relations/Financials/SEC Filings” section. In addition, documents filed with the SEC by WAFD or by Luther Burbank will be available free of charge (1) by writing WAFD at 425 Pike Street, Seattle, WA 98101, Attention: Brad Goode or by telephone at (206) 626-8178, or (2) by writing Luther Burbank at 520 Third Street, 4th floor, Santa Rosa, CA 95401, Attention: Bradley Satenberg or by telephone at (844) 446-8201.

**Before making any voting or investment decision, shareholders of WAFD and Luther Burbank are urged to read carefully the entire registration statement and joint proxy statement/prospectus when they become available, including any amendments thereto, because they will contain important information about the Proposed Transaction, WAFD and Luther Burbank. Free copies of these documents may be obtained as described above.**

## Participants in Solicitation

The directors, executive officers and certain other members of management and employees of WAFD may also be deemed to be participants in the solicitation of proxies in connection with the Proposed Transaction from the shareholders of WAFD. Information about the directors and executive officers of WAFD is included in the proxy statement for its 2022 annual meeting of WAFD shareholders, which was filed with the SEC on December 6, 2021.

The directors, executive officers and certain other members of management and employees of Luther Burbank may also be deemed to be participants in the solicitation of proxies in connection with the Proposed Transaction from the shareholders of Luther Burbank. Information about Luther Burbank’s directors and executive officers is included in the proxy statement for its 2022 annual meeting of Luther Burbank’s shareholders, which was filed with the SEC on March 16, 2022.

Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the joint proxy statement/prospectus regarding the Proposed Transaction when it becomes available. Free copies of this document may be obtained as described above.

# Today's Presenters



**Brent Beardall**  
*President,  
Chief Executive Officer, and  
Vice Chairman*



**Vincent Beatty**  
*Executive Vice President and  
Chief Financial Officer*



**Kelli Holz**  
*Senior Vice President and  
Chief Risk Officer*



**Simone Lagomarsino**  
*President and  
Chief Executive Officer*



**Laura Tarantino**  
*Executive Vice President and  
Chief Financial Officer*



# Creating a Leading Western U.S. Franchise...

Washington Federal, Inc. (NASDAQ: WAFD) upon closing will enter into desirable and fast-growing California metro markets by merging with Luther Burbank Corporation (NASDAQ: LBC), the bank holding company of Luther Burbank Savings, a community bank headquartered in Santa Rosa, California

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- Luther Burbank is a \$7.9 billion asset bank, operating in California, Washington, and Oregon through its 11 full service branches and 7 LPOs
- Top 25 multifamily originator in the US with \$1.3 billion in multifamily loan originations in 2021
  - The majority of Luther Burbank's multifamily loans are in low- and moderate-income communities, and WAFD intends to continue the commitment to serve these communities
- Luther Burbank has an "Outstanding" Community Reinvestment Act rating from the FDIC
- Excellent credit quality that has weathered numerous economic cycles in its 39 year history while simultaneously maintaining profitability
- Efficient operating platform with a 34% efficiency ratio<sup>(1)</sup> and 0.80% noninterest expense / average assets for the quarter ended 9/30/2022

Pricing metrics, deal structure, and conservative assumptions are reflective of WAFD's disciplined approach

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- Immediately accretive to tangible book value per share, CET1 capital ratio and forward estimated earnings per share
- Margin expansion opportunities by reducing reliance on high-cost deposits and wholesale borrowing (not factored into the model)
- Revenue synergy opportunities by enhancing product offerings (i.e. Treasury Management) and lending limits to current customers (not factored into the model)
- Combined company's goal will be to accelerate Luther Burbank's migration towards a commercial bank balance sheet and a neutral interest rate risk profile over time
- WAFD is focused on long-term value creation, and believes this is a unique opportunity to purchase a high-quality balance sheet

(1) See LBC's Form 8K filed with the SEC on October 25, 2022 for the non-GAAP reconciliation of this measure.

# ...Utilizing Technology Initiatives for Long-Term Growth

## Technology stack at WAFD provides a unique opportunity with Luther Burbank merger

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- WAFD has invested heavily over the last three years to build differentiating technology
  - Fastest website in US Banking, per Google analytics; the website is your new storefront and speed matters
  - 12% of the visitors today to wafdbank.com are from California, and that's before a physical presence in the state
  - 4.8 star rated mobile app, powered by MXmobile
  - WAFD has built its own proprietary online banking system with unique features which we think will be well-received by LBC clients:
    - Real-time personal financial statements, integration with Plaid and data cleansing
    - Debit card self service for lost or stolen cards
    - Voice authentication using Amazon Lex to allow access to online banking through your voice
    - Online wire transfers (coming February 2023) with multiple layers of authentication including voice authentication
- Robust Treasury management platform including:
  - Integrated payables & receivables processing
  - Direct file transmissions across multiple formats
  - Consolidated statements & strong user access controls
- Our strategic plan calls for fewer, larger branches going forward supported by superior technology for our clients

## Pro forma organization will be well-situated for long-term growth and value creation for both sets of shareholders

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- Complementary business models and similar credit cultures with a priority on fostering a risk-conscious balance sheet
  - WAFD has the proven playbook to successfully transitioning a thrift bank model into a high-performing commercial bank
- Use as a platform for growth in attractive California markets
  - Enter California with \$5.6 billion in total deposits and with access to over \$2 trillion in market deposits in the state of California<sup>(1)</sup>
  - Enhances multifamily loan origination capabilities
  - Expands commercial banking activities to Northern and Southern California
- No anticipated branch closures, and minimal reductions in customer-facing employees or team members who directly support these employees
- Expect to be a seamless integration process due to the simplicity of LBC's current product offerings

(1) Deposit data per the FDIC Summary of Deposits as of 6/30/2022.

# Overview of Luther Burbank Corporation

## Company

- **NASDAQ Listed:** LBC
- **Headquarters:** Santa Rosa, CA
- **Locations:** 10 full service branches in California, 1 full service branch in Washington, 6 loan production offices in California and 1 loan production office in Oregon

## Business Highlights

- Well-positioned in strategic markets
- Strict, quality-oriented underwriting and credit monitoring
- Maintains a small network of branches with large deposits
- Expanding traditional products with newer emphasis on specialty and business deposits

## Q3 Financial Highlights<sup>(1)</sup>

### Balance Sheet (\$mm)

Assets	\$7,922
Loans HFI	6,855
Deposits	5,794
Loans HFI / Deposits (%)	118.3

### Capital Ratios

TCE / TA (%) <sup>(2)</sup>	8.50
Leverage Ratio (%)	9.99
Total Risk-Based Capital Ratio (%)	19.20

### Profitability

ROAA (%)	1.10
ROATCE (%) <sup>(2)</sup>	12.39
Net Interest Margin (%)	2.42
Efficiency Ratio (%) <sup>(2)</sup>	33.6

### Credit Quality

NPAs / Assets (%)	0.05
ALLL / Gross Loans (%)	0.53
NCOs / Average Loans (%)	0.00

Source: S&P Global and Company Documents.

Note: Branch footprint excludes Loan Production Offices.

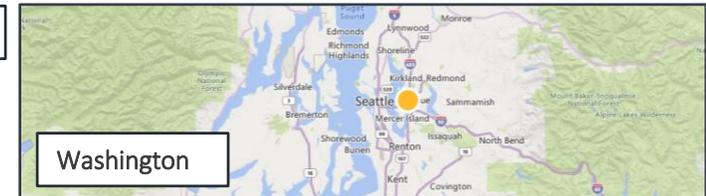
(1) Financial data as of or for the quarter ended 9/30/2022.

(2) See LBC's Form 8K filed with the SEC on October 25, 2022 for the non-GAAP reconciliation of this measure.

(3) Date LBC acquired the branch.

## Branch Footprint

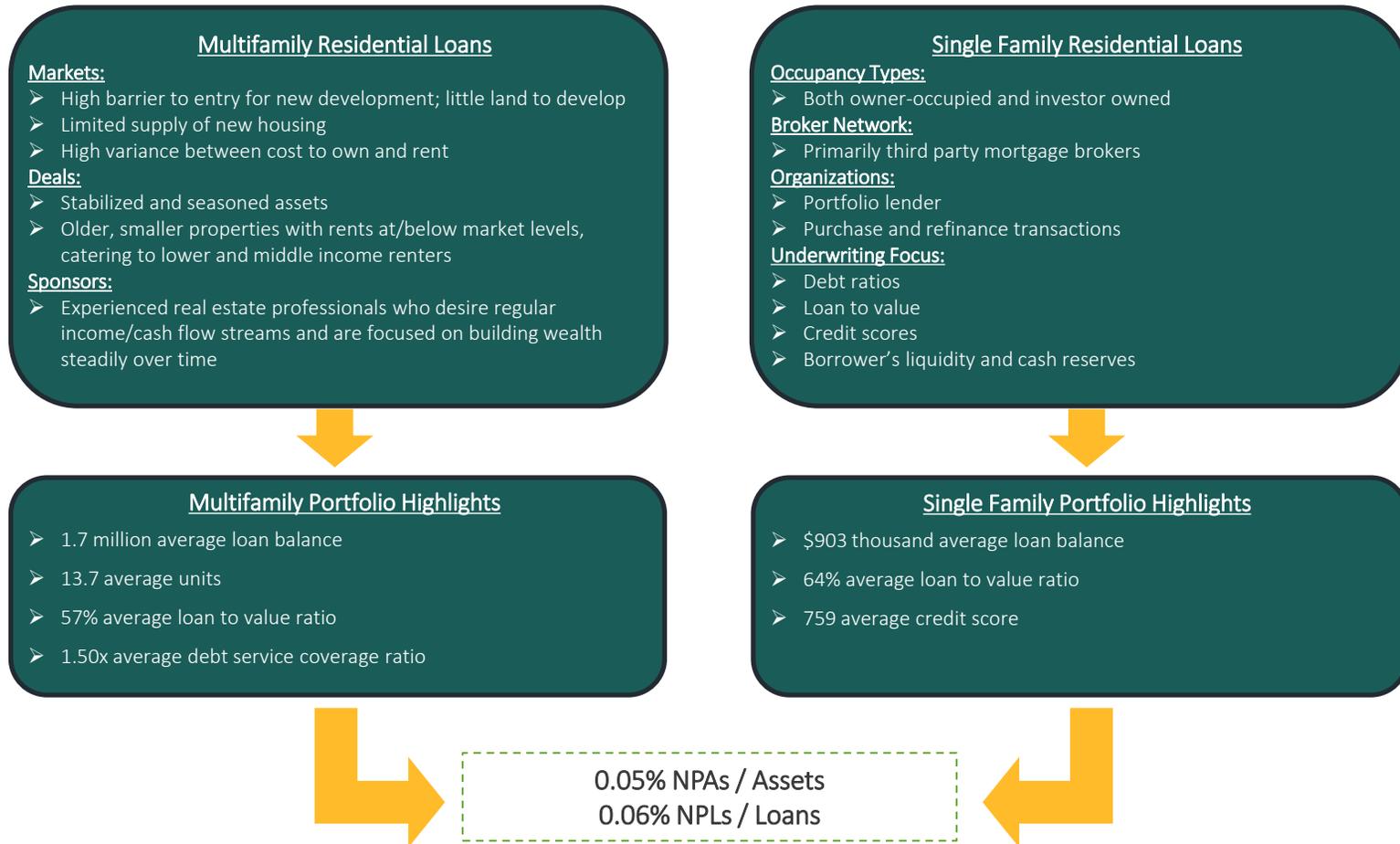
● LBC (11)



#	Branch Location	Date Established	Deposits <sup>(4)</sup> (\$mm)
1.	Santa Rosa	Oct. 1983	\$1,064.5
2.	San Rafael	Sep. 1996 <sup>(3)</sup>	559.7
3.	Encino	Aug. 2007	493.3
4.	Beverly Hills	Jul. 2010	385.6
5.	Pasadena	May 2009	361.3
6.	Long Beach	Jun. 2015	324.9
7.	Toluca Lake	Jan. 2008	313.4
8.	Los Altos	Aug. 2000	285.8
9.	San Jose	Jun. 2012	144.0
10.	Bellevue	Jun. 2018	134.4
11.	El Segundo	Jan. 2020	91.5
Specialty Deposits			1,295.5
Wholesale Deposits			340.5
12.	Corporate Office		1,636.0
<b>Total Deposits</b>			<b>\$5,794.4</b>

# Why is WAFD Comfortable Buying an \$8 billion CA Bank Heading into a Potential Recession?

*After thorough due diligence, we believe the Luther Burbank loan portfolio is pristine and the yields are reflective of the low risk*

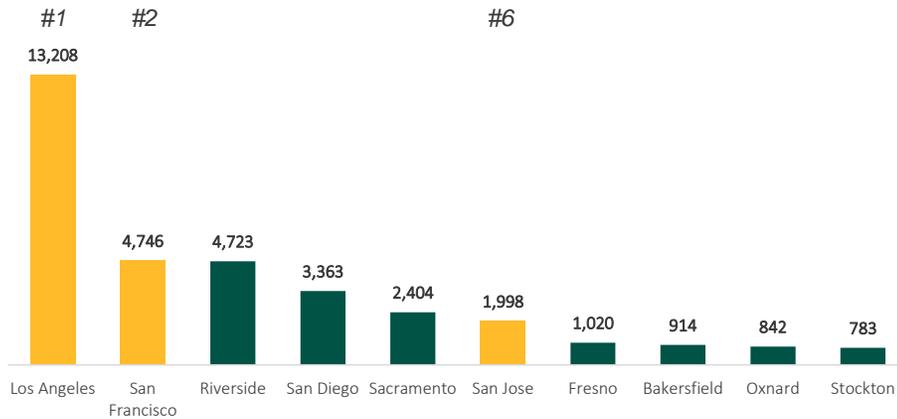


Note: Loan highlights and financial data per LBC's Investor Presentation for the quarter ended 9/30/2022.

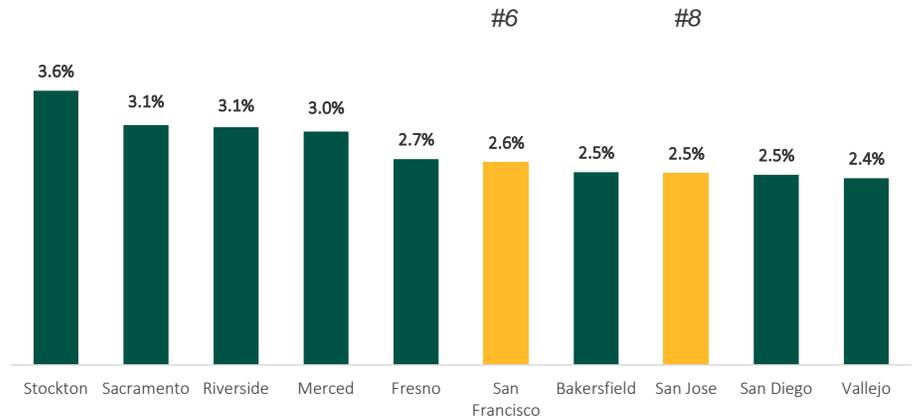
# Entrance into Attractive California Metro Markets

Indicates MSA LBC operates in

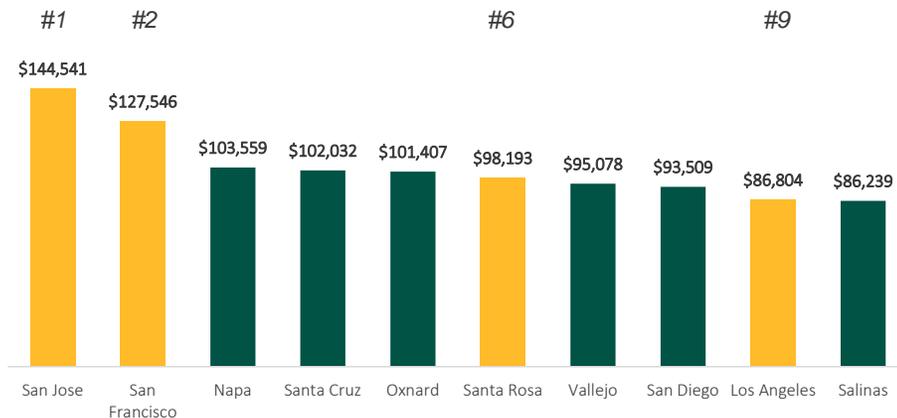
## Top 10 CA MSAs by Population (000s)



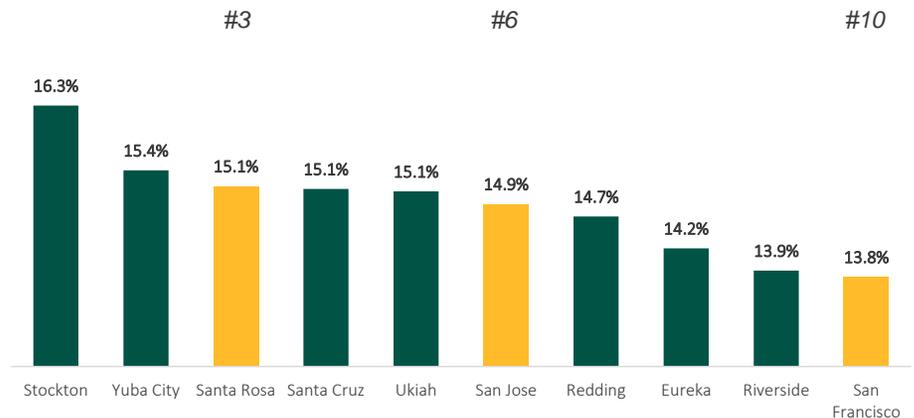
## Top 10 CA MSAs by 2022 – 2027 Population Growth



## Top 10 CA MSAs by Median HHI (\$)



## Top 10 CA MSAs by 2022 – 2027 Median HHI Growth

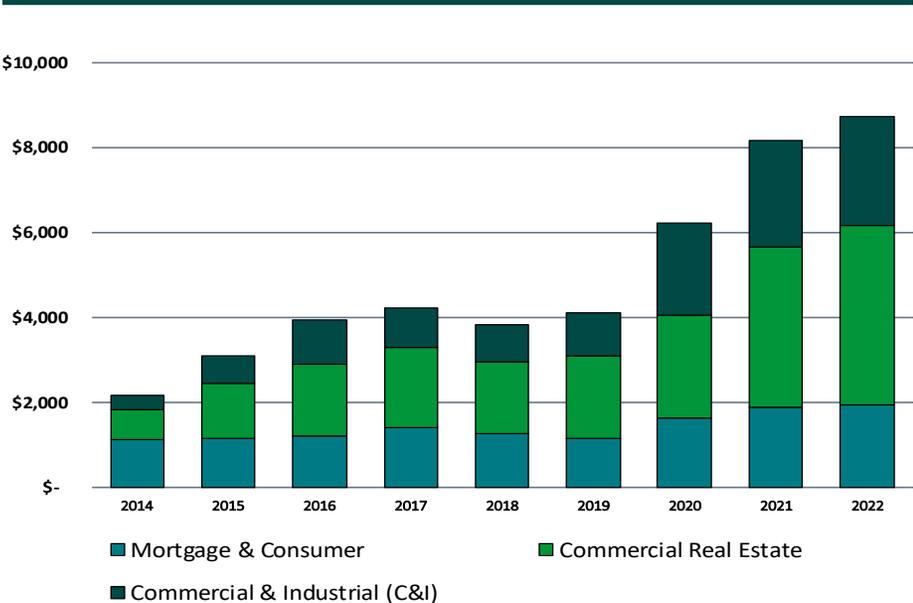


Source: S&P Global. Data as of 6/30/2022.

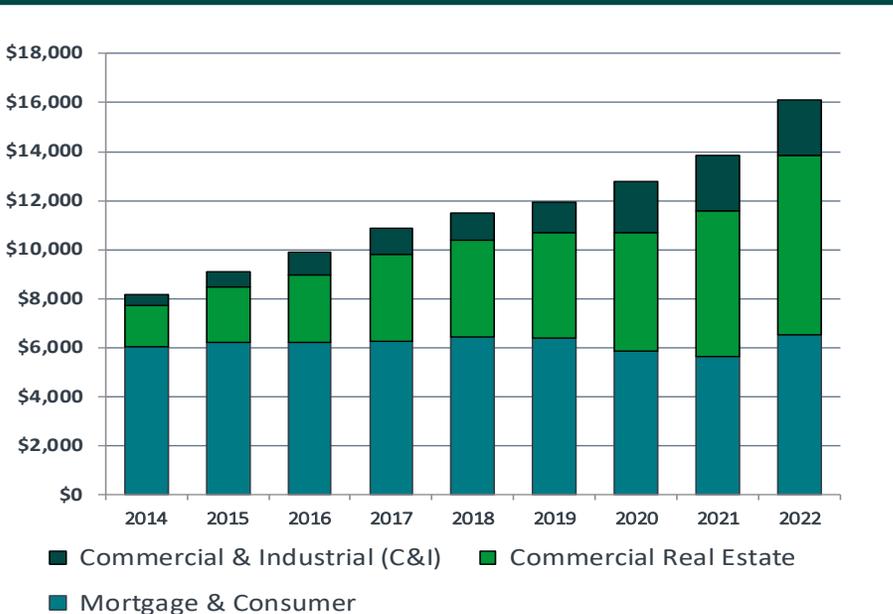
# WAFD's Loan Growth History

\$ in millions

New Loan Originations

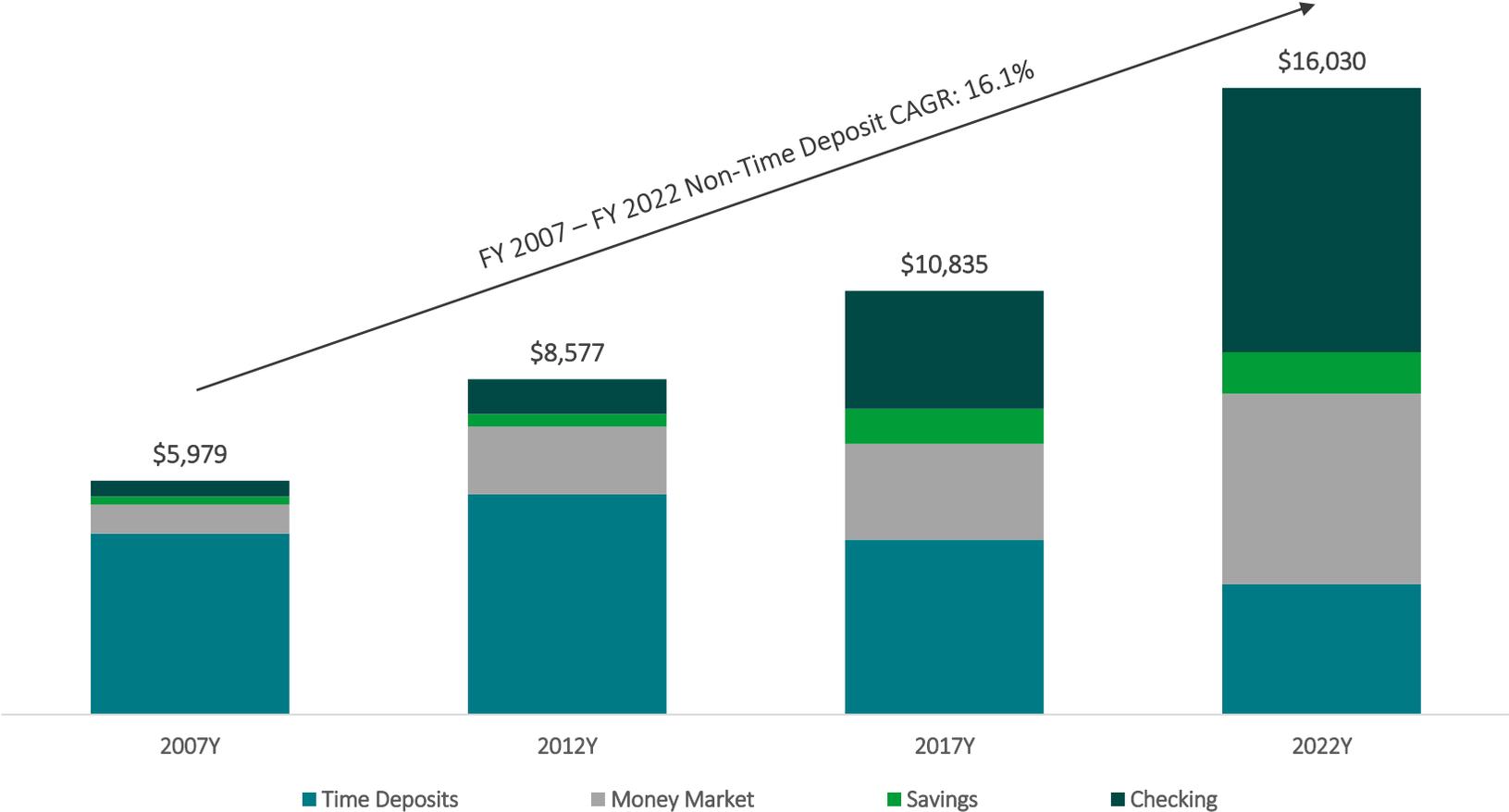


Loan Growth



# WAFD's Evolution from Thrift to Bank Funding

\$ in millions

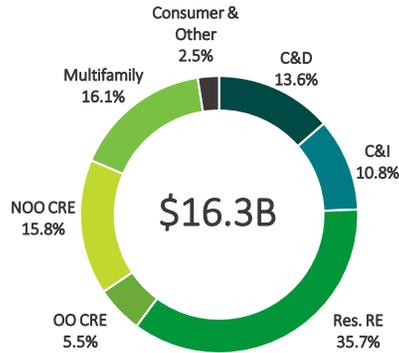


Note: Balances as of fiscal year ending September 30.

# Pro Forma Loan and Deposit Composition

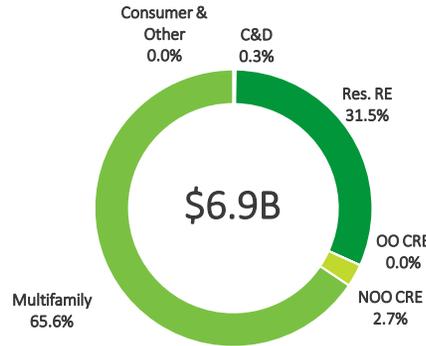
Loans

WAFD



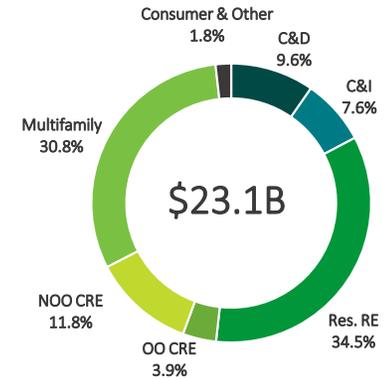
Yield on Loans: 4.36%

LBC



Yield on Loans: 3.70%

Pro Forma<sup>(1)</sup>

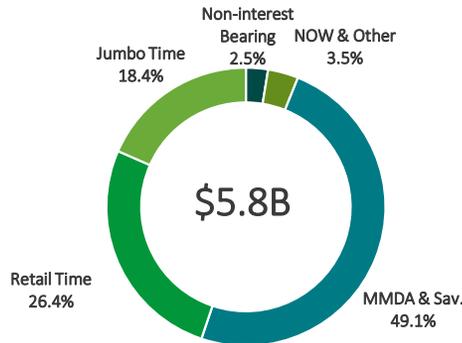


Yield on Loans: 4.16%

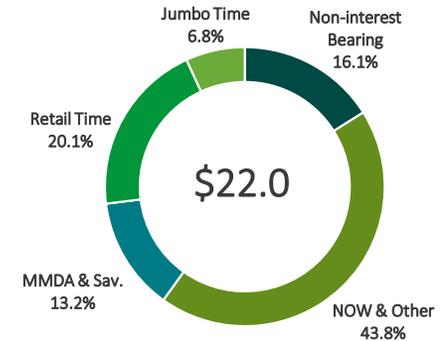
Deposits



Cost of Deposits: 0.42%



Cost of Deposits: 0.98%



Cost of Deposits: 0.57%

Source: S&P Global. Loan and deposit data per FR Y-9Cs for the quarter ended 9/30/2022.

(1) Does not include purchase accounting adjustments.

# Pro Forma Transaction Highlights

**\$29B**  
Pro Forma Assets

**\$23B**  
Pro Forma Loans

**\$22B**  
Pro Forma Deposits

**Top 50**  
Nationwide  
Asset Rank<sup>(1)</sup>

**#7**  
West Coast  
Deposit Rank<sup>(2)</sup>

**1 of Only 2 Deals<sup>(3)</sup>**  
 ✓ Accretive to TBVPS  
 ✓ Accretive to EPS  
 ✓ Accretive to CET1

## Pro Forma Impact<sup>(4)</sup>

**7.9%**  
2024e  
EPS Accretion

**TBV**  
Accretive

**1.2%**  
2024e  
ROAA

**14.7%**  
2024e  
ROATCE

**46.7%**  
2024e  
Efficiency Ratio

## Robust Pro Forma Capital Levels at Close

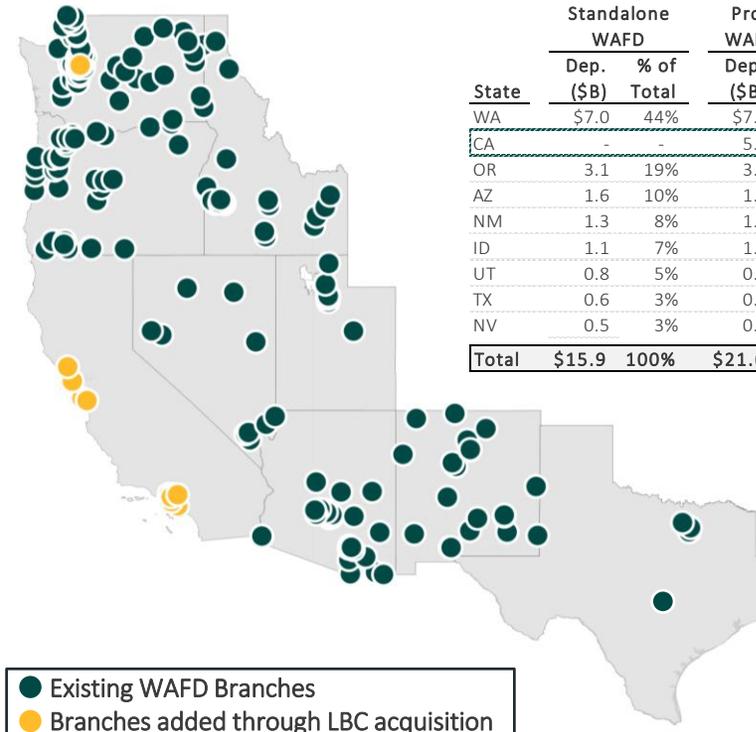
**7.9%**  
TCE / TA

**9.0%**  
Leverage Ratio

**10.7%**  
CET 1 Ratio

**13.4%**  
Total Risk-Based  
Capital Ratio

## Attractive Western Region Footprint



### Deposit Concentration by State<sup>(5)</sup>

State	Standalone WAFD		Pro Forma WAFD + LBC		Total Dep. in State (\$B)
	Dep. (\$B)	% of Total	Dep. (\$B)	% of Total	
WA	\$7.0	44%	\$7.1	33%	\$228.3
CA	-	-	5.6	26%	2,102.2
OR	3.1	19%	3.1	14%	115.1
AZ	1.6	10%	1.6	7%	225.7
NM	1.3	8%	1.3	6%	45.2
ID	1.1	7%	1.1	5%	45.0
UT	0.8	5%	0.8	4%	110.0
TX	0.6	3%	0.6	3%	1,172.0
NV	0.5	3%	0.5	2%	110.6
<b>Total</b>	<b>\$15.9</b>	<b>100%</b>	<b>\$21.6</b>	<b>100%</b>	

Source: S&P Global and FDIC Summary of Deposits.

- (1) Excludes money center banks and foreign bank subsidiaries.
- (2) West Coast includes banks and thrifts headquartered in CA, OR, and WA.
- (3) Compared to publicly disclosed metrics of nationwide bank transactions with deal values between \$500 million and \$1 billion since 1/1/2017.
- (4) Per earnings estimates as found on the "Key Assumptions" slide.
- (5) Deposit data as of 6/30/2022.

# Transaction Summary

Transaction	<ul style="list-style-type: none"> <li>Washington Federal, Inc. (WAFD) will acquire 100% of Luther Burbank Corporation's (LBC) outstanding common stock</li> </ul>
Consideration Mix	<ul style="list-style-type: none"> <li>100% Stock<sup>(1)</sup></li> </ul>
Fixed Exchange Ratio	<ul style="list-style-type: none"> <li>0.3353 shares of WAFD common stock per share</li> </ul>
Per Share Merger Consideration	<ul style="list-style-type: none"> <li>\$12.79 total consideration per share of LBC common stock, based on WAFD's closing price on November 11, 2022</li> </ul>
Merger Consideration	<ul style="list-style-type: none"> <li>\$654 million</li> </ul>
Implied Metrics <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Price / TBVPS: 0.97x</li> <li>Price / 2023e EPS<sup>(3)</sup>: 14.8x</li> <li>Price / 2024e EPS<sup>(3)</sup>: 15.4x</li> <li>Pay-to-Trade Ratio: 0.65x</li> <li>Core Deposit Premium: (0.5)%</li> </ul>
Pro Forma Ownership	<ul style="list-style-type: none"> <li>WAFD: 79.2% / LBC: 20.8%</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>WAFD to expand the size of its Board of Directors by two directors; pro forma board of 12 members</li> </ul>
Timing & Approval	<ul style="list-style-type: none"> <li>WAFD and LBC shareholder approval</li> <li>Customary regulatory approvals</li> <li>Anticipated to close as early as the second calendar quarter of 2023</li> </ul>

(1) Includes 51,155,830 LBC common shares at close.

(2) Based on WAFD closing price of \$38.15 as of 11/11/2022.

(3) Price/earnings multiples based on fiscal year ending September 30.

# Key Assumptions

Earnings Assumptions	<ul style="list-style-type: none"> <li>• WAFD's earnings per Street consensus estimates</li> <li>• LBC's earnings per Street consensus estimates less 30% given Luther Burbank's liability-sensitive balance sheet and adjusted for a September 30 fiscal year end</li> </ul>
Merger Costs	<ul style="list-style-type: none"> <li>• One-time merger expenses: \$37.0 million, pre-tax</li> </ul>
Synergies	<ul style="list-style-type: none"> <li>• Cost savings estimated at 25% of LBC's 2023 estimated noninterest expense             <ul style="list-style-type: none"> <li>• Phased in 50% in 2023 and 100% thereafter</li> </ul> </li> </ul>
Loan Credit Marks	<ul style="list-style-type: none"> <li>• Gross credit mark: \$36.0 million, or 0.53% of total loans (equal to 1.0x reserve)             <ul style="list-style-type: none"> <li>• Non-PCD loan credit mark: \$21.6 million, accreted back into earnings over 4 years using sum-of-years digits</li> <li>• PCD loan credit mark: \$14.4 million</li> <li>• Establishment of new reserve equal to \$14.4 million</li> </ul> </li> </ul>
Interest Rate Marks (pre-tax)	<ul style="list-style-type: none"> <li>• Net rate mark (excluding AOCI) of 2.51%, expressed as a percentage of gross loans             <ul style="list-style-type: none"> <li>• (\$202) million of loans rate mark accreted straight-line over 3.4 years</li> <li>• (\$52) million of securities rate mark (including AOCI) accreted straight-line over 5 years</li> <li>• \$37 million<sup>(1)</sup> of time deposits, brokered CDs, FHLB borrowings, trust preferred securities and senior debt</li> </ul> </li> </ul>
Other Assumptions	<ul style="list-style-type: none"> <li>• (\$59) million of deferred loan fees (pre-tax) accreted straight-line over 8 years</li> <li>• Core deposit intangible: 1.0% of LBC's \$3.2 billion core deposits, amortized using sum-of-years-digits over 7 years</li> <li>• No estimated annual interchange revenue loss attributable to Durbin</li> </ul>
Due Diligence	<ul style="list-style-type: none"> <li>• Comprehensive financial, legal, regulatory and operational due diligence conducted</li> </ul>

(1) Amortized in the pro forma financials over a range of 1 to 10 years.

# Illustrative Loan Interest Rate Mark Sensitivity – Impact to Capital

The pro forma impact reflects a loan interest rate mark of (\$202) million, or (2.95%) of gross Luther Burbank loans; even if rates were to dramatically increase between announcement and close, the pro forma company would remain very well capitalized

## Pro Forma Capital Ratios at Close

	Loan Rate Mark (% of 9/30/2022 Gross Loans)		
	Illustrative Scenarios		
	Base Model	1.5x Base Loan Rate Mark	2.0x Base Loan Rate Mark
Loan Rate Mark (%)	(2.95%)	(4.43%)	(5.90%)
Loan Rate Mark (\$mm)	(\$202)	(\$303)	(\$404)
TCE / TA	7.9%	7.7%	7.4%
Leverage Ratio	9.0%	8.7%	8.5%
CET1 Ratio	10.7%	10.4%	10.0%
Tier I Risk Based Ratio	12.1%	11.8%	11.4%
Total Risk Based Ratio	13.4%	13.1%	12.8%

# Nationwide Bank Transactions: *TBVPS, EPS and CET1* Accretion

Includes nationwide bank transactions with deal values between \$500 million and \$1 billion since 1/1/2017 with publicly disclosed *TBVPS, EPS and CET1* accretion metrics; data as of the date of this presentation

Buyer	Target	Announce Date	Deal Value (\$mm)	Pay to Trade (x)	Accretive to:		
					TBVPS	EPS	CET1
<b>Number of Accretive Deals:</b>					11	32	1
<b>Washington Federal, Inc.</b>	<b>Luther Burbank Corporation</b>	<b>11/13/2022</b>	<b>\$654</b>	<b>0.65</b>	✓	✓	✓
1. Simmons First National Corporation	Spirit of Texas Bancshares, Inc.	11/19/2021	581	1.01	X	✓	-
2. CBTX, Inc.	Allegiance Bancshares, Inc.	11/8/2021	858	1.01	X	✓	-
3. Home Bancshares, Inc.	Happy Bancshares, Inc.	9/15/2021	919	0.78	✓	✓	-
4. SouthState Corporation	Atlantic Capital Bancshares, Inc.	7/23/2021	542	0.93	✓	✓	X
5. United Community Banks, Inc.	Reliant Bancorp, Inc.	7/14/2021	517	1.04	✓	✓	-
6. Glacier Bancorp, Inc.	Altabancorp	5/18/2021	934	0.85	✓	✓	-
7. Eastern Bankshares, Inc.	Century Bancorp, Inc.	4/7/2021	642	1.43	X	✓	-
8. WSFS Financial Corporation	Bryn Mawr Bank Corporation	3/10/2021	976	1.10	X	✓	-
9. SVB Financial Group	Boston Private Financial Holdings, Inc.	1/4/2021	900	0.41	✓	✓	-
10. Pacific Premier Bancorp, Inc.	Opus Bank	2/3/2020	1,000	0.88	X	✓	-
11. FB Financial Corporation	Franklin Financial Network, Inc.	1/21/2020	611	0.69	✓	✓	-
12. CIT Group Inc.	Mutual of Omaha Bank	8/13/2019	1,000	1.52	-	-	-
13. WesBanco, Inc.	Old Line Bancshares, Inc.	7/23/2019	500	0.96	X	✓	-
14. People's United Financial, Inc.	United Financial Bancorp, Inc.	7/15/2019	759	0.70	X	✓	-
15. Valley National Bancorp	Oritani Financial Corp.	6/26/2019	740	0.86	✓	✓	✓
16. OFG Bancorp	Scotiabank de Puerto Rico	6/26/2019	550	0.92	X	✓	-
17. Banco Bradesco SA	BAC Florida Bank	5/6/2019	500	-	-	-	-
18. Ameris Bancorp	Fidelity Southern Corporation	12/17/2018	751	0.94	X	✓	-
19. CenterState Bank Corporation	National Commerce Corporation	11/26/2018	850	0.91	X	✓	-
20. Union Bankshares Corporation	Access National Corporation	10/5/2018	610	1.01	X	✓	-
21. Independent Bank Corp.	Blue Hills Bancorp, Inc.	9/20/2018	727	0.53	✓	✓	-
22. Veritex Holdings, Inc.	Green Bancorp, Inc.	7/24/2018	1,000	1.04	X	✓	-
23. People's United Financial, Inc.	First Connecticut Bancorp, Inc.	6/19/2018	544	0.92	✓	✓	-
24. BOK Financial Corporation	CoBiz Financial Inc.	6/18/2018	977	1.31	X	✓	-
25. Independent Bank Group, Inc.	Guaranty Bancorp	5/22/2018	1,000	0.99	X	✓	-
26. CVB Financial Corp.	Community Bank	2/26/2018	878	0.91	X	✓	-
27. Pacific Premier Bancorp, Inc.	Grandpoint Capital, Inc.	2/12/2018	641	0.83	X	✓	-
28. Banco de Credito e Inversiones SA	TotalBank	12/1/2017	528	-	X	✓	-
29. Valley National Bancorp	USAmeriBancorp, Inc.	7/26/2017	816	1.14	X	✓	-
30. Union Bankshares Corporation	Xenith Bankshares, Inc.	5/22/2017	701	0.79	✓	✓	-
31. South State Corporation	Park Sterling Corporation	4/27/2017	691	0.83	X	✓	-
32. PacWest Bancorp	CU Bancorp	4/6/2017	705	0.98	X	✓	X
33. Home BancShares, Inc.	Stonegate Bank	3/27/2017	778	0.60	✓	✓	-
34. Columbia Banking System, Inc.	Pacific Continental Corporation	1/9/2017	644	1.07	X	✓	X

Source: S&P Global.



3 years in a row!



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