



Bank with Confidence at WaFd Bank

While the news of bank failures is troubling and can shake your confidence in banking, we're ready to answer your questions and assure confidence. WAFD Bank has maintained a conservative risk profile throughout its 106-year history driven by the view that our business should always be managed for the long term, and not by taking higher risks chasing short term profits. As part of our long-standing approach to risk management, we have built a highly diversified client and deposit base without significant concentrations in any industry or sector.

To be transparent, the issues that hit SVB and Signature Bank over the weekend are unrelated to how we've operated your bank since 1917. The primary catalyst for the failure of SVB was the unrealized losses on their bond portfolio that were roughly equal to 100% of shareholders equity. At WaFd Bank the percentage of unrealized losses in our total investment portfolio is less than 0.5% of shareholder equity.

WaFd Bank has a history of maintaining a strong capital position with excellent asset quality. We are well positioned for growth even in a rising interest rate environment. It starts with our fortress-like balance sheet built to weather economic cycles. Key sources of strength include:

1. Strong balance sheet constructed with:
 - Capital base with capital ratios well over the regulatory requirements for being considered well-capitalized
 - Stable and diversified core deposits, with no sector concentrations
 - High-quality investment portfolio that is stable and represents a modest percentage of total bank assets
 - Strong liquidity position, with sources beyond a well-diversified deposit base of over \$3.2 billion in available balance sheet liquidity
 - Excellent credit quality, with a long history of low to no credit losses and non-performing assets near record lows with total allowance for credit losses (ACL) at 1.03% of gross loans plus 9 years of net recoveries
 - Neutral interest rate risk profile which performs well in up and down rate environments
2. Strong and growing earnings to support capital and liquidity needs
3. Well diversified geographical footprint across eight western states with solid economic foundations
4. An executive management team that has successfully navigated through multiple economic cycles and has over 150 years of combined banking experience
5. Local branch and commercial teams who deliver our relationship-based approach as trusted advisors to our clients

For additional information on our financial position and stability, visit our [Investor Relations](#) page on our website. Please feel free to reach out to your Regional President with any questions. As always, thank you for your business.