

Risk Factors Comparison 2023-08-29 to 2022-09-08 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Investing in our securities involves a high degree of risk. The following is a summary of certain material risks and uncertainties facing our business. This summary is not a complete discussion of the risks and uncertainties affecting us. A more complete discussion of these and other risks and uncertainties is set forth under “Item 1A. Risk Factors” of this **Annual Report report on Form 10-K**. Additional risks not presently known to us or that we presently deem immaterial may also affect us. If any of these risks occur, our business, financial condition or results of operations could be materially and adversely affected. ◦ Changes in interest rates, **including recent increases to interest rates**; ◦ General economic and market conditions, including the risk of a significant and / or prolonged period of inflation or economic downturn; **◦ Changes in the value of securities in our investment portfolio**; ◦ The soundness of other financial institutions; ◦ Replacement of the LIBOR benchmark interest rate; ~~◦~~ **Uncertainties surrounding the severity, duration, and effects of the novel coronavirus (“COVID-19”) pandemic**; ◦ Changes in regulation or regulatory oversight, accounting rules, and laws, including tax laws; ◦ Policies and regulations enacted by the Consumer Financial Protection Bureau; ◦ Changes in real estate values; ◦ Possible defaults on our multifamily residential loans; ◦ Mortgage buying activity of Fannie Mae and Freddie Mac; ◦ Financial and credit risks associated with commercial and industrial and commercial real estate loans; ◦ Seasonal fluctuations in mortgage origination; ◦ The adequacy of our allowance for credit losses; ◦ Changes in the value of goodwill and other intangible assets; ~~◦ Our~~ **The effectiveness of our** risk management processes and procedures ~~effectiveness~~; ◦ Higher FDIC assessments could negatively impact profitability; ◦ Our broker-dealer business and ~~entry into the~~ investment advisory business; ◦ Our **Digital Assets subsidiary**; ~~◦ Our~~ ability to access the equity capital markets; ◦ Access to adequate funding; ◦ Our **credit ratings**; ◦ Our ability to manage our growth and deploy assets profitably; **◦ Accuracy of customer information**; ◦ Competition for customers from other banks and financial services companies; ◦ Our ability to maintain and enhance our brand; ◦ Reputational risk associated with any negative publicity; ◦ Failure or circumvention of our controls and procedures; ◦ Extreme weather conditions, a natural disaster, ~~especially in California~~, rising sea levels, acts of war or terrorism, civil unrest, public health issues, or other adverse external events; ◦ Increased regulation related to Environmental, Social and Governance factors; **◦ Our ability to retain the services of key personnel and attract, hire and retain other skilled managers**; ◦ Possible exposure to environmental liability; ◦ Our dependence on third-party service providers for core banking and securities transactions technology; ◦ Privacy concerns relating to our technology that could damage our reputation or deter customers from using our products and services; ◦ Risk of systems failure and disruptions to operations; ◦ ~~Breach of information~~ **Information security incidents** ~~measures and cybersecurity attacks~~; ◦ Our reliance on technology innovation; ◦ The market price of our common stock may be volatile; ◦ Our charter documents and state law may delay or prevent a change of control or changes in our management; ◦ Changes to our size and structure; ◦ Our ability to acquire and integrate acquired companies; and ◦ The outcome or impact of current or future litigation involving the Company; ~~The forward-looking statements contained in this Annual Report on Form 10-K are made on the basis of the views and assumptions of management regarding future events and business performance as of the date this Annual Report on Form 10-K is filed with the SEC. We do not undertake any obligation to update these statements to reflect events or circumstances occurring after the date this report is filed.~~ PART I ITEM 1. BUSINESS Overview **Our Company** Axos Financial, Inc. is a financial holding company, a diversified financial services company with ~~over~~ **approximately \$ 17-20.4-3** billion in assets that provides banking and **approximately \$ 34** securities products and services to its customers through its online and low-cost distribution channels and affinity partners. Axos Bank has deposit **8 billion of assets under custody** and / loan customers nationwide including consumer and business checking, savings and time deposit accounts and financing for ~~or administration at~~ single family and multifamily residential properties, small- to medium size businesses in target sectors, and selected specialty finance receivables. The Bank generates fee income from consumer and business products including fees from loans originated for sale and transaction fees earned from processing payment activity. Our securities products and services are offered through Axos Clearing LLC (“Axos Clearing”), and the entities Axos **Bank Invest, Inc. and Axos Invest LLC** (~~the together,~~ **“ Bank Axos Invest.”**) **provides consumer and commercial banking products through its digital online and mobile banking platforms, which low- cost distribution channels and affinity partners. Our Bank offers deposit and lending products to customers nationwide including consumer and business checking, savings and time deposit accounts and single family and multifamily residential mortgages, commercial real estate mortgages and loans, fund and lender finance loans, asset-based loans, auto loans and other consumer loans. Our Bank generate-generates non- interest and fee income by providing comprehensive from consumer and business products, including fees from loans originated for sale, deposit account service fees, prepayment fees, as well as technology and payment transaction processing fees. We offer securities clearing products and services to independent registered investment advisors (“ RIAs ”) and introducing broker -dealers (“ IBDs ”) through and registered investment advisor correspondents and digital investment advisory services to retail investors, respectively. On August 2, 2021, Axos Clearing closed its acquisition of E * TRADE Advisor Services, a registered investment advisor custody business and renamed it Axos Advisor Services (“ AAS ”) and direct- to- consumer securities trading and digital investment management products through Axos Invest, Inc . The addition of (“ Axos Invest ”), AAS provides new sources of and Axos Clearing generate interest and fee income and by providing comprehensive securities custody services that complement the Securities Business products, a proprietary, turnkey technology platform to RIAs attract new registered investment advisor custody business, and generate low-cost core deposits. Axos Clearing is a clearing broker-dealer registered with the SEC and the Financial Industry Regulatory Authority, Inc. (“ FINRA ”) stock lending, and margin lending services**

to IBDs respectively. Axos Invest **generates fee income from self-directed securities trading** is a Registered Investment Advisor under the Investment Advisers Act of 1940, that is registered with the SEC. Axos Invest, Inc. is an **and margin lending** introducing broker-dealer that is registered with the SEC and FINRA **fee income from digital wealth management services to consumers**. Our Axos Financial, Inc.'s common stock is listed on the New York Stock Exchange **under the ticker symbol "AX"** and is a component of the Russell 2000 **® Index, the KBW Nasdaq Financial Technology** Index, the S & P SmallCap 600 **® Index, the KBW Nasdaq Financial Technology** Index, and the Travillion Tech-Forward Bank Index. On June 30, 2022-2023, Axos had total assets of \$ **17-20.3 billion, including loans of \$ 16.5 billion and investment securities of \$ 0.2 billion, and total liabilities of \$ 18.4 billion, loans including total deposits of \$ 14-17.1 billion and borrowings**; investment securities of \$ **0.5-3 billion, total deposits of \$ 13.9 billion and borrowings of \$ 0.6 billion**. Because we do not incur the significantly higher fixed operating costs inherent in a branch-based distribution system, the Bank is able to **rapidly grow our deposits and assets** by providing a better value to our customers and by expanding our low-cost distribution channels. Our business strategy is to grow our loan originations and our deposits to achieve increased economies of scale and reduce the cost of products and services to our customers by leveraging our distribution channels and technology. We have designed our online banking platform and our workflow processes to handle traditional banking functions with elimination of paperwork and human intervention. Our Bank's charter allows us to conduct banking operations in all fifty states, **as well as Puerto Rico**, and our online presence allows **us for** increased flexibility to target a large number of loan and deposit customers based on demographics, geography and service needs. Our low-cost distribution channels provide opportunities to increase our core deposits and increase our loan originations by attracting new customers and developing new and innovative products and services. Our securities clearing and custody and digital investment management platforms provide a comprehensive set of technology, clearing, cash management and lending services targeted at independent registered investment advisors and introducing broker-dealers, principals and clients of advisory firms and individuals not affiliated with an investment advisor. We are integrating our **clearing custody** and wealth management platforms with our banking platform to create an easy-to-use platform for customers' banking and investing needs. Additionally, our securities clearing and custody businesses **generates-generate** additional low-cost deposits, which serve as a source of funding for our Bank. Our long-term business plan includes the following principal objectives: • Maintain an annualized return on average common stockholders' equity of 17.0% or better; • Annually increase average interest-earning assets by 12% or more; and • Maintain an annualized efficiency ratio at the Bank **of to a level** 40% or lower. Segment Information We operate through two operating segments: Banking Business and Securities Business. The Banking Business has a broad range of banking services including online banking, concierge banking, and mortgage, vehicle and unsecured lending through online **and telephonic, low-cost** distribution channels to serve the needs of consumers and **small** businesses nationally. In addition, the Banking Business focuses on providing deposit products nationwide to industry verticals (e.g., Title and Escrow), **cash treasury** management products to a variety of businesses, and commercial & industrial and commercial real estate lending to clients. The Banking Business includes a bankruptcy trustee and fiduciary service that provides specialized software and consulting services to Chapter 7 bankruptcy and non-Chapter 7 trustees and fiduciaries. The Securities Business includes the **Clearing-clearing Broker-broker - Dealer-dealer, Registered-registered Investment-investment Advisor-advisor** custody business, **Registered-registered Investment-investment Advisor-advisor**, and **Introducing-introducing Broker-broker - Dealer-dealer** lines of businesses. These lines of business offer products independently to their own customers as well as to Banking Business clients. The **products offered by the lines of business in the Securities Business also offers a specialized accounting software that** primarily generate net interest and non-banking service -- **serves fee income the business management, family office and wealth management industries**. The operating segments and segment results of the Company are determined based upon the management reporting system, which assigns balance sheet and income statement items to each of the business segments and by which segment results are evaluated by the Chief Executive Officer in deciding how to allocate resources and in assessing performance. The process is designed around the organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions or in accordance with generally accepted accounting principles. The Company evaluates performance and allocates resources based on pre-tax profit or loss from operations **in conjunction with its corporate strategy**. ~~There are no material inter-segment sales or transfers.~~ Certain corporate administration costs **and income taxes** have not been allocated to the reportable segments. **Inter-** ~~Therefore, in order to reconcile the two segments-~~ **segment to the transactions are eliminated in consolidated-consolidation and primarily** totals, we include parent **non-** only activities **interest income earned by the Securities Business segment** and intercompany eliminations **non-interest expense incurred by the Banking Business segment for cash sorting fees related to deposits sourced from Securities Business segment customers, as well as interest expense paid by the Banking Business segment to each of the wholly-owned subsidiaries of the Company and to the Company itself for operating cash held on deposit with the Banking Business segment**. BANKING BUSINESS We distribute our deposit products through a wide range of retail **and commercial** distribution channels, and our deposits consist of demand, savings and time deposits accounts. We distribute our loan products through our retail, correspondent and wholesale channels, and the loans we retain **include** are primarily first mortgages secured by single family real property, **and by** multifamily real property **and commercial real property**, as well as commercial & industrial loans to businesses. Our securities consist of mortgage pass-through securities issued by government-sponsored entities, non-agency collateralized mortgage obligations, **and** municipal securities and whole business securities. We believe our flexibility to adjust our asset generation channels has been a competitive advantage allowing us to avoid markets and products where credit fundamentals are poor or rewards are not sufficient to support our **required-targeted** return on equity. Our distribution channels for our bank deposit and lending products include: • A national online banking brand with tailored products targeted to specific consumer segments; • Affinity groups where we gain access to the affinity group's members, and our exclusive relationships with financial advisory firms; • A commercial banking division focused on providing deposit products and loans to specific nationwide industry

verticals (e. g., Homeowners' Associations) and small and medium size businesses; • Commission- based lending sales force that operates from ~~home~~ **remote locations**, San Diego, **Los Angeles** and Salt Lake City and originates single and multifamily mortgage loans, **commercial real estate** and commercial and industrial loans and leases to qualified businesses; • A bankruptcy and non- bankruptcy trustee and fiduciary services team that operates from our Kansas City office focused on specialized software and consulting services that provide deposits; and • Inside sales teams that originate loans and deposits from self-generated leads, third- party purchase leads, and from our retention and cross- sell of our existing customer base from both our Banking ~~business~~ **Business** and Securities ~~business~~ **Business**. Banking Business- Asset Origination and Fee Income Businesses

The Bank has built diverse loan origination and fee income businesses that generate targeted financial returns through our digital distribution channels. We believe the diversity of our businesses and our direct and indirect distribution channels provide us with increased flexibility to manage through changing market and operating environments. Single Family- Mortgage & Warehouse We generate earning assets and fee income from our mortgage lending activities, which consist of originating and servicing mortgages secured primarily by first liens on single family residential properties for consumers and providing warehouse lines of credit for third- party mortgage companies. We divide our single- family mortgage originations between loans we retain and loans we sell. Our mortgage banking business generates fee income and gains from sales of ~~those~~ consumer single family mortgage loans ~~we sell~~. Our loan portfolio generates interest income and fees from loans we retain. We also provide home equity loans for consumers secured by second liens on single family mortgages. We originate fixed and adjustable- rate prime residential mortgage loans using a paperless loan origination system and centralized underwriting and closing process. Many of our loans have initial fixed rate periods (five ~~, or seven or ten~~ years) before starting a regular adjustment period (annually, semi- annually or monthly), as well as ~~-~~ interest rate floors, ceilings and rate change caps. We warehouse our mortgage banking loans and sell to investors **as** conventional, government and non- agency loans. Our mortgage servicing business includes collecting loan payments, applying principal and interest payments to the loan balance, managing escrow funds for the payment of mortgage- related expenses, such as taxes and insurance, responding to customer inquiries, counseling delinquent mortgagors and supervising foreclosures. We originate single family mortgage loans for consumers through multiple channels on a retail, wholesale and correspondent basis. • Retail. We originate single family mortgage loans ~~direct~~ **directly** to consumers through our relationships with large affinity groups, leads from referral partners, portfolio retention, cross- selling and acquiring leads from third parties. • Wholesale. We have relationships with licensed mortgage brokers from which the Bank manages wholesale loan pipelines through our originations systems and websites. Through our secure website, our approved brokers can compare programs, terms and pricing on a real ~~-~~ time basis and communicate with our staff. • Correspondent. We acquire closed loans from third- party mortgage companies that originate single family loans in accordance with our portfolio specifications or the specifications of our investors. We may purchase pools of seasoned, single- family loans originated by others during economic cycles when those loans have more attractive risk- adjusted returns than those we may originate. We originate lender- finance loans to businesses secured by first liens on single family mortgage loans from cross selling, retail direct and through third parties. Our warehouse customers are primarily generated through cross selling to our network of third- party mortgage companies. Multifamily and Commercial Mortgage ~~We originate~~ **Multifamily and Commercial Mortgage loans include** adjustable- rate multifamily residential mortgage loans and project- based multifamily real- estate- secured loans with interest rates that adjust based on the **Secured Overnight Financing Rate ("SOFR")**, the American Interbank Offered Rate ("Ameribor") or ~~the other interest~~ **Secured Overnight Financing Rate ("SOFR")**. We hold ~~existing adjustable- rate~~ **indices** multifamily residential mortgage loans and project- based multifamily real- estate- secured ~~loans with interest rates that adjust based on U. S. Treasury security yields and London Interbank Offered Rate ("LIBOR")~~. Many of our loans have initial fixed rate periods (three, five or seven years) before starting a regular adjustment period (annually, semi- annually or monthly) as well as prepayment protection clauses, interest rate floors and rate change caps. We divide our multifamily residential mortgage portfolio between the loans we retain and the loans we sell. Our mortgage banking business includes gains from those multifamily mortgage loans we sell. Our loan portfolio generates interest income and fees from the loans we retain. We originate multifamily mortgage loans using a commission- based commercial lending sales force that operates from home offices across the United States or from our San Diego location. Customers are targeted through origination techniques such as direct mail marketing, personal sales efforts, email marketing, online marketing and print advertising. Loan applications are submitted electronically to centralized employee teams who underwrite, process and close loans. The sales force team members operate regionally both as retail originators for apartment owners and wholesale representatives to other mortgage brokers. Commercial Real Estate ~~Secured~~ **Our CRE portfolio is comprised of CRE Specialty loans, which include** Commercial Bridge to Sale, Commercial Bridge to Construction, Commercial Bridge to Refinance and Acquisition, Development ~~, and~~ Construction, and **also includes our** Lender Finance **Real Estate loans**. CRE ~~Loans~~ **loans** are originated by our sales force dedicated to commercial lending by contacting borrowers directly or by working with third- party partners or brokers to businesses secured by first liens on single family, multifamily, condominium, office, retail, mixed- use, hospitality, undeveloped or to- be- redeveloped land ~~or small business loans~~. Repayment of CRE loans ~~generally~~ depends on the successful completion of the real estate transition project and permanent take- out or sale of the underlying assets on the line. We attempt to mitigate risk by adhering to underwriting policies in evaluating the collateral and the creditworthiness of borrowers and guarantors, **as well as by entering structured facilities where we take a senior lien position collateralized by the underlying real estate**. Commercial & Industrial- Non- Real Estate ("Non- RE") Comprising the majority of this portfolio are commercial and industrial non- real estate, asset- backed loans, lines of credit ~~and~~, term loans **and leases** made to commercial borrowers secured by commercial assets, including, but not limited to, receivables, inventory and equipment. We typically reduce exposure in these loans by entering into a structured facility, under which we take a senior lien position collateralized by the underlying assets at advance rates well ~~inside~~ **below** the

collateral value. **The remainder of this portfolio is comprised of leveraged cash flow lending and Commercial commercial and industrial leases comprise. Leveraged cash flow loans provide financial sponsors the remainder of this portfolio ability to finance acquisitions, management buy-outs, recapitalizations, debt refinancing and dividends / distributions. Such lending relies on free cash flow as the primary repayment source, and enterprise value as the secondary repayment source. Leveraged cash flow loans are offered to both lower middle market and larger corporate borrowers. Commercial and industrial leases** are primarily made based on the operating cash flows of the borrower or conversion of working capital assets to cash and secondarily on the underlying collateral provided by the borrower. We provide leases to small businesses and middle market companies that use the funds to purchase machinery, equipment and software essential to their operations. The lease terms are generally between two and ten years and amortize primarily to full repayment, or in some cases, to a de minimis residual balance. The leases are offered nationwide to companies in targeted industries through a direct sales force and through independent third party sales referrals. Although commercial and industrial loans and leases are often collateralized directly or indirectly by equipment, inventory, accounts or loans receivable or other business assets, the liquidation of collateral in the event of a borrower default may be an insufficient source of repayment because accounts or loans receivable may be uncollectible and inventories and equipment may be obsolete or of limited use. We attempt to mitigate these risks through the structuring of these lending products, adhering to underwriting policies in evaluating the management of the business and the credit-worthiness of borrowers and guarantors. **Auto Automobile Lending** Our automobile lending division originates prime and subprime loans to customers secured by new and used automobiles (“ autos ”). Our subprime loans are insured via a default risk mitigation product in which we recoup a large percentage of the deficiency balance on charged off loans. We distribute our auto loan products through direct and indirect channels, hold all of the auto loans that we originate and perform the loan servicing functions for these loans. Our loans carry a fixed interest rate for periods ranging from three to eight years and generate interest income and fees. **Consumer Lending** We originate fixed rate unsecured loans to **well- qualified,** individual borrowers in all fifty states. We offer loans between \$ 5-7 , 000 and \$ 50, 000 with terms **that range between 36 of thirty-six, forty-eight, sixty and seventy-two months and 72 months** to well-qualified borrowers. The minimum credit score since 2018 is 700. All applicants apply digitally and we validate income, identity and funding bank account. **All One hundred percent** of loans are manually underwritten by a seasoned underwriter with a telephone interview conducted in respect of every approved loan prior to funding. We source our unsecured loans through existing bank customers, lead aggregators and additional marketing efforts. Other **We also originate other-Other** loans ,which include structure **structured** settlements, Small Business Administration (“ SBA ”) loans **issued pursuant to** ,and securities-backed loans. Structured settlements are originated through the wholesale and retail purchase of state lottery prize and structured settlement annuities. These annuities are high credit quality deferred payment receivables having a state lottery commission or primarily highly rated insurance company payor. Purchases of state lottery prize or structured settlement annuities are governed by specific state statutes requiring judicial approval of each transaction. Federal Paycheck Protection Program (“ PPP ”) loans made by the Bank under the Federal Coronavirus Aid, Relief and Economic Security Act (“ CARES ”) Act are guaranteed by the Small Business Administration (“ SBA ”) and , if the **and account overdraft loan loans** funds are used by the borrower for specific purposes as provided under the PPP, may be fully or partially forgiven by the SBA at which time, the Bank will receive funds related to the PPP loan forgiveness directly from the SBA. The Bank also provides securities-backed lines of credit (sbloc) to borrowers collateralized by marketable securities at advance rates generally less than 50% of current fair market value. Portfolio Management Our investment analysis capabilities are a core competency of our organization. We decide whether to hold originated assets for investment or to sell them in the capital markets based on our assessment of the yield and risk characteristics of these assets as compared to other available opportunities to deploy our capital. Because risk-adjusted returns available on acquisitions may exceed returns available through retaining assets from our origination channels, we have elected to purchase loans and securities (see discussion below) from time to time. Some of our loans and **security securities** acquisitions were purchased at discounts to par value, which enhance our effective yield through accretion into income in subsequent periods. Loan Portfolio Composition. The following table sets forth the composition of our loan portfolio in amounts and percentages by type of loan at the end of each fiscal year-end for the last three years: At June 30, ~~2022~~20212020 **2023**2022**2021** (Dollars in thousands)

Amount	Percent	Amount	Percent	Amount	Percent
Single Family- Mortgage & Warehouse	\$ 4, 173, 833 25. 1 %	\$ 3, 988, 462 28. 0 %	\$ 4, 359, 472 37. 8 %	\$ 4- Multifamily and Commercial Mortgage	3, 722-082 . 304 44-225 18 . 5 %
Multifamily and Commercial Mortgage	2, 877, 680 20. 2 %	2, 470, 454 21. 4 %	2, 263, 054 21. 1 %	Commercial Real Estate	4 Estate6 , 199, 818 37. 2 %
Commercial Real Estate	4, 781, 044 33. 5 %	3, 180, 453 27. 5 %	2, 297, 920 21. 5 %	Commercial & Industrial- Non- RE	2, 639, 650 15. 8 %
Auto & Consumer	2, 028, 128 14. 2 %	1, 123, 869 9. 7 %	885-320 8-264 3 . 3 %	Auto & Consumer	567, 228 4. 0 %
Other	362, 180 3. 1 %	341-Other10 , 365-3-236 0 . 1 %	Other11-11 , 134 0. 1 %	58, 316 0. 5 %	193, 479 1. 8 %
Total loans held for investment	\$ 16, 652, 026 100. 0 %	\$ 14, 253, 676 100. 0 %	\$ 11, 554, 744 100. 0 %	\$ 10, 703, 442-100. 0 %	Allowance for credit losses (166, 680) (148, 617) (132, 958) (75, 807) Unamortized premiums / discounts, net of deferred loan fees (28, 618) (13, 998) (6, 972) 3, 714
Net loans held for investment	\$ 16, 456, 728 \$ 14, 091, 061 \$ 11, 414, 814 \$ 10, 631, 349				

The following table sets forth the amount of loans maturing in our total loans held for investment based on the contractual terms to maturity: Term to Contractual Maturity **as of June 30, 2023** (Dollars in thousands)

Less Than Three Months	Over Three Months Through One Year	Over One Year Through Five Years	Over 5 Years Through 15 Years	Over 15 Years	Total
Single Family- Mortgage & Warehouse	\$ 37, 797 \$ 241, 782 \$ 22, 533 \$ 102, 283 \$ 3, 769, 438 \$ 4, 173, 833				
Multifamily and Commercial Mortgage	\$ 30, 202-500 \$ 8, 969 \$ 553- 53 . 013-431 \$ 1, 587-656 . 148 \$ 1, 333, 177 \$ 3, 082, 225				
Commercial Real Estate	\$ 658, 275 \$ 1, 737, 823 \$ 3, 787, 275 — \$ 126- 16, 445 \$ 6, 199, 818				
Commercial & Industrial- Non- RE	\$ 12, 111 \$ 287, 269 \$ 2, 236, 808 \$ 86, 669 \$ 16, 793 \$ 2, 639, 650				
Auto & Consumer	\$ 233 \$ 2, 772 \$ 213, 869 \$ 329, 390 \$ — \$ 546, 264				
Other	\$ 5, 892 \$ 35, 709 \$ 177 \$ 3, 765-572 \$ 653 \$ 42 \$ 10, 334-236				
Total	\$ 744, 808 \$ 2, 278, 692 \$ 6, 317, 488 \$ 2, 175, 143 \$ 5, 212-135 , 494-895 \$ 14-16 , 253-652 , 676-026				

The following table sets forth the

amount of our loans at June 30, 2022-2023 that are due after June 30, 2023-2024 and indicates whether they have fixed or floating or adjustable interest rates: (Dollars in thousands) Fixed Floating or Adjustable Total Single

Adjustable	Total	Single	Family- Mortgage & Warehouse	\$	133,162	825,216	\$	3,561,732	884,038	\$	3,695,894	709,254	
Multifamily and Commercial Mortgage	52	Mortgage	50	421,685	2,793,992	940,207	3,846,042	361,756	Commercial Real Estate	209	Estate	79	
745,084	2,955,961	3,165,723	045,975	3,803,720	Commercial & Industrial- Non-RE	286	RE	228	349	1,327	2,546	111	
297	1,943	2,832	340	646	270	Auto & Consumer	563	Consumer	543	993	259	563	543
993	259	563	543	993	259	Other	9	Other	4	783	267	9	4
783	267	9	4	783	267	Total	\$	1,255	068	499	455	\$	10,858
082	\$	12	560	027	\$	113	13	537	628	526	1		

Included in this category are hybrid mortgages (e. g., 5 / 1 adjustable rate mortgages) that carry a fixed rate for an introductory term before transitioning to an adjustable rate. Our mortgage real estate loans are secured by properties primarily located in the western United States California and New York . The following table shows the largest states and regions ranked by location of these properties: At June 30, 2022-2023 Percentage of Loan Principal Secured by Real Estate Located in State or Region

State or Region	Total Real Estate	Mortgage	Loans	Single Family	Mortgage	Multifamily real estate
California	135	132	2	8	55	56
California	210	north	28.5	15.3	11.3	2.4
New York	25	2	15	11	4	0
Florida	5	4	5	0	5	0
New Jersey	3	Jersey	4	2	0	8
Arizona	3	0	1	2	0	3
Washington, D. C.	2	3	0	2	0	1
Texas	2	0	1	9	0	6
Georgia	1	7	0	4	0	3
Illinois	1	6	0	4	1	1
All other states	10	6	7	6	3	9
District of Columbia	1	8	0	3	0	1
Georgia	1	7	0	3	0	1
Massachusetts	1	1	0	7	0	2
Virginia	1	1	0	2	0	2
All other states	12	3	8	5	16	6
	100	0	100	0	100	0

Consists of mortgage loans secured by real property in California with ZIP Code ranges from 90000-90001 to 92999. 2 Consists of mortgage loans secured by real property in California with ZIP Code ranges from 93000 to 96999-96161. The ratio of the loan amount to the value of the property securing the loan is called the loan-to-value ratio ("LTV"). The following table shows the LTVs of our loan portfolio on weighted-average and median bases at June 30, 2022-2023. The LTVs were calculated by dividing (a) the current outstanding loan principal balance less principal repayments of both the first and second liens of the borrower by (b) the appraisal value at the time of origination of the property securing the loan. Total Real Estate Mortgage Loans Single Family- Mortgage & Warehouse Multifamily and Commercial Mortgage Commercial Real Estate Weighted-Average LTV 56 LTV 48.9 % 57.4 % 53.8 % 58-40.8 % Median LTV 54 LTV 53.0 % 56-55.0 % 50.0 % 26-38.0 % 1 Amounts represent combined LTV calculated by adding the current balances of both the first and second liens of the borrower and dividing that sum by an independent estimated value of the property at the time of origination. Our effective weighted-average LTV of 56 was 47.75-0 % for real estate mortgage loans originated during the fiscal year ended June 30, 2022-2023. CRE Specialty loans, which comprise 86.2 % of total CRE loans has as resulted of June 30, 2023 and we believe will continue to result, in relatively are collateralized by underlying real estate and properties as outlined low below. Total weighted-average LTV for CRE Specialty loan loans was 40 % as defaults and favorable write-off of experience June 30, 2023. At June 30, 2023 (Dollars in thousands) Loan Balance Weighted-Average LTV Multifamily \$ 1,745,894 41.0 % Single Family Real Estate 1,058,880 42.0 Hotel 920,795 41.0 Office 552,363 36.0 Industrial 474,567 43.0 Other 339,358 36.0 Retail 253,987 41.0 Total \$ 5,345,844 40.0 %

Loan Underwriting Process and Criteria. The Bank individually underwrites loans originated and purchased. For our brand partnership lending products, we construct or validate loan origination models to meet our minimum standards. Our loan underwriting policies and procedures are written and adopted by our Bank's Board of Directors and our Bank's Credit Committee. Credit extensions generated by the Bank conform to the intent and technical requirements of our lending policies and the applicable lending regulations of our federal regulators. In the single family loan underwriting process we consider all relevant factors including the borrower's credit score, credit history, documented income, existing and new debt obligations, the value of the collateral, and other internal and external factors. For all multifamily and commercial real estate loans, we rely primarily on the cash flow from the underlying property as the expected source of repayment. Additionally, the Bank often the Bank obtains personal guarantees from all material owners or partners of the borrower. In evaluating multifamily or commercial real estate credit, we consider all relevant factors, including the outside financial assets of the material owners or partners, payment history at the Bank or other financial institutions, and the experience of management and/or ownership experience with similar properties or businesses. In evaluating the borrower's qualifications, we consider primarily the borrower's other financial resources, experience in owning or managing similar properties and payment history with us or other financial institutions. In evaluating the underlying property, we consider the recurring net operating income of the property before debt service and depreciation, the ratio of net operating income to debt service and the ratio of the loan amount to the appraised value. Lending Limits For construction loans, we consider borrower experience and may obtain project completion guarantees from our borrowers and require borrowers to fund costs that exceed the initial construction budgets. As a savings association part of the underwriting of construction loans, we are generally subject consider market conditions and perform stress testing to the help ensure payoff via refinance or same sale will cover any loan proceeds advanced lending limit rules applicable to national banks. With limited exceptions In underwriting commercial & industrial - non- real estate loans, the maximum amount that we primarily consider the may lend to any borrower borrowers' operating cash flows, including related entities of the borrower, at any one time may not exceed 15 % of our unimpaired capital and surplus, plus, provided certain conditions are met, an and the value of underlying collateral. Additionally 10 % of unimpaired capital, in our commercial real estate and surplus for commercial & industrial - non- real estate loans fully secured we typically take a senior lien position in a structured facility collateralized by readily marketable collateral. See "Regulation of Banking Business Loan to One Borrower Limitations" for further information. At June 30, 2022, the underlying assets Bank's loans to one borrower limit was \$ 258.8 million, based upon the 15 % of unimpaired capital and surplus measurement. At June 30, 2022, our largest outstanding loan balance

was \$190.0 million. Loan Quality and Credit Risk - Historically, our level of non-performing mortgage loans as a percentage of our loan portfolio has been relatively low compared to the overall residential lending market. In 2020 and 2021, the global pandemic caused an increase in non-performing mortgage loans industry-wide. Our non-performing mortgage loans have since began trending toward a relatively low level. Additionally, we have increased our efforts to make loans to businesses through lending programs that are not as seasoned as our mortgage lending. Therefore, we anticipate that our rate of non-performing loans and leases may increase in the future, and we have provided an allowance for credit losses. Non-performing assets are loans and leases which are often on non-accrual status as they are more than 90 days past due; however, there are other conditions which may cause these assets to be non-performing, such as the underlying collateral being acquired by foreclosure or deed-in-lieu. Troubled debt restructurings (“TDRs”) are defined as loans which have been modified to below market terms either by granting interest rate concessions or by deferring principal or interest payments due to financial difficulty of the customer. Our policy with respect to non-performing assets is to place such assets on nonaccrual status when, in the judgment of management, the probability of collection of interest is deemed to be insufficient to warrant further accrual. When a loan or lease is placed on nonaccrual status, previously accrued but unpaid interest will be deducted from interest income. Our general policy is to not accrue interest on loans and leases past due 90 days or more, unless the individual borrower circumstances dictate otherwise. See Management’s Discussion and Analysis — “Asset Quality and Allowance for credit Credit Losses - Loans” for a history of additional information on non-performing assets and the allowance for credit losses. Investment Securities Portfolio. Axos classifies each investment security according to our intent to hold the security to maturity, trade the security at fair value in the near term or make the security available-for-sale. We invest available funds in government and high-grade non-agency securities. Our investment policy, as established by our Board of Directors, is designed to maintain liquidity and generate a favorable return on investment without incurring undue interest rate risk, credit risk or portfolio asset concentration risk. Under our investment policy, the Bank is authorized to invest in agency mortgage-backed obligations issued or fully guaranteed by the United States government, non-agency asset-backed obligations, specific federal agency obligations, municipal obligations, specific time deposits, negotiable certificates of deposit issued by commercial banks and other insured financial institutions, investment grade corporate debt securities and other specified investments. We also buy and sell securities to facilitate liquidity and to help manage our interest rate risk. The following table sets forth the dollar amount of our securities portfolio by intent at the end of each of the last three fiscal years: Available-for-Sale Trading SaleHeld-to-maturity Trading (Dollars in thousands)

Fair Value	Fair Value	Total	June 30, 2022	June 30, 2021	June 30, 2020
\$ 262,232	\$ 518,350	\$ 1,758	\$ 233,108	\$ 262,518	\$ 1,758
264	276	1187,335	187,318	187,627	105,187,732

The following table sets forth the expected maturity distribution of our mortgage-backed securities (“MBS”) and the contractual maturity distribution of our Non-RMBS-MBS securities and the weighted-average yield for each range of maturities: At June 30, 2022 Total 2023 Total Amount Due Within One Year Due After One but within Five Years Due After Five but within Ten Years Due After Ten Years (Dollars in thousands)

Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Available-for-sale	MBS	sale	Mortgage-backed securities																																				
Agency	27,722	2.31%	\$ 6,276	2.15%	\$ 13,110	2.55%	\$ 5,522	2.12%	\$ 2,116	1.77%	Non-Agency	3210,271	5.61%																																				
92,361	5.88%	115,533	5.32%	1,729	7.50%	648	15.69%	Total MBS	\$ 237,295	5.24%	\$ 98,637	5.64%																																					
\$ 128,643	5.04%	\$ 7,251	3.40%	\$ 4,794	1.65%	\$ 13,035	1.55%	\$ 7,149	1.38%	\$ 2,744	0.764	5.35																																					
03%	Non-Agency	3187,616	5.61%	27,386	8.08%	158,382	5.13%	1,402	10.56%	446	7.17%	Total Mortgage-Backed Securities	\$ 215,338	5.07%																																			
\$ 32,180	7.12%	\$ 171,417	4.86%	\$ 8,551	2.89%	\$ 3,190	1.30%	Non-RMBS	Municipal	3-	MBS	Municipal	3,529	656	3.57%																																		
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																									
Asset	Total Non-MBS	\$ 3	backed securities and structured notes	47,000	8.656	3.24	57%	\$ 12,260	8.24%	\$ 34,740	8.24%	—	—	—	—	—	—	—	—	—	—	—	—	—																									
\$ 529,791	5.61%	\$ 44,98	4.43%	\$ 206,128	5.43%	\$ 87,551	2.251	\$ 3,894	0.40	\$ 6,719	2.420	4.49	20%	Available-for-sale	—	Fair Value	\$ 262,232	518,350	5.62	21%	\$ 44,95	713	7.913	5.43	64%	\$ 203,123	674	730	5.04	43%	\$ 7,987	2.89%	\$ 6,144	2.576	3.40	49%	Total available-for-sale securities	\$ 262,518	5.62%	\$ 44,713	7.43%	\$ 203,674	5.43%	\$ 7,987	2.89%	\$ 6,144	2.131	4.49	20%

1 Weighted-average yield is based on amortized cost of the securities. Residential mortgage-backed security yields and maturities include impact of expected prepayments and other timing factors such as interest rate forward curve. 2 Includes securities guaranteed by Ginnie Mae, a U. S. government agency, and the government sponsored enterprises Fannie Mae and Freddie Mac. 3 Private sponsors of securities collateralized primarily by pools of 1-4 family residential first no prime, Alt-A or pay-option ARM mortgages and commercial mortgages. Our available-for-sale securities portfolio of \$262,232.54 million at June 30, 2022-2023 is composed of approximately 9-67.6% agency Alt-A, private-issue super senior, first-lien residential mortgage-backed securities (“RMBS”) and other debt securities issued by the government-sponsored enterprises primarily, Fannie Mae and Freddie Mac (each, a “GSE” and, together, the “GSEs”); 49.8% Alt-A, private-issue super senior, first-lien RMBS; 2.6% Pay-Option ARM, private-issue super senior first-lien RMBS; 18.8-2% commercial mortgage-backed securities (“CMBS”); 10.3% agency RMBS and other debt securities issued by the government-sponsored enterprises primarily, Fannie Mae and Freddie Mac (each, a “GSE” and, together, the “GSEs”); 2.4% pay-option adjustable-rate mortgages (“ARMs”), private-issue super senior first-lien RMBS; and 1.2-5% Municipal municipal securities and 18.0% whole business securities. We had no asset-backed securities, sub-prime RMBS or bank pooled trust preferred securities at June 30, 2022-2023. We manage the credit risk of our non-agency securities by purchasing those securities which we believe have the most favorable blend of historic credit performance and remaining credit enhancements including subordination, over collateralization, excess spread and purchase discounts. Substantially all of our non-agency securities are senior tranches protected against realized loss by subordinated tranches. The amount of structural subordination available to protect each of our securities (expressed as a percentage of the current face value) is known as credit enhancement. At June 30, 2022, the weighted-average credit

enhancement in our entire non-agency MBS portfolio was 19.7%. We have experienced personnel monitor the performance and measure the security securities for impairment in accordance with regulatory guidance. See **For additional information on our investment securities portfolio, refer to** Management's Discussion and Analysis — "Critical Accounting Policies — Securities." **Bank and Note 3** - owned life insurance. The following table summarizes the activity in the Company's bank-owned life insurance ("BOLI Fair Value" and Note 4) as of the dates indicated: (Dollars in thousands) BOLI Values Balance as of June 30, 2019 \$ 6, 969 Death benefits (763) Change in Contract Value 174 Balance as of June 30, 2020 6, 380 Additions 50, 000 Change in Contract Value 175 Balance as of June 30, 2021 56, 555 Additions 100, 000 Change in Contract Value 4, 220 Balance as of June 30, 2022 \$ 160, 775 Bank- **"Securities"** owned life insurance is included in the "Other assets" line in the Consolidated Balance Sheets.

Banking Business- Deposit Generation We offer a full line of deposit products, which we source through both online and branch distribution channels using an operating platform and marketing strategies that emphasize low operating costs and are flexible and scalable for our business. Our full featured products and platforms, 24/7 customer service and our affinity relationships result in customer accounts with strong retention characteristics. We continuously collect customer feedback and improve our processes to satisfy customer needs. At June 30, 2022 **2023**, we had \$ **13.17.91** billion in deposits of which \$ **12.15.98** billion, or 92. **43** % were demand and savings accounts, and \$ **1.13** billion, or 7. **67** % were time deposits. We generate deposit customer relationships through our distribution channels including websites, sales teams, **software company affiliates**, online advertising, print and digital advertising, financial advisory firms, affinity partnerships and lending businesses which generate escrow deposits and other operating funds. Our distribution channels **deposit lines of business** include: • A commercial banking division platform, which focuses on providing provides a stable and low-cost source of commercial deposit deposits across a targeted set of industry verticals through the provision of tech-forward depository and treasury management solutions nationwide to targeted delivered by a dedicated sales and support team. The industry verticals through targeted by Commercial Banking include; • Specialty Deposit Verticals, which include Title, Escrow, HOA and Property Management, 1031 Exchange, Trust & Estates and Payment Processors; • Software Verticals, which include: • Axos Fiduciary Services: A full-service fiduciary team catered specifically to support bankruptcy and non-bankruptcy trustees and fiduciaries with their software and banking needs, and • Zenith Information Systems, Inc.: A business management and entertainment accounting and payroll software offering supported by a dedicated service team; • Commercial Banking Verticals, which include other middle market industries along with deposit relationships for Commercial Real Estate and Commercial & Industrial lending clients. The To support the acquisition and retention of low-cost operating deposits, we place significant focus on the continued development of a comprehensive suite of treasury management products and services, which offered through the commercial banking division include; • Deposit and Liquidity liquidity Management management products: Analyzed and non-analyzed Checking checking accounts, interest checking accounts and, money market Accounts, Interest Checking zero balance Accounts accounts, Money Market insured cash savings (sweep Accounts accounts), Zero Balance Accounts, Insured Cash Sweep; • Payables products: ACH Origination origination, Wire wire Transfer transfer (domestic and international), Commercial commercial Check check Printing printing, Business business Bill bill Pay pay and Account account Transfer transfer; • Receivables products: Remote remote Deposit deposit Capture capture, Mobile mobile Deposit deposit, image cash letter, Lockbox lockbox, Merchant merchant Services services, Online online Payment payment Portal portal; • Information Reporting reporting and Reconciliation reconciliation products: Prior prior Day day and Current current Day day Summary summary and Detail detail Reporting reporting, statement, check and deposit images; and • Security and Fraud fraud Prevention prevention products: Direct direct Link link Security security, Check check Positive positive Pay pay, ACH Blocks blocks and Filters filters; Delivery channels for the above products include online, mobile and integration services. Integration services include file-based and API Capabilities: A growing suite of API-enabled based capabilities provides which enable direct integration with numerous software partners and additional channel for clients to perform their banking activities? in-house ERP or accounting systems. • An online consumer and small business platform that delivers an enhanced banking experience with tailored products targeted to specific consumer and small business segments. For example, one tailored product is designed for customers who are looking for full-featured demand accounts and very competitive fees and interest rates, while another product targets primarily tech-savvy, Generation X and Generation Y customers that are seeking a low-fee cost structure and a high-yield savings account; • A concierge banking offer serving the needs of high net worth individuals with premium products and dedicated service; • Financial advisory firms who introduce their clients to our deposit products through Axos Advisor; • A call center that opens accounts through self-generated internet leads, third-party purchased leads, partnerships, and our retention and cross-sell efforts to our existing customer base; • A full-service fiduciary team catered specifically to support bankruptcy and non-bankruptcy trustees and fiduciaries with their software and banking needs. Our online consumer and small business banking platform is full-featured with quick and secure access to activity, statements and other features including: • Purchase Rewards. Customers can earn cash back by using their VISA® Debit Card at select merchants; • Mobile Banking. Customers can access with Touch ID on eligible devices, review account balances, transfer funds, deposit checks and pay bills from the convenience of their mobile phone; • Mobile Deposit. Customers can instantly deposit checks from their smart phones using our Mobile App; • Online Bill Payment Service. Customers can automatically pay their bills online from their account; • Peer to Peer Payments. Customers can securely send money via email or text messaging through this service; • My Deposit. Customers can scan checks with this remote deposit solution from their home computers. Scanned images will be electronically transmitted for deposit directly to their account; • Text Message Banking. Customers can view their account balances, transaction history, and transfer funds between their accounts via these text message commands from their mobile phones; • Unlimited ATM Reimbursements. With certain checking accounts, customers are reimbursed for any fees incurred using an ATM (excludes international ATM transactions). This provides customers with access to any ATM in the nation, for free; • Secure Email and Chatbot. Customers

can use our chatbot and send or receive secure emails from our customer service department without concern for the security of their information; • InterBank Transfer. Customers can transfer money to their accounts at other financial institutions from their online banking platform; • VISA ® Debit Cards or ATM Cards. Customers may choose to receive either a free VISA ® Debit or an ATM card upon account opening. Customers can access their accounts worldwide at ATMs and any other locations that accept VISA ® Debit cards; • Overdraft Protection. Eligible customers can enroll in one of our overdraft protection programs; • Digital Wallets. Our Apple Pay™, Samsung Pay™ and Android Pay™ solutions provide the same ease to pay as a debit card with an eligible device. The mobile experience is easy and seamless; and • Cash Deposit Through Reload @ the Register.

Customers can visit any Walmart, Safeway, ACE Cash Express, CVS Pharmacy, Dollar General, Dollar Tree, Family Dollar, Kroger, Rite Aid, 7-Eleven and Walgreens, and ask to load cash into their account at the register. A fee is applied. **We offer a full line of deposit products, which we source through both online channels using operating and marketing strategies that emphasize low operating costs and are flexible and scalable for our business. Our full featured products and platforms, 24 / 7 customer service and our affinity relationships result in customer accounts with strong retention characteristics. We continuously collect customer feedback and improve our processes to satisfy customer needs. For example, one tailored product is designed for customers who are looking for full- featured demand accounts and competitive fees and interest rates, while another product targets primarily tech- savvy customers seeking a low- fee cost structure and a high- yield savings account. We offer our consumer deposits through several channels, including: • A concierge banking offer serving the needs of high net worth individuals with premium products and dedicated service; • Financial advisory and clearing firms who introduce their clients to our deposit products through Axos Clearing and its**

business division AAS; deposit balances consisted of 53.7% and • A call center that opens 46.3% of total deposits at June 30, 2022, respectively. Our business deposit accounts feature a full suite of treasury- through self- generated internet leads, third- party purchased leads, partnerships, and cash management products for retention and cross- sell efforts to our business- existing customers- customer base including online and mobile banking, remote deposit capture, analyzed business checking and money market accounts. We service our business customers by providing them with a dedicated relationship manager and an experienced business banking operations team. Our deposit operations are conducted through a centralized, scalable operating platform which supports all of our distribution channels. The integrated nature of our systems and our ability to efficiently scale our operations create competitive advantages that support our value proposition to customers. Additionally, the features described above such as online account opening and online bill- pay promote self- service and further reduce our operating expenses. We believe our deposit franchise will continue to provide lower all- in funding costs (interest expense plus operating costs) with greater scalability than branch- intensive banking models because the traditional branch model operates with inherently high- higher fixed operating costs will experience continued declines in consumer traffic due to the decline in paper check deposits and due to growing consumer preferences to bank online. The number of deposit accounts at the end of each of the last three fiscal years is set forth below: At June 30, 2022, 2021, 2020, Non- interest- bearing

bearing 45, 640, 42, 372, 36, 726, 27, 108, 8, 734, 12, 815, 18, 450. Total number of deposit accounts 395, 479, 279, 395, 699, 385, 609, 356, 021. The increase in interest- bearing checking and savings accounts in 2023 was primarily due to increased consumer deposit accounts from increased marketing efforts. Deposit Composition. The following table sets forth the dollar amount of deposits by type and weighted - average interest rates at the end of each of the last three fiscal years: At June 30, 2022, 2021, 2020, (Dollars in thousands)

Amount	Rate	Amount	Rate	Amount	Rate	
Non- interest- bearing	\$ 2, 898, 150	—	\$ 5, 033, 970	—	\$ 2, 474, 424	—
Interest- bearing: Demand	3, 334, 615	2.43 %	3, 611, 889	0.61 %	3, 369, 845	0.15 %
Savings	9, 456, 575	1.27	7, 814, 372	0.37	7, 781, 420	0.20
Time deposits	\$ 7, 857, 444	0.79 %	\$ 6, 828, 532	0.18 %	\$ 7, 250, 382	1.26 %
Greater than \$ 250,000	382, 126	4.36 %	403, 616	1.41 %	442, 702	1.03 %
Time deposits	\$ 1, 314, 562	3.91 %	\$ 1, 055, 008	1.25 %	\$ 1, 512, 841	1.22 %
Interest- bearing	\$ 14, 224, 958	3.76 %	\$ 8, 912, 452	0.85 %	\$ 8, 341, 373	0.37 %
Total deposits	\$ 17, 123, 108	3.12 %	\$ 13, 946, 422	0.54 %	\$ 10, 815, 797	0.29 %

1 Based on weighted- average stated interest rates at the end of the period. 2 The total interest- bearing includes brokered deposits of \$ 2, 028. 5 million and \$ 1, 032. 7 million as of June 30, 2023 and 2022, respectively, of which \$ 690. 9 million and \$ 250. 0 million are time deposits classified as \$ 250, 000 and under. The following tables set forth the average balance, the interest expense and the average rate paid on each type of deposit at the end of each of the last three fiscal years: For the Fiscal Year Ended June 30, 2022, 2021, 2020 (Dollars in thousands)

Average Balance	Interest Expense	Avg. Rate	Average Balance	Interest Expense	Avg. Rate
Non- interest- bearing	\$ 3, 730, 524	—	\$ 3, 927, 195	—	—
Interest- bearing: Demand	\$ 4, 047, 717	2.45 %	\$ 3, 873, 382	\$ 12, 429	0.32 %
Savings	6, 164, 020	3.35 %	2, 191, 103	\$ 31, 882	1.46 %
Time deposits	2, 225, 537	3.82 %	1, 226, 774	\$ 13, 567	1.11 %
Total interest- bearing deposits	\$ 11, 437, 274	3.29 %	\$ 8, 000, 095	\$ 33, 620	0.42 %
Total deposits	\$ 15, 167, 798	2.24 %	\$ 11, 927, 290	\$ 33, 620	0.28 %

Total deposits that exceeded the FDIC insurance limit of \$ 250 thousand, 000 at June 30, 2022- 2023 were \$ 2. 1, 37 billion. The maturities of certificates of deposit that exceeded the FDIC insurance limit of \$ 250 thousand, 000 at June 30, 2022- 2023 are as follows: (Dollars in thousands) June 30, 2023- 20233 months or less \$ 5- 142, 840, 499 3 months to 6 months 2 months 185, 821- 185 6 months to 12 months 7 months 20, 057- 847 Over 12 months 13- months 33, 838- 595 Total \$ 29- 382, 556 The following table shows the maturity dates of our certificates of deposit at the end of each of the last three fiscal years: At

June 30, (Dollars in thousands) 2022 2021 2020 Within 12 **126** months \$ 742, 804 \$ 1, 021, 465 \$ 1, 079, 674 13 to 24 months 155, 376 214, 232 540, 669 25 to 36 months 141, 841 125, 943 180, 590 37 to 48 months 9, 037 138, 485 132, 629 49 months and thereafter 5, 950 12, 716 313, 156 Total \$ 1, 055, 008 \$ 1, 512, 841 \$ 2, 246, 718 The following table shows maturities of our time deposits having principal amounts of \$ 100 thousand or more at the end of each of the last three fiscal years: Term to Maturity (Dollars in thousands) Within Three Months Over Three Months to Six Months Over Six Months to One Year Over One Year Total Fiscal year end June 30, 2022 \$ 313, 508 \$ 151, 315 \$ 98, 476 \$ 121, 411 \$ 684, 710 June 30, 2021 469, 404 163, 710 140, 740 175, 566 949, 420 June 30, 2020 487, 188 94, 647 321, 409 469, 283 1, 372, 527

SECURITIES BUSINESS Our Securities Business consists of two sets of products and services, securities services provided to third- party securities firms and investment management **services** provided to consumers. Securities services. We offer fully disclosed clearing services through Axos Clearing to FINRA and SEC registered member firms for trade execution and clearance as well as back -office services such as record keeping, trade reporting, accounting, general back- office support, securities and margin lending, reorganization assistance, and custody of securities. At June 30, **2022-2023**, we provided services to **275-291** financial organizations, including correspondent broker- dealers and registered investment advisors. We provide **financing margin loans, which are collateralized by securities, cash, or other acceptable collateral**, to our brokerage customers for their securities trading activities ~~through margin loans that are collateralized by securities, cash, or other acceptable collateral~~. We earn a spread equal to the difference between the amount we pay to fund the margin loans and the amount of interest income we receive from our customers. We conduct securities lending activities that include borrowing and lending securities with other broker- dealers. These activities involve borrowing securities to cover short sales and to complete transactions in which clients have failed to deliver securities by the required settlement date, and lending securities to other broker- dealers for similar purposes. The net revenues for this business consist of the interest spreads generated on these activities. We provide a proprietary, turnkey technology platform for custody services to our registered investment advisor customers. This platform provides fee income and services that complement our **securities Securities business Business** products, while also generating low cost core deposits. We assist our brokerage customers in managing their cash balances and earn a fee through an insured bank deposit cash **sweep sorting** program. Through our retail securities business, Axos Invest, we provide our customers with the option of having both self- directed and digital advice services through a comprehensive and flexible technology platform. We have integrated both the digital advice platform and self- directed trading platforms into our universal digital banking platform, creating a seamless user experience and a holistic personal financial management ecosystem. Our digital advice business generates fee income from customers paying an annual fee for advisory services and deposits from cash balances. Our self- directed trading program generates income from traditional transaction charges and fees from customer memberships. **Additionally, we offer a specialized accounting software that serves the business management, family office and wealth management industries to provide software, service and banking solutions.**

BORROWINGS For In addition to deposits, we have historically funded our asset growth through advances from the Federal Home Loan Bank of San Francisco (“FHLB”). Our bank can borrow up to 40 % of its total assets from the FHLB, and borrowings are collateralized by mortgage loans and mortgage- backed securities pledged to the FHLB. At June 30, 2022, the Company had \$ 117. 5 million advances outstanding with an additional **information** \$ 2. 0 billion available immediately and an additional \$ 3. 9 billion available with additional collateral, for advances from the FHLB for terms up to ten years. The Bank has federal funds lines of credit with two major banks totaling \$ 175. 0 million. At June 30, 2022, the Bank had no outstanding balance on either line. The Bank can also borrow from the Federal Reserve Bank of San Francisco (“FRBSF”), and borrowings may be collateralized by commercial, consumer and mortgage loans as well as securities pledged to the FRBSF. Based on loans and securities pledged at June 30, 2022, we had a total borrowing capacity of approximately \$ 2. 8 billion, none of which was outstanding. The Bank has additional unencumbered collateral that could be pledged to the FRBSF Discount Window to increase borrowing liquidity. Additionally, the Bank can borrow through the Paycheck Protection Program Liquidity Facility (“PPPLF”). The Bank has zero advances outstanding from the Federal Reserve Bank through the Paycheck Protection Program Liquidity Facility, and no Small Business Administration Paycheck Protection Program Loans pledged as of June 30, 2022. Axos Clearing has \$ 150. 0 million uncommitted secured lines of credit available for borrowing. As of June 30, 2022, there was \$ 58. 4 million outstanding. These credit facilities bear interest at rates based on the Federal Funds rate and borrowings are due upon demand. The weighted average interest rate on the borrowings at June 30, 2022 was 2. 99 %. Axos Clearing has a \$ 175. 0 million committed unsecured line of credit available, which includes \$ 100. 0 million from Axos Financial, Inc., available for limited purpose borrowing. As of June 30, 2022, there was \$ 53. 1 million outstanding after elimination of intercompany balances. This credit facility bears interest at rates based on the Federal Funds rate and borrowings are due upon demand. The unsecured line of credit requires Axos Clearing operate in accordance with specific covenants surrounding capital and debt ratios. Axos Clearing was in compliance with all covenants as of June 30, 2022. In December 2004, we completed a transaction that resulted in \$ 5. 2 million of junior subordinated debentures for our company with a stated maturity date of February 23, 2035. We have the right to redeem the debentures in whole (but not in part) on or after specific dates, at a redemption price specified in the indenture plus any accrued but unpaid interest through the redemption date. Interest accrues at the rate of three- month LIBOR plus 2. 4 %, for a rate of 3. 90 % as of June 30, 2022, with interest paid quarterly. In March 2016, we completed the sale of \$ 51. 0 million aggregate principal amount of our 6. 25 % Subordinated Notes due February 28, 2026 (the “Notes 2026”). We received \$ 51. 0 million in gross proceeds as a part of this transaction, before the 3. 15 % underwriting discount and other offering expenses. The Notes 2026 accrue interest at a rate of 6. 25 % per annum, with interest payable quarterly. In March 2021, the Company completed the redemption of \$ 51. 0 million aggregate principal amount of its Notes 2026. The Notes 2026 were redeemed for cash by the Company at 100 % of their principal amount, plus accrued and unpaid interest, in accordance with the terms of the indenture governing the Notes 2026. Remaining unamortized deferred financing costs associated with such notes were expensed and included under Interest Expense- Other Borrowings in the Consolidated Statements of Income. In January 2019, we issued subordinated notes totaling \$

7.5 million, to the principal stockholders of COR Securities in an equal principal amount, with a maturity of 15 months, to serve as the sole source of payment of indemnification obligations of the principal stakeholders of COR Securities under the Merger Agreement. Interest accrues at a rate of 6.25% per annum. During the fiscal year ended June 30, 2019, \$0.1 million of subordinated loans were repaid. The Company is in the process of making an indemnification claim against the \$7.4 million remaining. In September 2020, the Company completed the sale of \$175.0 million aggregate principal amount of its 4.88% Fixed-to-Floating Rate Subordinated Notes due October 1, 2030 (the "Notes 2030"). The Notes 2030 mature on October 1, 2030 and accrue interest at a fixed rate per annum equal to 4.88%, payable semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2021. From and including October 1, 2025, to, but excluding October 1, 2030 or the date of early redemption, the Notes 2030 will bear interest at a floating rate per annum equal to a benchmark rate (which is expected to be the Three-Month Term Secured Overnight Financing Rate) plus a spread of 476 basis points, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, commencing on January 2026. The Notes 2030 may be redeemed on or after October 1, 2025, which date may be extended at the Company's discretion. **borrowings**, see a redemption price equal to principal plus accrued and unpaid interest, subject to certain conditions. Fees and costs incurred in connection with the debt offering amortize to interest expense over the term of the Notes 2030. In March 2021, we filed a new shelf registration with the SEC, which allows us to issue up to \$400.0 million through the sale of debt securities, common stock, preferred stock and warrants. In February 2022, the Company completed the sale of \$150.0 million aggregate principal amount of its 4.0% Fixed-to-Floating Rate Subordinated Notes (the "Notes 2032" **Liquidity and Capital Resources**). The Notes 2032 are obligations only of Axos Financial, Inc. The Notes 2032 mature on March 1, 2032 and accrue interest at a fixed rate per annum equal to 4.0%, payable semi-annually in **Part II** arrears on March 1 and September 1 of each year, commencing on September 1, 2022. From and including March 1, 2027, to, but excluding March 1, 2032 or the date of early redemption, the Notes 2032 will bear interest at a floating rate per annum equal to a benchmark rate of the Three-Month Term SOFR plus a spread of 227 basis points, payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing on June 1, 2027. The Notes 2032 may be redeemed on or after March 1, 2027, which date may be extended at the Company's discretion, at a redemption price equal to principal plus accrued and unpaid interest, subject to certain conditions. Fees and costs incurred in connection with the debt offering amortize to interest expense over the term. **Item 7** of the Notes 2032. The table below sets forth the amount of our borrowings, the maximum amount of borrowings in each category during any month-end during each reported period, the approximate average amounts outstanding during each reported period and the approximate weighted average interest rate thereon at or for the last three fiscal years: At or For The Fiscal Years Ended June 30, (Dollars in thousands) 2022 2021 2020

Advances from the FHLB:	Average balance outstanding	\$	349,796	\$	211,077	\$	747,358
Maximum amount outstanding at any month-end during the period	\$	1,360,500	\$	353,500	\$	1,462,500	
Balance outstanding at end of period	\$	117,500	\$	353,500	\$	242,500	
Average interest rate at end of period	2.26%	1.18%	2.22%				
Average interest rate during period	1.32%	2.21%	1.60%				
Paycheck Protection Program Liquidity Facility	Average balance outstanding	\$	116,102	\$	3,092		
Maximum amount outstanding at any month-end during the period	151,952	151,952					
Balance outstanding at end of period	151,952						
Average interest rate at end of period	%	0.35%	0.35%				
Average interest rate during period	%	0.35%	0.35%				
Borrowings, subordinated notes and debentures:	Average balance outstanding	\$	310,454	\$	340,699	\$	100,560
Maximum amount outstanding at any month-end during the period	\$	480,836	\$	456,380	\$	162,546	
Balance outstanding at end of period	\$	562,744	\$	221,358	\$	83,837	
Average interest rate at end of period	3.86%	4.68%	5.18%				
Average interest rate during period	4.25%	3.65%	5.60%				

MERGERS AND ACQUISITIONS From time to time, we undertake acquisitions or similar transactions consistent with our operating and growth strategies. On August 2, 2021, we completed the acquisition of E*TRADE Advisor Services ("EAS") (see **Part II, Item 7** "Mergers and Acquisitions") in **Part II, Item 7** the registered investment advisor custody business of Morgan Stanley. This business was rebranded as Axos Advisor Services ("AAS"). AAS adds incremental fee income, a turnkey technology platform used by independent registered investment advisors for trading and custody services, and low-cost deposits that can be used to generate fee income from other bank partners or to fund loan growth at Axos Bank. The purchase price of \$54.8 million consisted entirely of cash consideration paid upon acquisition and working capital adjustments. There were no other acquisitions or similar transactions undertaken during fiscal years 2021 and 2020.

TECHNOLOGY Our technology is built on a collection of enterprise and client platforms that have been purchased, developed in-house or integrated with software systems to provide products and services to our customers. The implementation of our technology has been conducted using industry best-practices and using standardized approaches in system design, software development, testing and delivery. At the core of our infrastructure, we have designed and implemented secure and scalable hardware solutions to ensure we meet the needs of our business. Our customer experiences were designed to address the needs of a digital bank and its customers. Our websites and technology platforms drive our customer-focused and self-service engagement model, reducing the need for human interaction while increasing our overall operating efficiencies. Our focus on internal technology platforms enable continuous automation and secure and scalable processing environments for increased transaction capacity. We intend to continue to improve and adapt technology platforms to meet business objectives and implement new systems with the goal of efficiently enabling our business.

SECURITY We recognize that information is a critical asset. How information is managed, controlled and protected has a significant impact on the delivery of services. Information assets, including those held in trust, must be protected from unauthorized use, disclosure, theft, loss, destruction and alteration. We employ a robust information security program to achieve our security objectives. The program is designed to prevent, detect and respond to cyberattacks. We also continue to make significant investments in enhancing our cyber defense capabilities to mitigate the risks from the full spectrum of emerging **information cybersecurity** threats. **INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS** As part of our strategy to protect and enhance our intellectual property, we rely on a variety of legal protections, including copyrights, trademarks, trade secrets, patents, internet domain names and certain contractual restrictions on solicitation and competition, and

disclosure and distribution of confidential and proprietary information. We also undertake measures to control access to and / or disclosure of our trade secrets and other confidential and proprietary information. Policing unauthorized use of our intellectual property, trade secrets and other proprietary information is difficult and litigation may be necessary to enforce our intellectual property rights. HUMAN CAPITAL At June 30, 2022-2023, we had 1, 335-455 full- time employees, which does not include seasonal internship employees. None of our employees are represented by a labor union or are subject to a collective bargaining agreement. We have not experienced any work stoppage and consider our relations with our employees to be satisfactory. We offer market- based, competitive wages and benefits in the market where we compete for talent. ~~We believe in promoting a diverse and inclusive work environment.~~ **Our key human capital management objectives are to attract, retain and develop the highest quality talent. To support these objectives, our human resources programs are designed to develop talent to prepare them for critical roles and leadership positions for the future, reward and support employees through competitive pay, benefit and perquisite programs, and evolve and invest in technology, training, tools and resources to enable employees to effectively and efficiently perform their responsibilities and achieve their potential.** We believe this is important to recruiting and retaining talent to allow our organization to achieve its goals and objectives. ~~The safety, health and wellness of our employees is a top priority. In response to the COVID-19 pandemic, we continue to take several actions, including implementing safety measures in buildings and supporting work from home when appropriate.~~ COMPETITION The market for banking and financial services is intensely competitive, and we expect competition to continue to intensify in the future. The Bank attracts deposits through its banking sales force and online acquisition channels. Competition for those deposits comes from a wide variety of other banks, savings institutions, and credit unions. Money market funds, full- service securities brokerage firms and financial technology companies also compete ~~with us~~ for these funds. The Bank competes for these deposits by offering superior service and a variety of deposit accounts at competitive rates. In real estate lending, we compete against traditional real estate lenders, including large and small savings banks, commercial banks, mortgage bankers and mortgage brokers. Many of our current and potential competitors have greater brand recognition, longer operating histories, larger customer bases and significantly greater financial, marketing and other resources and are capable of providing strong price and customer service competition. **Technological innovation and capabilities, including changes in product delivery systems and we web - based tools, continue to contribute to greater competition in domestic and international financial services markets, and larger competitors may need be able to reduce-allocate more resources to these technology initiatives** ~~we offer on loans and investments and increase the rates we offer on deposits, which may adversely affect our overall financial condition and earnings.~~ In our Securities Business segment, we face significant competition in providing clearing and advisory services based on a number of factors, including price, speed of execution, perceived expertise, quality of advice, reputation, range of services and products, technology, and innovation. There exists significant competition for recruiting and retaining talent. Axos Clearing competes directly with numerous other financial advisory and investment banking firms, broker- dealers and banks, including large national and major regional firms and smaller niche companies, some of whom are not broker- dealers and, therefore, are not subject to the broker- dealer regulatory framework. We separate ourselves from the competition through our excellence in customer service, including a highly attentive and dedicated workforce, while providing an expanding range of clearing and advisory products and services. SUPERVISION AND REGULATION GENERAL We are subject to comprehensive regulation under state and federal laws. This regulation is intended primarily for the protection of our customers, the deposit insurance fund and the U. S. finance system and not for the benefit of our security holders. Axos Financial, Inc. is supervised and regulated as a savings and loan holding company by the Board of Governors of the Federal Reserve System (the “ Federal Reserve ”). The Bank, as a federal savings bank, is subject to regulation, examination and supervision by the Office of the Comptroller of the Currency (“ OCC ”) as its primary regulator, and the Federal Deposit Insurance Corporation (“ FDIC ”) as its deposit insurer. The Bank must file reports with the OCC and the FDIC and Axos Financial, Inc. with the Federal Reserve, concerning their activities and financial condition. In addition, the Bank is subject to the regulation, examination and supervision by the Consumer Financial Protection Bureau (“ CFPB ”) with respect to a broad array of federal consumer laws. Our subsidiaries, Axos Clearing LLC and Axos Invest LLC, are broker- dealers and are registered with and subject to regulation by the SEC and FINRA. In addition, Axos Invest, Inc., an investment adviser, is registered with the SEC. Axos Invest, Inc. is subject to the requirements of the Investment Advisers Act of 1940, as amended **(the “ Advisers Act ”)**, and the Investment Company Act of 1940, as amended, and is subject to examination by the SEC. The following information describes aspects of the material laws and regulations applicable to the Company. The information below does not purport to be complete and is qualified in its entirety by reference to all applicable laws and regulations. In addition, new and amended legislation, rules and regulations governing the Company are introduced from time to time by the U. S. government and its various agencies, **including in response to recent highly- publicized bank failures**. Any such legislation, regulatory changes or amendments could adversely affect us and no assurance can be given as to whether, or in what form, any such changes may occur. REGULATION OF FINANCIAL HOLDING COMPANY –General. Axos Financial is a unitary savings and loan holding company within the meaning of the Home Owners’ Loan Act (“ HOLA ”), and is treated as a “ financial holding company ” under Federal Reserve rules. Accordingly, Axos Financial is registered as a savings and loan holding company with the Federal Reserve and is subject to the Federal Reserve’ s regulations, examinations, supervision and reporting requirements. Axos Financial is required to file reports with, comply with the rules and regulations of, and is subject to examination by the Federal Reserve. In addition, the Federal Reserve has enforcement authority over Axos Financial and its subsidiaries. Among other things, this authority permits the Federal Reserve to restrict or prohibit activities that are determined to be a serious risk to the saving and loan holding company or its subsidiaries. Capital. Our Company and the Bank are subject to the risk- based regulatory capital framework and guidelines established by the Federal Reserve and the OCC. In July 2013, the Federal Reserve and the OCC published final rules (the “ Regulatory Capital Rules ”) establishing a comprehensive capital framework for U. S. banking organizations. The Regulatory Capital Rules are intended to measure

capital adequacy with regard to a banking organization's balance sheet, including off-balance sheet exposures such as unused portions of loan commitments, letters of credit, and recourse arrangements. The capital requirements for the Company are similar to those for the Bank. The Regulatory Capital Rules implement the Basel Committee's December 2010 capital framework known as "Basel III" for strengthening international capital standards as well as certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The failure of the Company or the Bank to meet minimum capital requirements can result in certain mandatory, and possibly additional discretionary actions by federal banking regulators that could have a material effect on the Company, explained in more detail below under "Regulation of Banking Business – Regulatory Capital Requirements and Prompt Corrective Action". The Regulatory Capital Rules require banking organizations (i. e., both the Company and the Bank) to maintain a minimum "common equity Tier 1" (or "CET1") ratio of 4.5%, a Tier 1 risk-based capital ratio of 6.0%, a total risk-based capital ratio of 8.0%, and a minimum leverage ratio of 4.0% (calculated as Tier 1 capital to average consolidated assets). A capital conservation buffer of 2.5% above each of these levels is required for banking institutions to avoid restrictions on their ability to make capital distributions, including the payment of dividends. The Regulatory Capital Rules provide for a number of deductions from and adjustments to CET1. In addition, trust preferred securities have been phased out of tier 1 capital for banking organizations that had \$15 billion or more in total consolidated assets as of December 31, 2009 unless the banking organization grows above \$15.0 billion in assets as a result of an acquisition. The Company's trust preferred securities currently are grandfathered under this provision. In addition, the Company and the Bank elected the **current expected credit losses ("CECL")** five-year transition guidance for calculating regulatory capital ratios on July 1, 2020 and the June 30, **2022-2023** ratios include this election. This guidance allows an entity to add back to capital 100% of the capital impact from the day one CECL transition adjustment and 25% of subsequent increases to the allowance for credit losses through June 30, 2022. This cumulative amount will then be phased out of regulatory capital over the **next following three years beginning July 1, 2022**. The implementation of certain regulations and standards relating to regulatory capital could disproportionately affect our regulatory capital position relative to that of our competitors, including those that may not be subject to the same regulatory requirements as the Company and the Bank. Various aspects of the Regulatory Capital Rules continue to be subject to further evaluation and interpretation by the U. S. banking regulators. As of June 30, **2022-2023**, the capital ratios of both the Company and the Bank exceeded the minimums necessary to be considered "well-capitalized" under the currently enacted capital adequacy requirements, including after implementation of the deductions and other adjustments to CET1 on a fully phased-in basis. For additional information, please see Note 19 **(~~"Minimum Regulatory Capital Requirements~~)"** to the financial statements filed with this report. Source of Strength. The Dodd-Frank Act extends the Federal Reserve "source of strength" doctrine to savings and loan holding companies. Such policy requires holding companies to act as a source of financial strength to their subsidiary depository institutions by providing capital, liquidity and other support in times of an institution's financial distress. The regulatory agencies have yet to issue joint regulations implementing this policy. Change in Control. The federal banking laws require that appropriate regulatory approvals must be obtained before an individual or company may take actions to "control" a bank or savings association. The definition of control found in the HOLA is similar to that found in the Bank Holding Company Act of 1956 ("BHCA") for bank holding companies. Both statutes apply a similar three-prong test for determining when a company controls a bank or savings association. Specifically, a company has control over either a bank or savings association if the company: • directly or indirectly or acting in concert with one or more persons, owns, controls, or has the power to vote 25% or more of the voting securities of a company; • controls in any manner the election of a majority of the directors (or any individual who performs similar functions in respect of any company, including a trustee under a trust) of the board; or • directly or indirectly exercises a controlling influence over the management or policies of the bank. Regulation LL includes a specific definition of "control" similar to the statutory definition, with certain additional provisions, and modifies the regulations for purposes of determining when a company or natural person acquires control of a savings association or savings and loan holding company under the HOLA or the Change in Bank Control Act ("CBCA"). In light of the similarity between the statutes governing bank holding companies and savings and loan holding companies, the Federal Reserve uses its established rules and processes with respect to control determinations under HOLA and the CBCA to ensure consistency between equivalent statutes administered by the same agency. Furthermore, the Federal Reserve may not approve any acquisition that would result in a multiple savings and loan holding company controlling savings institutions in more than one state, subject to two exceptions; (i) the approval of interstate supervisory acquisitions by savings and loan holding companies and (ii) the acquisition of a savings institution in another state if the laws of the state of the target savings institution specifically permit such acquisition. The states vary in the extent to which they permit interstate savings and loan holding company acquisitions. Financial Holding Company. **The In August 2018 the Company operates as received approval from the Federal Reserve Bank of San Francisco and became** a savings and loan holding company that is treated as a financial holding company under the rules and regulations of the Federal Reserve. Financial holding companies are generally permitted to affiliate with securities firms and insurance companies and engage in other activities that are "financial in nature." Such activities include, among other things, securities underwriting, dealing and market making; sponsoring mutual funds and investment companies; insurance underwriting and agency; merchant banking activities; and activities that the Federal Reserve has determined to be closely related to banking. If the Bank ceases to be "well capitalized" or "well managed" under applicable regulatory standards, the Federal Reserve may, among other things, place limitations on our ability to conduct these broader financial activities. In addition, if the Bank receives a rating of less than satisfactory under the Community Reinvestment Act, we would be prohibited from engaging in any additional activities other than those permissible for bank holding companies that are not financial holding companies. If a financial holding company fails to continue to meet any of the prerequisites for financial holding company status, including those described above, the Federal Reserve may order the company to divest its subsidiary banks or discontinue or divest investments in companies engaged in activities permissible only for a bank holding company that has elected to be treated as a financial holding company. No

regulatory approval is required for a financial holding company to acquire a company, other than a bank or savings association, engaged in activities that are financial in nature or incidental to activities that are financial in nature, as determined by the Federal Reserve. Volcker Rule. Under certain provisions of the Dodd- Frank Act known as the Volcker Rule, FDIC- insured depository institutions, their holding companies, subsidiaries and affiliates, are generally prohibited, subject to certain exemptions, from proprietary trading of securities and other financial instruments and from acquiring or retaining an ownership interest in a “ covered fund ”. The term “ covered fund ” can include, in addition to many private equity and hedge funds and other entities, certain collateralized mortgage obligations, collateralized debt obligations and collateralized loan obligations, and other items, but does not include wholly owned subsidiaries, certain joint ventures, or loan securitizations generally if the underlying assets are solely loans. Trading in certain government obligations is not prohibited by the Volcker Rule, including obligations of or guaranteed by the United States or an agency or government- sponsored entity of the United States, obligations of a State of the United States or a political subdivision thereof, and municipal securities. Proprietary trading generally does not include transactions under repurchase and reverse repurchase agreements, securities lending transactions and purchases and sales for the purpose of liquidity management if the liquidity management plan meets specified criteria; nor does it generally include transactions undertaken in a fiduciary capacity. In addition, activities eligible for exemption include, among others, certain brokerage, underwriting and marketing activities, and risk- mitigating hedging activities with respect to specific risks and subject to specified conditions. In July 2020, the Federal Reserve, FDIC, OCC, SEC, and the Commodity Futures Trading Commission (“ CFTC ”) finalized a rule modifying the Volcker Rule’ s prohibition on banking entities investing in or sponsoring hedge funds or private equity funds (referred to under the rules as covered funds). The final rule streamlines several aspects of the covered funds portion of the rule; allows banking organizations to offer and sponsor venture capital funds and a wider array of loan- related funds; and permits banking entities to offer financial services to, and engage in other activities with, covered funds that do not raise concerns that the Volcker rule was intended to address. The final rule became effective October 1, 2020. Potential Regulatory Enforcement Actions. If the Federal Reserve or the OCC determines that a saving and loan holding company’ s or federal savings bank’ s financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of its operations are unsatisfactory or that its management has violated any law or regulation, the agency has the authority to take a number of different remedial actions as it deems appropriate under the circumstances. These actions include the power to enjoin any “ unsafe or unsound ” banking practices; to require that affirmative action be taken to correct any conditions resulting from any violation of law or unsafe or unsound practice; to issue an administrative order that can be judicially enforced; to require that it increase its capital; to restrict its growth; assess civil monetary penalties against it or its officers or directors; and to remove any of its officers and directors.

REGULATION OF BANKING BUSINESS General. As a federally- chartered savings and loan association whose deposit accounts are insured by the FDIC, Axos Bank is subject to extensive regulation by the OCC and, FDIC and. ~~The Bank is also subject to regulation by the CFPB with respect to federal consumer financial laws.~~ The following discussion summarizes some of the principal areas of regulation applicable to the Bank and its operations.

Insurance of Deposit Accounts. The FDIC administers a deposit insurance fund (the “ DIF ”) that insures depositors in certain types of accounts up to a prescribed amount for the loss of any such depositor’ s respective deposits due to the failure of an FDIC member depository institution. As the administrator of the DIF, the FDIC assesses its member depository institutions and determines the appropriate DIF premiums to be paid by each such institution. **Recent activity in the banking industry, including certain highly- publicized bank failures, is expected to cause premiums on the FDIC’ s DIF to increase.** The FDIC is authorized to examine its member institutions and to require that they file periodic reports of their condition and operations. The FDIC may also prohibit any member institution from engaging in any activity the FDIC determines by regulation or order to pose a serious risk to the DIF. The FDIC ~~also~~ has the authority to initiate enforcement actions against savings associations, after giving the primary federal regulator the opportunity to take such action. The FDIC may terminate an institution’ s access to the DIF if it determines that the institution has engaged in unsafe or unsound practices or is in an unsafe or unsound condition. We do not know of any practice, condition or violation that might lead to termination of our access to the DIF. Axos Bank is a member depository institution of the FDIC and its deposits are insured by the DIF up to the applicable limits, which are backed by the full faith and credit of the U. S. Government. The basic deposit insurance limit is \$ 250, 000.

Regulatory Capital Requirements and Prompt Corrective Action. The prompt corrective action regulation of the OCC requires mandatory actions and authorizes other discretionary actions to be taken by the OCC against a savings association that falls within undercapitalized capital categories specified in OCC regulations. In general, the prompt corrective action regulation prohibits an FDIC member institution from declaring any dividends, making any other capital distribution, or paying a management fee to a controlling person if, following the distribution or payment, the institution would be within any of the three undercapitalized categories. In addition, adequately capitalized institutions may accept brokered deposits only with a waiver from the FDIC, but are subject to restrictions on the interest rates that can be paid on such deposits. Undercapitalized institutions may not accept, renew or roll- over brokered deposits. If the OCC determines that an institution is in an unsafe or unsound condition, or if the institution is deemed to be engaging in an unsafe and unsound practice, the OCC may, if the institution is well- capitalized, reclassify it as adequately capitalized. If the institution is adequately capitalized, but not well- capitalized, the OCC may require it to comply with restrictions applicable to undercapitalized institutions. If the institution is undercapitalized, the OCC may require it to comply with restrictions applicable to significantly undercapitalized institutions. Finally, pursuant to an interagency agreement, the FDIC can examine any institution that has a substandard regulatory examination score or is considered undercapitalized without the express permission of the institution’ s primary regulator. Capital regulations applicable to savings associations such as the Bank also require savings associations to meet the additional capital standard of tangible capital equal to at least 1. 5 % of total adjusted assets. The Bank’ s capital requirements are viewed as minimum standards and most financial institutions are expected to maintain capital levels well above the minimum. In addition, OCC regulations provide that minimum capital levels greater

than those provided in the regulations may be established by the OCC for individual savings associations upon a determination that the savings association's capital is or may become inadequate in view of its circumstances. Axos Bank is not subject to any such individual minimum regulatory capital requirement and the Bank's regulatory capital exceeded all minimum regulatory capital requirements as of June 30, ~~2022~~ **2023**. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." Stress Testing. The Economic Growth, Regulatory Relief, and Consumer Protection Act set the asset threshold for enhanced prudential standards and stress testing at \$ 100 billion of total consolidated assets. Based on asset levels at June 30, 2022, neither the Company nor the Bank are subject to **enhanced** stress test regulations. The federal banking agencies have indicated that the capital planning and risk management practices of financial institutions with total assets less than \$ 100 billion will continue to be reviewed through the regular supervisory process. We plan to continue monitoring our capital consistent with the safety and soundness expectations of the Federal Reserve and will continue to use customized stress testing as part of our capital planning process. Standards for Safety and Soundness. The federal banking regulatory agencies have prescribed, by regulation, guidelines for all insured depository institutions relating to: (i) internal controls, information systems and internal audit systems; (ii) loan documentation; (iii) credit underwriting; (iv) interest rate risk exposure; (v) asset growth; (vi) asset quality; (vii) earnings; and (viii) compensation, fees and benefits. The guidelines set forth safety and soundness standards that the federal banking regulatory agencies use to identify and address problems at FDIC member institutions before capital becomes impaired. If the OCC determines that the Bank fails to meet any standard prescribed by the guidelines, the OCC may require us to submit to it an acceptable plan to achieve compliance with the standard. OCC regulations establish deadlines for the submission and review of such safety and soundness compliance plans in response to any such determination. Loans- to- One- Borrower Limitations. Savings associations generally are subject to the lending limits applicable to national banks. With limited exceptions, the maximum amount that a savings association or a national bank may lend to any borrower, including related entities of the borrower, at one time may not exceed 15 % of the unimpaired capital and surplus of the institution, plus an additional 10 % of unimpaired capital and surplus for loans fully secured by readily marketable collateral. Savings associations are additionally authorized to make loans to one borrower by order of its regulator, in an amount not to exceed the lesser of \$ 30. 0 million or 30 % of unimpaired capital and surplus for the purpose of developing **domestic** residential housing, if the following specified conditions are met: • The savings association is in compliance with its fully phased- in capital requirements; • The loans comply with applicable loan- to- value requirements; and • The aggregate amount of loans made under this authority does not exceed 150 % of unimpaired capital and surplus. **At June 30, 2023, the Bank's loans- to- one- borrower limit was \$ 301. 1 million, based upon the 15 % of unimpaired capital and surplus measurement. At June 30, 2023, our largest outstanding loan balance to one borrower was \$ 250. 0 million.** Qualified Thrift Lender Test. Savings associations must meet a qualified thrift lender, or " QTL, " test. This test may be met either by maintaining a specified level of portfolio assets in qualified thrift investments as specified by the HOLA, or by meeting the definition of a " domestic building and loan association, " (**" DBLA "**) under the Internal Revenue Code of 1986, as amended, ~~or (the " Code ")~~. Qualified thrift investments are primarily residential mortgage loans and related investments, including mortgage related securities. Portfolio assets generally mean total assets less specified liquid assets, goodwill and other intangible assets and the value of property used in the conduct of the Bank's business. The required percentage of qualified thrift investments under the HOLA is 65 % of " portfolio assets " (defined as total assets less: (i) specified liquid assets up to 20 % of total assets; (ii) intangibles, including goodwill; and (iii) the value of property used to conduct business) **and under the DBLA is at least 60 % of the amount of total assets**. An association must be in compliance with the ~~QTL- HOLA test or the definition of domestic building and loan association~~ **in at least** nine out of every 12 months **or meet the definition of a DBLA at the savings association's fiscal year end or on an average basis**. Savings associations that fail to meet the QTL test will generally be prohibited from engaging in any activity not permitted for both a national bank and a savings association. At June 30, ~~2022~~ **2023**, the Bank was in compliance with its QTL requirement and met the definition of a ~~DBLA domestic building and loan association~~. Liquidity Standard. Savings associations are required to maintain sufficient liquidity to ensure safe and sound operations. As of June 30, ~~2022~~ **2023**, Axos Bank was in compliance with the applicable liquidity standard. Transactions with Related Parties. The authority of the Bank to engage in transactions with " affiliates " (i. e., any company that controls or is under common control with it, including the Company and any non- depository institution subsidiaries) is limited by federal law. The aggregate amount of covered transactions with any individual affiliate is limited to 10 % of the capital and surplus of the savings institution. The aggregate amount of covered transactions with all affiliates is limited to 20 % of a savings institution's capital and surplus. Certain transactions with affiliates are required to be secured by collateral in an amount and of a type described in federal law. The purchase of low quality assets from affiliates is generally prohibited. Transactions with affiliates must be on terms and under circumstances that are at least as favorable to the institution as those prevailing at the time for comparable transactions with non- affiliated companies. In addition, savings institutions are prohibited from lending to any affiliate that is engaged in activities that are not permissible for bank holding companies, and no savings institution may purchase the securities of any affiliate other than a subsidiary. The Sarbanes- Oxley Act generally prohibits loans by public companies to their executive officers and directors. However, there is a specific exception for loans by financial institutions, such as the Bank, to its executive officers and directors that are made in compliance with federal banking laws. Under such laws, our authority to extend credit to executive officers, directors, and 10 % or more ~~shareholders~~ **stockholders** (" insiders "), as well as entities such persons control, is limited. The law limits both the individual and aggregate amount of loans the Bank may make to insiders based, in part, on its capital position and requires certain board approval procedures to be followed. Such loans are required to be made on terms substantially the same as those offered to unaffiliated individuals and cannot involve more than the normal risk of repayment. There is an exception for loans made pursuant to a benefit or compensation program that is widely available to all employees of the institution and does not give preference to insiders over other employees. Capital Distribution Limitations. OCC regulations limit the ability of a savings association to

make capital distributions, such as cash dividends. These regulations limit the ability of the Bank to pay dividends or other capital distributions to the Company, which in turn may limit our ability to pay dividends, repay debt or redeem or purchase shares of our outstanding common stock. Under these regulations, a savings association may, in circumstances described in those regulations:

- Be required to file an application and await approval from the OCC before it makes a capital distribution;
- Be required to file a notice 30 days before the capital distribution; or
- Be permitted to make the capital distribution without notice or application to the OCC.

Community Reinvestment Act and the Fair Lending Laws. Savings associations have a responsibility under the Community Reinvestment Act and related regulations of the OCC to help meet the credit needs of their communities, including low- and moderate- income neighborhoods. In addition, the Equal Credit Opportunity Act and the Fair Housing Act prohibit lenders from discriminating in their lending practices on the basis of characteristics specified in those statutes. An institution's failure to comply with the provisions of the Community Reinvestment Act could, at a minimum, result in regulatory restrictions on its activities and the denial of applications for certain expansionary activities. In addition, an institution's failure to comply with the Equal Credit Opportunity Act and the Fair Housing Act could result in the OCC, other federal regulatory agencies or the Department of Justice, taking enforcement actions against the institution. In the most recent Community Reinvestment Act Report, issued May 2019, the Bank received a 'Satisfactory' rating covering calendar years 2016, 2017, and 2018.

Federal Home Loan Bank ("FHLB") System. The Bank is a member of the FHLB system. Among other benefits, each FHLB serves as a reserve or central bank for its members within its assigned region. Each FHLB is financed primarily from the sale of consolidated obligations of the FHLB system. Each FHLB makes available loans or advances to its members in compliance with the policies and procedures established by the Board of Directors of the individual FHLB. As an FHLB member, the Bank is required to own capital stock in a Federal Home Loan Bank in specified amounts based on either its aggregate outstanding principal amount of its residential mortgage loans, home purchase contracts and similar obligations at the beginning of each calendar year or its outstanding advances from the FHLB.

Activities of Subsidiaries. A savings association seeking to establish a new subsidiary, acquire control of an existing company or conduct a new activity through a subsidiary must provide not less than 30 days prior notice to the FDIC and the OCC and conduct any activities of the subsidiary in compliance with regulations and orders of the OCC. The OCC has the power to require a savings association to divest any subsidiary or terminate any activity conducted by a subsidiary that the OCC determines to pose a serious threat to the financial safety, soundness or stability of the savings association or to be otherwise inconsistent with sound banking practices.

Consumer Laws and Regulations. The Dodd- Frank Act established the CFPB with broad rule- making, supervisory and enforcement authority over consumer financial products and services, including deposit products, residential mortgages, home- equity loans and credit cards. The CFPB is an independent " watchdog " within the Federal Reserve System with authority to enforce and create (i) rules, orders and guidelines of the CFPB, (ii) all consumer financial protection functions, powers and duties transferred from other federal agencies, such as the Federal Reserve, the OCC, the FDIC, the Federal Trade Commission, and the Department of Housing and Urban Development, and (iii) a long list of consumer financial protection laws enumerated in the Dodd- Frank Act, such as the Electronic Fund Transfer Act, the Consumer Leasing Act of 1976, the Alternative Mortgage Transaction Parity Act of 1982, the Equal Credit Opportunity Act, the Expedited Funds Availability Act, the Truth in Lending Act and the Truth in Savings Act, among many others. The CFPB has broad examination and enforcement authority, including the power to issue subpoenas and cease and desist orders, commence civil actions, hold investigations and hearings and seek civil penalties, as well as the authority to regulate disclosures, mandate registration of any covered person and to regulate what it considers unfair, deceptive, abusive practices. Depository institutions with more than \$ 10 billion in assets and their affiliates are subject to direct supervision by the CFPB, including any applicable examination, enforcement and reporting requirements the CFPB may establish. As of June 30, 2022-2023, we had \$ 17.20. 43 billion in total assets, placing the Bank under the direct supervision and oversight of the CFPB. The laws and regulations of the CFPB and other consumer protection laws and regulations to which the Bank is subject mandate certain disclosure requirements and regulate the manner in which we must deal with customers when taking deposits from, making loans to, or engaging in other types of transactions with, our customers. A section of the Dodd- Frank Act, commonly referred to as the Durbin Amendment, reduced the level of interchange fees that could be charged by institutions with greater than \$ 10 billion in total assets. The exemption for small issuers ceases to apply as of July 1st of the year following the calendar year in which the issuer has total consolidated assets of \$ 10 billion or more at calendar year- end. At December 31, 2019, we had total assets in excess of \$ 10 billion. Therefore, as of July 1, 2020, the Durbin Amendment reduced the amount of interchange fees that we can charge and adversely affected our non- interest income. As expected, and previously disclosed, our fee- sharing prepaid card partnerships, including H & R Block, executed their termination rights. In May 2020, the OCC finalized its " true lender " rule to address the legal uncertainty regarding the effect of a transfer on a loan's permissible interest rate caused by the Second Circuit's 2015 decision in *Madden v. Midland Funding, LLC*. The rule clarified that when a national bank (or federal savings bank, such as the Bank) sells, assigns, or otherwise transfers a loan, the interest permissible before the transfer continues to be permissible after the transfer. On June 30, 2021, President Biden signed a Congressional Review Act resolution repealing the OCC's true lender rule. The repeal creates uncertainty regarding the ability of nonbank loan purchasers to collect interest on loans originated by a national bank or federal savings bank as originally agreed, which may impact the Company's decision to participate in this type of lending in the future.

Privacy Standards and Cybersecurity. The Gramm- Leach- Bliley Act (" GLBA ") modernized the financial services industry by establishing a comprehensive framework to permit affiliations among commercial banks, insurance companies, securities firms and other financial service providers. The Bank is subject to OCC regulations implementing the privacy protection provisions of the GLBA. These regulations require the Bank to disclose its privacy policy, including informing consumers of its information sharing practices and informing consumers of their rights to opt out of certain practices. State regulators have been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing

detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. ~~The In June 2018, the California legislature passed the California Consumer Privacy Act of 2018 (~~ **as amended by** ~~the “California Privacy Rights Act”);~~ **the “California Privacy Rights Act”**; ~~which took effect on January 1, 2020. The California Privacy Act,~~ **which covers businesses that obtain or access collect and use** personal information on California resident consumers, grants consumers enhanced privacy rights and control over their personal information and imposes significant requirements on covered companies with respect to consumer data privacy rights. New laws or changes to existing laws, including privacy- related enforcement activity, increase our operating and compliance costs (including technology costs) and could reduce income from certain business initiatives or restrict our ability to provide certain products and services. Our failure to comply with privacy, data protection and information security laws could result in ~~potentially~~ significant regulatory or governmental investigations or actions, litigation, fines, sanctions, and damage to our reputation, which could have a material adverse effect on our business, financial condition or results of operations. Bank Secrecy Act and Anti- Money Laundering The Bank, its affiliated broker- dealers and in certain cases Axos Financial, Inc., are subject to the Bank Secrecy Act and other anti- money laundering laws and regulations, including the USA PATRIOT Act. The Bank Secrecy Act requires all financial institutions to, among other things, establish a risk- based system of internal controls reasonably designed to prevent money laundering and the financing of terrorism. The Bank Secrecy Act includes various record keeping and reporting requirements such as cash transaction and suspicious activity reporting as well as due diligence requirements. The USA PATRIOT Act gives the federal government broad powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing, and broadened anti- money laundering requirements. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist regulation could have serious legal and reputational consequences for the institution. Office of Foreign Assets Control Regulation **and Anti- Corruption** The Bank and its affiliated broker- dealers are also required to comply with the U. S. Treasury’ s Office of Foreign Assets Control imposed economic sanctions that affect transactions with designated foreign countries, nationals, individuals, entities and others. These are typically known as the “ OFAC **rules,**” ~~rules,~~ based on their administration by the U. S. Treasury Department Office of Foreign Assets Control (**“ OFAC ”**). The OFAC- administered sanctions targeting countries take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with, or investment in, a sanctioned country, including prohibitions against direct or indirect imports from, and exports to, a sanctioned country and prohibitions on “ U. S. persons ” engaging in financial transactions relating to making investments in, or providing investment- related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to U. S. jurisdiction (including property in the possession or control of U. S. persons). Blocked assets (e. g., property and bank deposits) cannot be paid out, withdrawn, set off, or transferred in any manner without a license from OFAC. **We are also subject to the U. S. Foreign Corrupt Practices Act and other laws and regulations worldwide regarding corrupt and illegal payments, or providing anything of value, for the benefit of government officials and others.** Failure to comply with these sanctions **and the U. S. Foreign Corrupt Practices Act, or similar laws and regulations,** could have serious legal and reputational consequences. REGULATION OF SECURITIES BUSINESS ~~Our~~ **Out-Our** correspondent clearing and custodial firm Axos Clearing , and **introducing broker** Axos Invest ~~introducing broker~~ **LLC,** are broker- dealers registered with the SEC and members of FINRA and various other self- regulatory organizations. Axos Clearing also uses various clearing organizations, including the Depository Trust Company, the National Securities Clearing Corporation, **Euroclear** and the Options Clearing Corporation. Our broker- dealers are registered with the SEC, FINRA, all 50 U. S. states and the District of Columbia. Much of the regulation of broker- dealers, however, has been delegated to self- regulatory organizations, principally FINRA, the Municipal Securities Rulemaking Board or national securities exchanges. These self- regulatory organizations adopt rules (which are subject to approval by the SEC) for governing their members and the industry. Broker- dealers are also subject to federal regulation and the securities laws of each state where they conduct business. Our broker- dealers are members of, and are primarily subject to regulation, supervision and regular examination by FINRA. Broker- dealers are subject to extensive laws, rules and regulations covering all aspects of the ~~securities~~ **Securities business- Business** , including sales and trading practices, public offerings, publication of research reports, use and safekeeping of clients’ funds and securities, capital adequacy, record keeping and reporting, the conduct of directors, officers, and employees, qualification and licensing of supervisory and sales personnel, marketing practices, supervisory and organizational procedures intended to ensure compliance with securities laws and to prevent improper trading on material nonpublic information, limitations on extensions of credit in securities transactions, clearance and settlement procedures, and rules designed to promote high standards of commercial honor and just and equitable principles of trade. Broker- dealers are ~~also~~ regulated by state securities administrators in those jurisdictions where they do business. Regulators may conduct periodic examinations and review reports of our operations, controls, supervision, performance, and financial condition. Our broker- dealers’ margin lending is regulated by the Federal Reserve Board’ s restrictions on lending in connection with client purchases and short sales of securities, and FINRA rules ~~also~~ require our broker- dealers to impose maintenance requirements based on the value of securities contained in margin accounts. The rules of the Municipal Securities Rulemaking Board, which are enforced by the SEC and FINRA, apply to the municipal securities activities of Axos Clearing , ~~and the Axos Invest LLC broker- dealer.~~ Violations of laws, rules and regulations governing a broker- dealer’ s actions could result in censure, penalties and fines, the issuance of cease- and- desist orders, the restriction, suspension, or expulsion from the securities industry of such broker- dealer, its registered representatives, officers or employees, or other similar adverse consequences. Significant new rules and regulations continue to arise as a result of the Dodd- Frank Act, including the implementation of a more stringent fiduciary standard for broker- dealers and increased regulation of investment advisers. Compliance with these provisions could result in increased costs. Moreover, to the extent the Dodd- Frank Act affects the operations, financial condition, liquidity, and capital requirements of financial institutions with

whom we do business, those institutions may seek to pass on increased costs, reduce their capacity to transact, or otherwise present inefficiencies in their interactions with us. Limitation on Businesses. The businesses that our broker- dealers may conduct are limited by its agreements with, and its oversight by, FINRA, other regulatory authorities and federal and state law. Participation in new business lines, including trading of new products or participation on new exchanges or in new countries often requires governmental and / or exchange approvals, which may take significant time and resources. In addition, our broker- dealers are operating subsidiaries of Axos, which means their activities may be further limited by those that are permissible for subsidiaries of financial holding companies, and as a result, may be prevented from entering new businesses that may be profitable in a timely manner, if at all. Net Capital Requirements. The SEC, FINRA and various other regulatory authorities have stringent rules and regulations with respect to the maintenance of specific levels of net capital by regulated entities. Rule 15c3- 1 of the Exchange Act (the “ Net Capital Rule ”) requires that a broker- dealer maintain minimum net capital. Generally, a broker- dealer’ s net capital is net worth plus qualified subordinated debt less deductions for non- allowable (or non- liquid) assets and other adjustments and operational charges. At June 30, 2022-2023, our broker- dealers were in compliance with applicable net capital requirements. The SEC, FINRA and other regulatory organizations impose rules that require notification when net capital falls below certain predefined thresholds. These rules also dictate the ratio of debt- to- equity in the regulatory capital composition of a broker- dealer, and constrain the ability of a broker- dealer to expand its business under certain circumstances. If a broker- dealer fails to maintain the required net capital, it may be subject to penalties and other regulatory sanctions, including suspension or revocation of registration by the SEC or applicable regulatory authorities, and suspension or expulsion by these regulators could ultimately lead to the broker- dealer’ s liquidation. Additionally, the Net Capital Rule and certain FINRA rules impose requirements that may have the effect of prohibiting a broker- dealer from distributing or withdrawing capital and requiring prior notice to, and approval from, the SEC and FINRA for certain capital withdrawals. Compliance with the net capital requirements may limit our operations, requiring the intensive use of capital. Such rules require that a certain percentage of a broker- dealer’ s assets be maintained in relatively liquid form and therefore act to restrict our ability to withdraw capital from our broker- dealer entities, which in turn may limit our ability to pay dividends, repay debt or redeem or purchase shares of our outstanding common stock. Any change in such rules or the imposition of new rules affecting the scope, coverage, calculation or amount of capital requirements, or a significant operating loss or any unusually large charge against capital, could adversely affect our ability to pay dividends, repay debt, meet our debt covenant requirements or to expand or maintain our operations. In addition, such rules may require us to make substantial capital contributions into one or more of the our broker- dealers in order for such subsidiaries to comply with such rules, either in the form of cash or subordinated loans made in accordance with the requirements of all applicable net capital rules. Customer Protection Rule. Our broker- dealers that hold customers’ funds and securities are subject to the SEC’ s customer protection rule (Rule 15c3- 3 under the Exchange Act), which generally provides that such broker- dealers maintain physical possession or control of all fully- paid securities and excess margin securities carried for the account of customers and maintain certain reserves of cash or qualified securities. Securities Investor Protection Corporation (“ SIPC ”). Our broker- dealers are subject to the Securities Investor Protection Act and belong to SIPC, whose primary function is to provide financial protection for the customers of failing brokerage firms. SIPC provides protection for customers up to \$ 500, 000, of which a maximum of \$ 250, 000 may be in cash. Anti- Money Laundering. Our broker- dealers must also comply with the USA PATRIOT Act and other rules and regulations, including FINRA requirements, designed to fight international money laundering and to block terrorist access to the U. S. financial system. We are required to have systems and procedures to ensure compliance with such laws and regulations. **Form Customer Relationship Summary (“ Form CRS ”). The SEC Form CRS requires registered investment advisors and broker- dealers to deliver to retail investors a succinct, plain English summary about the relationship and services provided by the firm and the required standard of conduct associated with the relationship and services.** AVAILABLE INFORMATION Axos Financial, Inc. files reports, proxy and information statements and other information electronically with the SEC. ~~You may read and copy any materials that we file with the SEC at the SEC’ s Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information may be obtained on the operation of the Public Reference Room by calling the SEC at 1- 800- SEC- 0330.~~ The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC’ s website site address is <http://www.sec.gov>. Our web site address is <http://www.axosfinancial.com>, and we make our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q and Current Reports on Form 8- K and, amendments thereto **and various other documents, including documents to comply with our obligations under Regulation FD**, available on our website free of charge. **Accordingly, investors should monitor our website in addition to following and reviewing our press releases, filings with the SEC and public conference calls and other presentations.** ITEM 1A. RISK FACTORS An investment in our common stock is subject to risks inherent in our business. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included in this report. In addition to the risks and uncertainties described below, other risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Risks disclosed in this section may have already materialized. The value or market price of our common stock could decline due to any of these identified or other risks, and you could lose all or part of your investment. This **Annual Report report on Form 10- K** is qualified in its entirety by these risk factors. Risks Relating to Macroeconomic Conditions Changes in interest rates could adversely affect our performance. Our results of operations depend to a great extent on our net interest income, which is the difference between the interest rates earned on interest- earning assets such as loans and investment securities, and the interest rates paid on interest- bearing liabilities such as deposits and borrowings. We are exposed to interest rate risk because our interest- earning assets and interest- bearing liabilities do not react uniformly or concurrently to changes in interest rates, as the two have different time periods for adjustment and can be tied to different measures of rates. Interest rates are sensitive to factors that are beyond our control, including domestic and

international economic conditions, including inflation, and the policies of various governmental and regulatory agencies, including the Federal Reserve. The monetary policies of the Federal Reserve, implemented through open market operations, the federal funds rate targets, **and** the discount rate for banking borrowings and reserve requirements, affect prevailing interest rates. A material change in any of these policies could have a material impact on us or our customers (including borrowers), and therefore on our results of operations. Since maintaining a federal funds rate target in the range of 0 % to 0.25 % from March 2020 through 2021, the Federal Reserve made multiple rate increases during 2022 ~~including and 2023~~ increasing the target federal funds rate ~~by 75 basis points~~ to a range of **1.50 % to 5.25 % as of June 2023, and subsequently to a range of 5.25 % to 5.50 % to 1.75 % as of June August 2022-2023**. **The future direction and levels of interest** ~~has indicated it anticipates further rate increases due to high rates of inflation remain uncertain~~. Loan originations and repayment rates tend to increase with declining interest rates and decrease with rising interest rates. **Increases in interest rates can negatively impact our business, including a possible reduction in customers' or potential customers' desire to borrow money or adversely affecting customers' ability to repay on outstanding loans by increasing their debt obligations.** On the deposit side, increasing interest rates generally lead to interest rate increases on our deposit accounts. ~~We~~ **While we** manage the sensitivity of our assets and liabilities. ~~However~~, large, unanticipated, or rapid increases in market interest rates may have an adverse impact on our net interest income and could decrease our mortgage refinancing business and related fee income, and could cause an increase in delinquencies and non-performing loans and leases in our adjustable-rate loans. In addition, interest rate volatility can affect the value of our loans and leases, investments and other interest-rate sensitive assets and our ability to realize gains on the sale or resolution of these assets, **which in turn may affect our liquidity**. There can be no assurance that we will be able to successfully manage our interest rate risk. A significant ~~or sustained~~ economic downturn could result in increases in our level of non-performing loans and leases and / or reduce demand for our products and services, which could have an adverse effect on our results of operations. Our business and results of operations are affected by the financial markets and general economic conditions, including factors such as the level and volatility of interest rates, inflation, home prices, unemployment and under-employment levels, bankruptcies, household income and consumer spending. ~~We~~ **While the national economy and most regions have improved since the onset of the COVID-19 pandemic, we now operate in an uncertain economic environment due to, among other things, the continuing effects of the COVID-19 pandemic, in addition to a variety of other reasons for economic uncertainty, including, but not limited to, trade policies and tariffs, geopolitical tensions, including escalating military tensions in Europe as a result of Russia's invasion of Ukraine, concerns about high inflation, rising interest rates, the national debt, the stability of the European Union ("EU"), including Britain's exit from the EU, and volatile energy prices and uncertain continuing effects of the coronavirus ("COVID-19") pandemic**. The risks associated with our business become more acute in periods of a slowing economy or slow growth. ~~Recessionary conditions, high unemployment or potential negative events in the housing markets, including significant and continuing home price declines and increased delinquencies and foreclosures, would adversely affect our mortgage and construction loans and result in increased asset write-downs. While we take steps to decrease and limit our exposure to problem loans, we nonetheless retain direct exposure to the residential and commercial real estate markets. Declines in real estate values, or an economic downturn and an increase in unemployment levels may result in higher than expected loan and lease delinquencies and a decline in demand for our products and services. Furthermore, given our high concentration of loans secured by real estate in California and New York, the Company remains specifically particularly susceptible to a downturn in California those states's economy economies~~. These negative events may cause us to incur losses and may adversely affect our capital, financial condition and results of operations. The **specific impact on us of unfavorable or uncertain economic or market conditions is difficult to predict, could be long or short term, and may be direct or indirect. A worsening of business and economic conditions generally or specifically in the principal markets in which we conduct business could have adverse effects, including the following: • a decrease in the demand for, or the availability of, loans and other products and services we offer; • a decrease in deposit balances, including low-cost and noninterest bearing deposits, and changes in our interest rate mix toward higher-cost deposits; • an increase in the number of borrowers who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to us, which could lead to higher levels of nonperforming assets, net charge-offs, and provisions for credit losses; • a decrease in the value of loans and other assets secured by collateral such as consumer or commercial real estate; • a decrease in net interest income from our lending and deposit gathering activities; • an impairment of certain intangible assets such as goodwill; • an increase in competition resulting from increasing consolidation within the financial services industry; and • an increase in borrowing costs in excess of changes in the rate at which we reinvest funds. Inflation could negatively impact our business and our profitability. Prolonged periods of inflation may impact our profitability by negatively impacting our non-interest expenses, including increasing expense related to talent acquisition and retention. Additionally, inflation may lead to a decrease in consumer and clients purchasing power and negatively affect the need or demand for our products and services. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses which could decrease our willingness to offer new credit extensions. These inflationary pressures could adversely affect our results of operations or financial condition. The value of our securities in our investment portfolio may decline in the future. The fair market value of our investment securities may be adversely affected by general economic and market conditions, including changes in interest rates, credit spreads, and the occurrence of any events adversely affecting the issuer of particular securities in our investments portfolio or any given market segment or industry in which we are invested. We analyze our available-for-sale securities on a quarterly basis to measure any impairment and potential credit losses. The process for determining impairment and any credit losses usually requires complex, subjective judgments about the future financial performance of the issuer in order to assess the probability of receiving principal and interest payments sufficient to recover our amortized cost of the security. Because of changing economic**

and market conditions affecting issuers, we may be required to recognize credit losses in future periods, which could have a material adverse effect on our business, financial condition, and results of operations. The weakness of other financial institutions or other companies in the financial services industries could adversely affect us. Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty and other relationships. We have exposure to many different counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers-dealers, other commercial banks, investment banks, mutual and hedge funds, and other financial institutions. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, could lead to market-wide liquidity problems and losses or defaults by us or by other institutions and organizations. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be liquidated, liquidated timely or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due to us. There is no assurance that any such losses would not materially and adversely affect our results of operations. Events, both actual or rumored, involving limited liquidity, defaults, non-performance or other adverse developments that affect other companies in the financial services industry or the financial services industry generally have in the past, and may in the future, lead to erosion of customer confidence in the financial services industry, deposit volatility, liquidity issues, stock price volatility and other adverse developments, including increased regulatory oversight, increased premiums for the FDIC insurance program, higher capital requirements or changes in the way regulatory capital is calculated, and impositions of additional restrictions through regulatory changes or supervisory or enforcement activities. As a result, our operating margins, financial condition and results of operations may be adversely affected. Replacement of the LIBOR benchmark interest rate may have an impact on our business, financial condition or results of operations. On July 27, 2017, the Financial Conduct Authority (“FCA”), a regulator of financial services firms in the United Kingdom, announced that it intends to stop persuading or compelling banks to submit LIBOR and certain other interest rates rate after 2021. On November 30, 2020, benchmarks are the subject of national, international, 2020 to facilitate an and orderly other regulatory guidance and reform. Effective January 1, 2022, the administrator of LIBOR transition, the OCC, the FDIC, and the Federal Reserve jointly announced that entering into new contracts using LIBOR as a reference rate after December 31, 2021 would create a safety and soundness risk. On March 5, 2021, the FCA announced that all LIBOR settings will either cease ceased to be provided by any administrator or no longer be representative immediately after December 31, 2021, in the case publication of + one - week and 2 two - month US U. S. dollar LIBOR -, and immediately ceased the publications of the remaining tenors of US dollar LIBOR (one, three, six, and 12- month) after June 30, 2023 -, in the case of the remaining U. S. dollar LIBOR settings. In the United States, efforts to identify a set of alternative U. S. dollar reference interest rates are ongoing, and the Alternative Reference Rate Committee (“ARRC”) has recommended the use of SOFR. On March 15, 2022, President Biden signed into law the Consolidated Appropriations Act of 2022, which among other things, provides for the use of interest rates based on SOFR in certain contracts currently based on LIBOR and a safe harbor from liability for utilizing SOFR-based interest rates as a replacement for LIBOR. Generally, all loans we originated since 2017 have contract language that allow allowed us to replace LIBOR with an alternative index. All of our variable rate mortgage loans underwritten for the U. S. Government Agencies (FNMA, FHLMC & FHA / VA) after December 31, 2020 have used SOFR as the benchmark index. All other variable rate loans approved after December 31, 2021 do not use LIBOR as the benchmark index and have instead used primarily SOFR, Ameribor or BSBY (“Bloomberg Short-Term Bank Yield Index”) as the benchmark index. Prior to July As of June 30, 2022, there is approximately \$ 9.1 billion, 2023 or approximately 64 %, of the outstanding balance in our total date LIBOR ceased to be available, we transitioned all remaining loan-loans in our portfolio that were leveraging LIBOR as the benchmark index -. While some LIBOR loans will mature or prepay, a significant portion of our loans will remain and will likely require us to name a replacement index before June 30, 2023, the other indices, primarily date LIBOR ceases. We are currently in the process of preparing borrower communications. Given the inherent differences between LIBOR and SOFR, Ameribor or BSBY any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR, including but not limited to the need to amend -- and all contracts notified borrowers of the change in accordance with LIBOR as the applicable contractual referenced rate. We continue to evaluate how this will impact the interest income we earn on our loans currently using LIBOR as a benchmark index, and regulatory requirements what the impact of such a transition will have on our business, financial condition, or results of operations, and to develop and implement plans to mitigate the risks associated with the expected discontinuation of LIBOR, including negotiating certain of our agreements on established alternative benchmark rates. The market transition away from LIBOR to an alternative reference rate rates is complex and could have a range of adverse effects on our business, financial condition and results of operations. In particular, the any such transition could :- adversely affect the interest rates paid or received on, the revenue and expenses associated with, and the value of our floating-rate obligations, loans, deposits, derivatives, and other financial instruments tied to LIBOR rates, or other securities or financial arrangements given LIBOR’s role in determining market interest rates globally; - prompt inquiries or other actions from regulators regarding in respect of our preparation and readiness for the replacement of LIBOR with an alternative reference rate and; - require extensive changes to the contracts that govern these LIBOR-based products; - result in disputes, litigation or other actions with counterparties regarding the interpretation and enforceability of certain fallback language in securities that were LIBOR-based securities; - require the transition to or development of appropriate systems and analytics to effectively transition our risk management processes from LIBOR-based products to those based on the applicable alternative pricing benchmark; and - impact our pricing and interest rate risk models, our loan product structures, our funding costs, our valuation tools and result in increased compliance and operational costs. Risks Related to COVID-19 The outbreak of COVID-19 has impacted our business and could adversely affect our business activities, financial condition and results of operations. The

COVID-19 pandemic has created global and domestic economic and financial disruptions which could adversely affect our business operations, asset valuations, and financial results in the future. In addition, we also face an increased risk of client disputes, litigation and governmental and regulatory scrutiny as a result of the effects of COVID-19 on market and economic conditions and actions governmental authorities take in response to those conditions, including moratoria and other suspensions of collections, foreclosures, and related obligations. The Company continues to monitor the ongoing impact on our business, financial condition, liquidity and results of operations, including future developments and uncertainties beyond the Company's control. Because there have been no comparable recent pandemics that resulted in a similar global impact, the full extent to which the COVID-19 pandemic will impact our business operations, asset valuations and financial results will depend on future developments which remain uncertain and cannot be predicted, including the scope and duration of the pandemic, including new strains of the virus, the efficacy and distribution of, and participation in, vaccination programs, the continued effectiveness of our business continuity plan, the direct and indirect impact of the pandemic on our employees, customers and third-party service providers, as well as other market participants, and the effectiveness of actions taken by governmental authorities and other third parties in response to the pandemic. The ultimate economic impacts to the Company of the evolving COVID-19 pandemic are uncertain and difficult to predict and could adversely impact our business, financial condition and results of operations.

Risks Relating to Regulation of our Business Changes in laws, regulations or oversight or increased enforcement activities by regulatory agencies may increase our costs and adversely affect our business and operations. We operate in a highly regulated industry and are subject to oversight, regulation and examination by federal and / or state governmental authorities under various laws, regulations and policies, which impose requirements or restrictions on our operations, capitalization, payment of dividends, mergers and acquisitions, investments, loans and interest rates charged and interest rates paid on deposits. We must also comply with federal anti- money laundering, bank secrecy, tax withholding and reporting, and various consumer protection statutes and regulations. A considerable amount of management time and resources is devoted to oversight of, and development and, implementation and execution of controls and procedures relating to, compliance with these laws, regulations and policies. The laws, rules, regulation regulations and supervisory policies applicable to us governing our business are intended primarily for the protection of our depositors, our customers, the financial system and the FDIC insurance fund, not our stockholders or other creditors and are subject to regular modification and change. New or amended laws, rules and, regulations and policies, including potential changes under consideration in response to recent highly-publicized bank failures, could impact our operations, increase our capital requirements or substantially restrict our growth and adversely affect our ability to operate profitably by making compliance much more difficult or expensive, restricting restrict our ability to originate or sell loans, or impact further restricting the amount of interest or other charges or fees earned on loans or other products. In addition, further regulation, including in response to recent highly- publicized bank failures, could increase the assessment rate we are required to pay to the FDIC, adversely affecting our earnings. It is very difficult to predict future changes in regulation or the competitive impact that any such changes would have on our business. Any new laws, rules and regulations could make compliance more difficult, expensive, costly to implement or may otherwise adversely affect our business, financial condition or growth prospects. Other changes to statutes, regulations, or regulatory policies, including changes in interpretation or implementation of statutes, regulations, or policies, could affect us in substantial and unpredictable ways including subjecting us to additional costs, limiting the types of financial services and products we may offer, and increasing the ability of non- banks to offer competing financial services and products. The In addition, the federal Bank Secrecy Act, the USA PATRIOT Act, and similar laws and regulations require financial institutions, among other duties, to institute and maintain effective anti- money laundering programs and to file suspicious activity and currency transaction reports as appropriate. The Financial Crimes Enforcement Network ("FinCEN"), a bureau of the United States Department of Treasury, is authorized to impose significant civil money penalties for violations of those requirements and has engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U. S. Department of Justice, Drug Enforcement Administration and the Internal Revenue Service. There is also increased scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control ("OFAC"). Federal and state bank regulators also have focused on compliance with the Bank Secrecy Act and anti- money laundering regulations. If our policies, procedures and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions such as restrictions on our ability to pay dividends and the necessity to obtain regulatory approval to proceed with acquisitions and other strategic transactions, which could negatively impact our business, financial condition, results of operations and prospects. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have material adverse reputational consequences for us. Our failure to comply with current, or adapt to new or changing, laws, regulations or policies could result in enforcement actions and sanctions against us by regulatory agencies, civil money penalties and / or reputation damage, along with corrective action plans required by regulatory agencies, any of which could have a material adverse effect on our business, financial condition and results of operations, and the value of our common stock. The Company and its subsidiaries are subject to changes in federal and state tax laws and the interpretation of existing laws and examinations and challenges by taxing authorities. Our financial performance is impacted by federal and state tax laws. Given the current economic and political environment and ongoing budgetary pressures, the enactment of new federal or state legislation or new interpretations of existing tax laws could adversely impact our tax position, in some circumstances retroactively. The Inflation Reduction Act (the "IRA"), which establishes a new 15 % corporate alternative minimum tax on adjusted book income (of corporations that have an average adjusted book income in excess of \$ 1 billion over a three tax year period) for tax years beginning after December 31, 2022, may impact the Company's cash tax payments and tax credit carryforward balances. The IRA includes a nondeductible 1 % excise tax on certain repurchases of corporate stock for transactions occurring after December 31, 2022, which would likely increase the Company's cost of any future share repurchases. The consequences of the IRA, the enactment of new federal or state tax legislation, or changes in the

interpretation of existing law, including provisions impacting income tax rates, apportionment, consolidation or combination, income, expenses, and credits, may have a material adverse effect on our financial condition, results of operations, and liquidity. In the normal course of business, we are routinely subjected to examinations and audits from federal, state, and local taxing authorities regarding tax positions taken by us and the determination of the amount of taxes due. These examinations may relate to income, franchise, gross receipts, payroll, property, sales and use, or other tax returns. The challenges made by taxing authorities may result in adjustments to the amount of taxes due and may result in the imposition of penalties and interest. If any such challenges are not resolved in our favor, they could have a material adverse effect on our financial condition, results of operations, and liquidity. Our broker-dealer and investment advisory businesses subjects us to regulatory risks. Our broker-dealer and investment advisory business subjects us to regulation by the SEC, FINRA and other **self-regulatory organizations (“SROs and”)**, state securities commissions, among and other regulatory bodies. Violations of the laws and regulations governed by these agencies could result in censure, penalties and fines, the issuance of cease- and- desist orders, the restriction, suspension, or expulsion from the securities industry of the ~~company~~ **Company** or its officers or employees, or other similar adverse consequences, any of which could cause us to incur losses and adversely affect our capital, financial condition and results of operations. The SEC, FINRA and other SROs and state securities commissions, among other regulatory bodies, can censure, fine, issue cease- and- desist orders or suspend or expel a broker-dealer or any of its officers or employees. Clearing securities firms are subject to substantially more regulatory control and examination than introducing brokers that rely on others to perform clearing functions. Similarly, the attorney general of each state could bring legal action to ensure compliance with state securities laws, and regulatory agencies in foreign countries have similar authority. Our ability to comply with multiple laws and regulations pertaining to the securities industry depends in large part on our ability to establish and maintain an effective compliance function. The failure to establish and enforce reasonable compliance procedures, even if unintentional, could subject us to significant losses or disciplinary or other actions. Federally registered investment advisers are regulated and subject to examination by the SEC. In addition, the Advisers Act imposes numerous obligations on our investment advisory business, including fiduciary duties, disclosure obligations, recordkeeping and reporting requirements, marketing restrictions and general anti- fraud prohibitions. Our failure to comply with the Advisers Act and associated rules and regulations of the SEC could subject us to enforcement proceedings and sanctions for violations, including censure or termination of SEC registration, litigation and reputational harm. In addition, our investment advisory business is subject to notice filings and the anti- fraud rules of state securities regulators. See “ Regulation of Securities Business. ” Policies and regulations enacted by the Consumer Financial Protection Bureau may negatively impact our residential mortgage loan business and compliance risk. Our consumer business, including our mortgage and deposit businesses, may be adversely affected by the policies enacted or regulations adopted by the CFPB, which, under the Dodd-Frank Act, has broad rule- making authority over consumer financial products and services. The CFPB is in the process of reshaping consumer financial protection laws through rule- making and enforcement against unfair, deceptive and abusive acts or practices. The CFPB has ~~broad rule- making authority to administer and carry out the provisions of the Dodd- Frank Act with respect to financial institutions that offer covered financial products and services to consumers.~~ The CFPB has also been directed to write rules identifying practices or acts that are unfair, deceptive or abusive in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service. The prohibition on “ abusive ” acts or practices ~~is being~~ **has been** clarified each year by CFPB enforcement actions and opinions from courts and administrative proceedings. ~~In January 2014, a series of final rules~~ **and in April 2023, the CFPB issued a Policy Statement on Abusive** by the CFPB to implement provisions in the Dodd- Frank Act **Acts or Practices, which may impact our consumer product** related to mortgage origination and servicing ~~went into effect and caused an~~ **and** increase in the cost of ~~originating and servicing service offerings residential mortgage loans.~~ While it is difficult to quantify any future increases in our regulatory compliance burden, the costs associated with regulatory compliance, including the need to hire additional compliance personnel, may continue to increase. Risks Relating to **Commercial Loans, Mortgage Loans and Mortgage- Backed Securities** Declining real estate values, particularly in California **and New York**, could reduce the value of our loan and lease portfolio and impair our profitability and financial condition. The majority of the loans in our portfolio are secured by real estate. At June 30, ~~2022~~ **2023**, approximately ~~45-41.4~~ **43 % and 25.2 %** of our ~~mortgage real estate loan~~ portfolio was secured by real estate located in California **and New York, respectively**. In recent years, there has been significant volatility in real estate values ~~in California~~. If real estate values decrease or more of our borrowers experience financial difficulties, we will experience increased charge- offs, as the proceeds resulting from foreclosure may be significantly lower than the amounts outstanding on such loans **and the time to foreclose may be extended**. In addition, declining real estate values frequently accompany periods of economic downturn or recession and increasing unemployment, all of which can lead to lower demand for mortgage loans of the types we originate **and impact the ability of borrowers to repay their loans**. A decline of real estate values or decline of the credit position of our borrowers ~~in California would~~ **could** have a material adverse effect on our business, prospects, financial condition and results of operations. Many of our mortgage loans are multifamily residential loans and defaults on such loans would harm our business. At June 30, ~~2022~~ **2023**, our multifamily residential loans were \$ ~~3,208.1 million~~ **3,208.5 million** or ~~15-18.5~~ **%** of our loan portfolio. The payment on such loans is typically dependent on the cash flows generated by the projects, which are affected by the supply and demand for multifamily residential units and commercial property within the relative market. If the market for multifamily residential units and commercial property experiences a decline in demand, multifamily and commercial borrowers may suffer losses on their projects and be unable to repay their loans. If residential housing values were to decline or nationwide unemployment levels rise, we are likely to experience increases in the level of our non- performing loans and foreclosures in future periods. A decrease in the mortgage buying activity of Fannie Mae, Freddie Mac, and MBS’ s guaranteed by Ginnie Mae or a failure by Fannie Mae, Ginnie Mae, and Freddie Mac to satisfy their obligations with respect to their RMBS could have a material adverse effect on our business, financial condition and results

of operations. During the last three fiscal years we have sold approximately \$ 2.82 billion of residential mortgage loans to Fannie Mae and Freddie Mac and into MBS's guaranteed by Ginnie Mae. As of June 30, 2022-2023, approximately 910.63 % of our securities portfolio consisted of RMBS issued or guaranteed by these GSEs. Since 2008, Fannie Mae and Freddie Mac have been in conservatorship, with its primary regulator, the Federal Housing Finance Agency, acting as conservator. The United States government may enact structural changes to one or more of the GSEs, including privatization, consolidation and / or a reduction in the ability of GSEs to purchase mortgage loans or guarantee mortgage obligations. We cannot predict if, when or how the conservatorships will end, or what associated changes (if any) may be made to the structure, mandate or overall business practices of either of the GSEs. Accordingly, there continues to be uncertainty regarding the future of the GSEs, including whether they will continue to exist in their current form and whether they will continue to meet their obligations with respect to their RMBS. A substantial reduction in mortgage purchasing activity by the GSEs could result in a material decrease in the availability of residential mortgage loans and the number of qualified borrowers, which in turn may lead to increased volatility in the residential housing market, including a decrease in demand for residential housing and a corresponding drop in the value of real property that secures current residential mortgage loans, as well as a significant increase in interest rates. In a rising or higher interest rate environment, our originations of mortgage loans may decrease, which would result in a decrease in mortgage loan revenues and a corresponding decrease in non-interest income. Any decision to change the structure, mandate or overall business practices of the GSEs and / or the relationship among the GSEs, the government and the private mortgage loan markets, or any failure by the GSEs to satisfy their obligations with respect to their RMBS, could have a material adverse effect on our business, financial condition and results of operations. Commercial and industrial and commercial real estate loans may expose our company to greater financial and credit risk than other loans. Our commercial and industrial loans as well as our commercial real estate – mortgage portfolio is increasing and was approximately \$ 2,028,639.17 million and \$ 46,781,199.08 million at June 30, 2022-2023, comprising approximately 14.15.8 % and 37.2 % and 33.5% of our total loan portfolio, respectively. Commercial loans generally carry larger-large loan balances and can may involve a greater degree of financial and credit risk than other loans. Any significant failure to pay on time by our customers could hurt impact our earnings. The increased financial and credit risk associated with these types of loans are a result of several factors, including the concentration of principal in a limited number of loans and borrowers, the types of business and collateral, the size of loan balances, the effects of general-nationwide and regional economic conditions on income-producing properties and businesses and the increased difficulty of evaluating and monitoring these types of loans. Declines in real estate markets or sustained economic downturns increases the risk of credit losses or charge-offs related to our loans or foreclosures on certain real estate properties. If we foreclose on these loans, our holding period for the collateral typically is longer than residential properties because there are fewer potential purchasers of the collateral. The COVID-19 pandemic has had a potentially long-term negative impact on certain commercial real estate portfolios due to the risk that tenants may reduce the office space they lease as some portion of the workforce continues to work remotely on a hybrid or fulltime basis. Additionally, the shift from traditional brick- and- mortar retail toward e-commerce has been accelerated as a result of the COVID-19 pandemic and may negatively impact the values of retail-focused commercial real estate and related collateral. Our mortgage origination business is subject to fluctuations based upon seasonal and other factors and, as a result, our results of operations for any given quarter may not be indicative of the results that may be achieved for the full fiscal year. Our mortgage origination business is subject to several variables that can impact loan origination volume, including seasonal and interest rate fluctuations. We typically experience increased loan origination volume from purchases of homes during the second and third calendar quarters, when more people tend to move and buy or sell homes. In addition, an increase in the general level of interest rates may, among other things, adversely affect the demand for mortgage loans and our ability to originate mortgage loans. In particular, if mortgage interest rates increase, the demand for residential mortgage loans and the refinancing of residential mortgage loans will likely decrease, which will have an adverse effect on our mortgage origination activities. Conversely, a decrease in the general level of interest rates, among other things, may lead to increased competition for mortgage loan origination business. As a result of these variables, our results of operations for any single quarter are not necessarily indicative of the results that may be achieved for a full fiscal year or any other quarter. Risks Relating to our Business Operations Our results of operations could vary as a result of the methods, estimates, and judgments that we use in applying our accounting policies, including with respect to our allowance for credit losses. From time to time, the Financial Accounting Standards Board (the "FASB") and the SEC change the financial accounting and reporting standards that govern the preparation of our financial statements. In addition, the FASB, SEC, bank regulators and outside independent auditors may revise their previous interpretations regarding existing accounting regulations and the application of these accounting standards. The methods, estimates and judgments that we use in applying our accounting policies have a significant impact on our results of operations. Such methods, estimates and judgments, include methodologies to value our securities, estimate our allowance for loan losses and the realization of deferred tax assets and liabilities. These methods, estimates and judgments are, by their nature, subject to substantial risks, uncertainties and assumptions, and factors may arise over time that lead us to change our methods, estimates and judgments. Changes in those methods, estimates and judgments could significantly affect our results of operations. These changes can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. If our allowance for credit losses, particularly in growing areas of lending such as commercial and industrial ("C & I") is not sufficient to cover actual credit losses, our earnings, capital adequacy and overall financial condition may suffer materially. Our loans are generally secured by single family, multifamily and commercial real estate properties or other commercial assets, each initially having a fair market value generally greater than the amount of the loan secured. Although our loans and leases are typically secured, the risk of default, generally due to a borrower's inability to make scheduled payments on his or her loan, is an inherent risk of the banking-Banking business-Business. In determining the amount of the allowance for loan and lease losses, we make various assumptions and judgments about the collectibility of our loan and lease

portfolio, including the creditworthiness of our borrowers, the value of the real estate serving as collateral for the repayment of our loans and our loss history. Defaults by borrowers could result in losses that exceed our loan and lease loss reserves. We have originated or purchased many ~~may~~ of our loans and leases recently, so we do not have sufficient repayment experience to be certain whether the established allowance for loan and lease losses is adequate **for certain types of loans and leases**. We may have to establish a larger allowance for loan and lease losses in the future if, in our judgment, it becomes necessary. ~~Any increase in our allowance for loan and lease losses would increase our expenses and consequently may adversely affect our profitability, capital adequacy and overall financial condition.~~ In addition, we continue to increase our emphasis on non-residential lending, particularly in C & I lending, and these types of loans and leases are expected to comprise a larger portion of our originations and loan and lease portfolio in future periods. To the extent that we fail to adequately address the risks associated with **non-residential lending, particularly in C & I lending**, we may experience increases in levels of non-performing loans and leases and be forced to incur additional loan and lease loss provision expense, which would adversely affect our net interest income and capital levels and reduce our profitability. For further information about our C & I lending business, please refer to “Business- Asset Origination and Fee Income Businesses- Commercial Real Estate Secured and Commercial Lending.” **While we believe we have established appropriate underwriting and ongoing monitoring policies and procedures for our lending activities, there can be no assurance that such underwriting and ongoing monitoring policies and procedures are, or will continue to be, appropriate or that losses on loans will not require increased allowances for loan and lease losses. Any increase in our allowance for loan and lease losses would increase our expenses and consequently may adversely affect our profitability, capital adequacy and overall financial condition.** Changes in the value of goodwill and other intangible assets could reduce our earnings. The Company accounts for goodwill and other intangible assets in accordance with generally accepted accounting principles (“GAAP”), which, in general, requires that goodwill not be amortized, but rather ~~that it be~~ tested for impairment at least annually at the reporting unit level using the two step approach. Testing for impairment of goodwill and other intangible assets is performed annually and involves the identification of reporting units and the estimation of fair values. The estimation of fair values involves a high degree of judgment and subjectivity in the assumptions used. Changes in the local and national economy, the federal and state legislative and regulatory environments for financial institutions, the stock market, interest rates and other external factors (such as natural disasters or significant world events) may occur from time to time, often with great unpredictability, and may materially impact the fair value of publicly traded financial institutions and could result in an impairment charge at a future date. Our risk management processes and procedures may not be effective in mitigating our risks. We have established processes and procedures intended to identify, measure, monitor and control material risks to which we are subject, including, for example, credit risk, market risk, liquidity risk, strategic risk and operational risk. If the models that we use to manage these risks are ineffective at predicting future losses or are otherwise inadequate, we may incur unexpected losses or otherwise be adversely affected. In addition, the information we use in managing our credit and other risks may be inaccurate or incomplete as a result of error or fraud, both of which may be difficult to detect and avoid. There may also be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated, including when processes ~~are~~ **or technology is** changed or new products and services are introduced. If our risk management framework does not effectively identify and control our risks, we could suffer unexpected losses or be adversely affected, and that could have a material adverse effect on our business, results of operations and financial condition. Higher FDIC assessments could negatively impact profitability. FDIC insurance premiums are “risk based”, ~~and~~ **Accordingly accordingly**, higher premiums are charged to banks that have lower capital ratios or higher risk profiles, including increased **construction and development and** commercial and industrial lending, declining credit quality metrics, and increased brokered deposits and higher levels of borrowing. As a result, a decrease in the Bank’s capital ratios, or a negative evaluation by the FDIC, may increase the Bank’s net funding cost and reduce its earnings. **Furthermore, recent activity in the banking industry, including certain highly-publicized bank failures, is expected to cause premiums of the FDIC’s deposit insurance program to increase.** Our broker-dealer business subjects us to a variety of risks associated with the securities industry. Our broker-dealer business subjects us to a number of risks and challenges, including risks related to our ability to integrate the acquired operations and the associated internal controls and regulatory functions into our current operations; our ability to retain key personnel ~~of the acquired operations~~; our ability to limit the outflow of acquired deposits and successfully retain and manage acquired assets; our ability to retain existing correspondents who may choose to perform their own clearing services, move their clearing business to one of our competitors or exit the business; our ability to attract new customers and generate new assets in areas not previously served; and the possible assumption of risks and liabilities related to litigation or regulatory proceedings involving the acquired operations. In addition, the broker-dealer business may subject us to ~~new~~ risks related to the movement of equity prices. For example, if securities prices decline rapidly, the value of our collateral could fall below the amount of the indebtedness secured by these securities, and in rapidly appreciating markets, ~~credit our~~ **risk of loss** may increase due to short positions. The securities lending and securities trading and execution businesses ~~also~~ subject us to ~~credit risk~~ **of loss** if a counterparty fails to perform or if collateral securing the counterparty’s obligations is insufficient. In securities transactions generally, we ~~will may~~ be subject to ~~credit market~~ **market** risk during the period between the execution of a trade and ~~the its~~ settlement ~~by the customer~~. Significant failures by our customers, including correspondents, or clients to honor their obligations, or increases in their rates of default, together with insufficient collateral and reserves, could have a material adverse effect on our business, financial condition, results of operations and cash flows. ~~For example, in March 2019, we suffered a \$ 15.3 million bad debt expense due to a default by a correspondent customer arising from unauthorized securities trades by an employee of the customer.~~ Additionally, poor investment returns and declines in client assets, due to either general market conditions or under-performance (relative to our competitors or to benchmarks) of our investment products, may affect our ability to retain existing assets, prevent clients from transferring their assets out of products or their accounts, or inhibit our ability to attract new clients or additional assets from

existing clients. Any such poor performance could adversely affect our advisory and custody business and the fees that we earn on client assets. Our broker-dealer business is also subject to regulatory requirements and risks discussed above under “Our broker-dealer and investment advisory businesses subjects us to regulatory risks”. Our broker-dealer business ~~also~~ exposes us to other risks and uncertainties that are common in the securities industry, including intense competition, and potentially new areas and types of litigation including lawsuits based on allegations concerning our correspondents. For example, we allow our brokerage customers to engage in self-directed trading, and there has been an increase in regulatory enforcement and securities litigation against broker-dealers with self-directed trading platforms. These actions may become more common or frequent, particularly if there is a prolonged decrease in equity prices resulting in investor losses. Allegations of violations of securities laws or FINRA rules, even if not ultimately asserted or proved, could substantially impact our results of operations and lead to reputational harm. **The regulatory environment in which our broker-dealer business operates is subject to frequent change. Our business, financial condition and operating results may be adversely affected as a result of new or revised legislation or regulations imposed by the U. S. Congress, the SEC, FINRA or other U. S. and state governmental and regulatory authorities. The business, financial condition and operating results of our broker-dealer business may be adversely affected by changes in the interpretation and enforcement of existing laws and rules by these governmental and regulatory authorities.** Our broker-dealer business is ~~also~~ subject to the net capital requirements of the SEC, FINRA and various self-regulatory organizations. These requirements typically specify the minimum level of net capital a broker-dealer must maintain and ~~also~~ mandate that a significant part of its assets be kept in relatively liquid form. Failure to maintain the required net capital may subject a firm to limitation of its activities, including suspension or revocation of its registration by the SEC and suspension or expulsion by FINRA and other regulatory bodies, and ultimately may require its liquidation. ~~Risks associated with our Digital Assets Subsidiary~~ In the future, our subsidiary Axos Digital Assets LLC (“ADA”) plans to: (1) make available to retail customers a platform for buying and selling non-security digital assets such as Bitcoin and Ethereum and (2) issue a dollar-backed stablecoin to facilitate the buying and selling of digital assets on its trading platform. ~~Cybersecurity risks exist in trading cryptocurrencies, using wallets to hold cryptocurrencies, and stablecoins to facilitate transactions in cryptocurrencies, include hacking vulnerabilities and cybersecurity attacks. A cybersecurity event could result in a substantial, immediate and irreversible loss for future customers, including retail investors, that trade or own cryptocurrencies. Cryptocurrency transactions may be irreversible, and, accordingly, losses due to a cybersecurity event may not be recoverable and beyond available insurance coverage, if any, for some or all of those losses and may lead to litigation or regulatory investigations or enforcement matters. Moreover, the prices of cryptocurrencies are extremely volatile. Fluctuations in the price of various cryptocurrencies might cause uncertainty in the market and could negatively impact trading volumes of cryptocurrencies, which may adversely affect the success of any future business, financial condition and results of operations. In addition, different aspects of cryptocurrencies are regulated by both Federal and State authorities. Cryptocurrency market disruptions, including those affecting stablecoins, and resulting governmental interventions are unpredictable, and might make cryptocurrencies, or certain cryptocurrency business activities, impractical or illegal altogether. As regulation of cryptocurrencies continues to evolve, there is a substantial risk of inconsistent regulatory guidance among federal and State agencies and among State governments which, along with potential accounting and tax issues or other requirements relating to cryptocurrencies, could impede future cryptocurrency operations. Cryptocurrency regulations and accounting rules are complex and changing and subject to interpretation by bank and securities regulators, and other regulatory bodies formed to promulgate and interpret accounting principles such as the FASB. A change in these rules and regulations or interpretations could have a significant effect on financial results. Cryptocurrency trading platform providers may be required to obtain licenses to operate as a money transmitter (or as another type of regulated financial services institution, as applicable) in the States where this is required. Money transmitters are subject to obligations and restrictions with respect to the investment of customer funds, reporting requirements, bonding requirements, and inspection by State regulatory agencies. There are substantial costs and potential product and operational changes involved in maintaining and renewing these licenses, certifications, and approvals, and providers could be subject to fines, other enforcement actions, and litigation if found to violate any of these requirements.~~ We may seek additional capital, but it may not be available when it is needed, which would limit our ability to execute our strategic plan. In addition, raising additional equity capital would dilute existing ~~shareholders~~ **stockholders**’ equity interests and may cause our stock price to decline. We are required by regulatory authorities to maintain adequate levels of capital to support our operations. In addition, we may elect to raise additional capital to support the growth of our business or to finance acquisitions, if any, or we may elect to raise additional capital for other reasons. We may seek to do so through the issuance of, among other things, our common stock or securities convertible into our common stock, which could dilute existing ~~shareholders~~ **stockholders**’ interests in the Company. Our ability to raise additional capital, if needed, will depend on conditions in the capital markets, economic conditions, our financial performance and a number of other factors, many of which are outside our control. Accordingly, we cannot provide assurance on our ability to raise additional capital if needed or whether it can be raised on terms acceptable to us. If we cannot raise additional capital when needed or on terms acceptable to us, it may have a material adverse effect on our financial condition, results of operations and prospects. In addition, raising equity capital will have a dilutive effect on the equity interests of our existing ~~shareholders~~ **stockholders** and may cause our stock price to decline. Liquidity and access to adequate funding cannot be assured. Liquidity is essential to our business and the inability to raise funds through deposits, borrowings, equity and debt offerings, or other sources could have a materially adverse effect on our liquidity. The Bank may not be able to meet the cash flow requirements of its customers who may be either depositors wanting to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs. Company specific factors such as a decline in our credit rating, an increase in the cost of capital from financial capital markets, a decrease in business activity due to adverse regulatory action or other company specific event, or a decrease in depositor or investor confidence may impair our access to funding with acceptable terms adequate to finance our activities. General factors

related to the financial services industry such as a severe disruption in financial markets, a decrease in industry expectations, or a decrease in business activity due to political or environmental events may impair our access to liquidity. **Our ability to attract and maintain depositors during a time of actual or perceived distress or instability in the banking industry may be limited. Additionally, we may accept brokered deposits, which may be more price sensitive than other types of deposits, and may become less available if alternative investments offer higher returns.** We rely primarily upon deposits and FHLB advances. Our ability to attract deposits could be negatively impacted by a public perception of our financial prospects or by increased deposit rates available at troubled institutions suffering from shortfalls in liquidity. The FHLB advances and the **Federal Reserve Bank of San Francisco (“FRBSF”)** discount window are subject to regulation and other factors beyond our control. These factors may adversely affect the availability and pricing of advances to members such as the Bank. Selected sources of liquidity may become unavailable to the Bank if it were to no longer be considered “well-capitalized.” **A further reduction in our credit ratings could adversely affect our access to capital and could increase our cost of funds. The credit rating agencies regularly evaluate the Company and the Bank, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, such as conditions affecting the financial services industry, the economy, and changes in rating methodologies more generally. On February 1, 2023, a credit rating agency, Moody’s Investors Service, downgraded the Company’s and the Bank’s long-term issuer ratings, among others. There can be no assurance that we will maintain our current credit ratings. A further downgrade of the credit ratings of the Company or the Bank could adversely affect our access to liquidity and capital and could significantly increase our cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to us or purchase our securities, thereby, potentially reducing our ability to generate earnings.** Our inability to manage our growth or deploy assets profitably could harm our business and decrease our overall profitability, which may cause our stock price to decline. Our assets and deposit base have grown substantially in recent years, and we anticipate that we will continue to grow over time, perhaps significantly. To manage the expected growth of our operations and personnel, we will be required to manage multiple aspects of the business simultaneously, including among other things: (i) improve existing and implement new transaction processing, operational and financial systems, procedures and controls; (ii) maintain effective credit scoring and underwriting guidelines; (iii) maintain sufficient levels of regulatory capital **and liquidity**; and (iv) expand our employee base and train and manage this growing employee base. In addition, acquiring other **banks-companies**, asset pools or deposits may involve risks such as exposure to potential asset quality issues, disruption to our normal business activities and diversion of management’s time and attention due to integration and conversion efforts. If we are unable to manage growth effectively or execute integration efforts properly, we may not be able to achieve the anticipated benefits of growth and our business, financial condition and results of operations could be adversely affected. In addition, we may not be able to sustain past levels of profitability as we grow, and our past levels of profitability should not be considered a guarantee or indicator of future success. If we are not able to maintain our levels of profitability by deploying **growth in our** deposits in profitable assets or investments, our net interest margin and overall level of profitability will decrease and our stock price may decline. **We depend on the accuracy and completeness of information about customers. In deciding whether to extend credit or enter into certain transactions, we rely on information furnished by or on behalf of customers, including financial statements, credit reports, tax returns and other financial information. We may also rely on representations from customers or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading information, financial statements, credit reports, tax returns or other financial information, including information falsely provided as a result of identity theft, could have an adverse effect on our business, financial condition and results of operations.** We face strong competition for customers and may not succeed in implementing our business strategy. Our business strategy depends on our ability to remain competitive. There is strong competition for customers from existing **banks and other types of** financial institutions. Technology and other changes allow parties to complete financial transactions through alternative methods rather than through banks. Consumers can now maintain funds that would have historically been held as bank deposits in brokerage accounts, mutual funds or general-purpose reloadable prepaid cards. Consumers can also complete transactions, such as paying bills and / or transferring funds directly without the assistance of banks. The process of eliminating banks as intermediaries, known as “disintermediation,” could result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. Technology has also lowered barriers to entry and made it possible for non-bank, financial technology companies (“FinTechs”) to offer products and services traditionally provided by banks. FinTechs continue to emerge and compete with traditional financial institutions across a wide variety of products and services. Consumers have demonstrated a growing willingness to obtain banking services from FinTechs. As a result, our ability to remain competitive is increasingly dependent upon our ability to maintain critical technological capabilities, and to identify and develop new, value-added products for existing and future customers. Our competitors also include large, publicly-traded, internet-based banks, as well as smaller internet-based banks; “brick and mortar” banks, including those that have implemented websites to facilitate online banking; and traditional banking institutions such as thrifts, finance companies, credit unions and mortgage banks. Some of these competitors have been in business for a long time and have broader name recognition and a more established customer base. Most of our competitors are larger and have greater financial and personnel resources. In order to compete profitably, we may need to reduce the rates we offer on loans and leases and investments and increase the rates we offer on deposits, which actions may adversely affect our business, prospects, financial condition and results of operations. To remain competitive, we believe we must successfully implement our business strategy. Our success depends on, among other things: • Having a large and increasing number of customers who use our bank for their banking needs; • Our ability to attract, hire and retain key personnel as our business grows; • Our ability to secure additional capital as needed; • The relevance of our products and services to customer needs and demands and the rate at which we and our competitors introduce or modify new

products and services; • Our ability to offer products and services with fewer employees than competitors; • The satisfaction of our customers with our customer service; • Ease of use of our websites and smartphone applications; • Our ability to provide a secure and stable technology platform for financial services that provides us with reliable and effective operational, financial and information systems; and • Integration of our broker- dealer and registered investment- advisory businesses. If we are unable to implement our business strategy, our business, prospects, financial condition and results of operations could be adversely affected. Our business depends on a strong brand, and failing to maintain and enhance our brand could hurt our ability to maintain or expand our customer base. The brand identities that we have developed will significantly contribute to the success of our business. Maintaining and enhancing the “Axos Bank” brands (including our other trade styles and trade names) is critical to expanding our customer base. We believe that the importance of brand recognition will increase due to the relatively low barriers to entry for our “brick and mortar” competitors in the internet- based banking market. Our brands could be negatively impacted by a number of factors, including data privacy and security issues, service outages, product malfunctions, and trademark infringement. If we fail to maintain and enhance our brands generally, or if we incur excessive expenses in these efforts, our business, financial condition and results of operations may be adversely affected. Our reputation and business could be damaged by negative publicity. Reputational risk, including as a result of negative publicity, is inherent in our business. Negative publicity **or reputational harm** can result from actual or alleged conduct in a number of areas, including legal and regulatory compliance, lending practices, corporate governance, litigation, inadequate protection of customer data, illegal or unauthorized acts taken by third parties that supply products or services to us, ~~the and ethical~~ behavior of our employees, **the customers with whom we have chosen to do business and negative publicity for other financial institutions**. Damage to our reputation could adversely impact our ability to attract new, and maintain existing, loan and deposit customers, employees and business relationships, and, particularly with respect to our broker- dealer and registered investment adviser businesses, could result in the imposition of new regulatory requirements, operational restrictions, enhanced supervision and / or civil money penalties. Such damage could also adversely affect our ability to raise additional capital. Any such damage to our reputation could have a material adverse effect on our financial condition and results of operations. Extreme weather conditions, natural disasters, rising sea levels, acts of war or terrorism, civil unrest, public health issues, or other adverse external events could harm our business. The potential impacts of extreme weather conditions, natural disasters and rising sea levels, could impact our operations as well as those of our customers and third party vendors upon which we rely. Our Bank is based in San Diego, California, and approximately ~~45-41~~ **4-3** % of our ~~mortgage~~ **real estate** loan portfolio was secured by real estate located in California at June 30, ~~2022~~ **2023**. In addition, some of our computer systems that operate our internet websites and their back- up systems are located in San Diego, California. Historically, California has been vulnerable to natural disasters. Therefore, we are susceptible to the risks of natural disasters, such as earthquakes, wildfires, floods and mudslides, the nature and magnitude of which cannot be predicted and may be exacerbated by global climate change. Natural disasters could harm our operations directly through interference with communications, including the interruption or loss of our websites, which would prevent us from gathering deposits, originating loans and leases and processing and controlling our flow of business, as well as through the destruction of facilities and our operational, financial and management information systems. A natural disaster or recurring power outages may also impair the value of our largest class of assets, our loan and lease portfolio, which is comprised substantially of real estate loans. Losses from disasters for which borrowers are uninsured or under- insured may reduce borrowers’ ability to repay mortgage loans. Natural disasters, acts of war or terrorism, civil unrest, public health issues, or other adverse external events could each negatively impact our business operations or the stability of our deposit base, cause significant property damage, adversely impact the values of collateral securing our loans and / or interrupt our borrowers’ abilities to conduct their business in a manner to support their debt obligations, which could result in losses and increased provisions for credit losses. Although we have implemented several back- up systems and protections (and maintain standard business interruption insurance), these measures may not protect us fully from the effects of a natural disaster, acts of war or terrorism, civil unrest, public health issues, or other adverse external events. The occurrence of natural disasters, particularly in California, could have a material adverse effect on our business, prospects, financial condition and results of operations. Increased regulation related to Environmental, Social, and Governance factors could negatively affect our operating results and could increase our operating expenses and those of our customers. There is increased public awareness and concern by governmental organizations on a variety of environmental, social, and sustainability matters, including climate change. This increased awareness may include more prescriptive reporting of environmental, social, and governance metrics, and other compliance requirements. Further legislation and regulatory requirements could increase the operating expenses of, or otherwise adversely impact, us and our customers. To the extent that ~~the~~ we or our customers experience increases in costs, reductions in the value of assets, constraints on operations or similar concerns driven by changes in regulation relating to climate change, it could have an adverse effect on our business, prospects, financial condition and results of operations. Our success depends in large part on the continuing efforts of a few individuals. If we are unable to retain these key personnel or attract, hire and retain others to oversee and manage our ~~company~~ **Company**, our business could suffer. Our success depends substantially on the skill and abilities of our senior management team, including our Chief Executive Officer and President, Gregory Garrabrants, and other employees that perform multiple functions that might otherwise be performed by separate individuals at larger banks. The loss of the services of any of these individuals or other key employees, whether through termination of employment, disability or otherwise, could have a material adverse effect on our business. In addition, our ability to grow and manage our growth depends on our ability to continue to identify, attract, hire, train, retain and motivate highly skilled executive, technical, managerial, sales, marketing, customer service and professional personnel. The implementation of our business plan and our future success will depend on such qualified personnel. Competition for employees is intense in many areas of the financial services industry, and there is a risk that we will not be able to successfully attract, assimilate or retain sufficiently qualified personnel. If we fail to attract and retain the necessary personnel, **or if the costs of employee compensation or benefits**

increase substantially, our business, prospects, financial condition and results of operations could be adversely affected. We are exposed to risk of environmental liability with respect to properties to which we take title. In the course of our business, we may foreclose and take title to real estate, including commercial real estate, and could be subject to environmental liabilities with respect to those properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination or may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. If we become subject to significant environmental liabilities, our business, prospects, financial condition and results of operations could be adversely affected. Technology Risks ~~in our Online Business~~ We depend on third-party service providers for our core banking and securities transactions technology, and interruptions in or terminations of their services could materially impair the quality of our services. We rely substantially upon third-party service providers for our core ~~banking~~ technology and to protect us from ~~bank~~ system failures or disruptions, ~~including with respect to securities technology at our clearing broker-dealer~~. This reliance may mean that we will not be able to resolve operational problems internally or on a timely basis, which could lead to customer dissatisfaction or long-term disruption of our operations. **Due to our interconnectivity with these third parties, we may be adversely affected if any of them is subject to a cyber-attack or other privacy or information security event, including those arising due to the use of mobile technology or a third-party cloud environment.** Our operations ~~also~~ depend upon our ability to replace a third-party service provider if it experiences difficulties that interrupt operations or if an essential third-party service terminates. If these service arrangements are terminated for any reason without an immediately available substitute arrangement, our operations may be severely interrupted or delayed. If such interruption or delay were to continue for a substantial period of time, our business, prospects, financial condition and results of operations could be adversely affected. Privacy concerns relating to our technology could damage our reputation and deter current and potential customers from using our products and services. ~~Generally speaking~~ **We are subject to various privacy, concerns information security and data protection laws and regulations, such as the GLBA, which among other things requires privacy disclosures and maintenance of a robust security program. These laws and regulations are rapidly evolving and growing in complexity, and could have been expressed about whether smartphone a significant impact on our current and internet planned privacy, data protection and information security - based related practices, our collection, use, sharing, retention and safeguarding of consumer and employee information, and some of our current or planned business activities. The costs of compliance with these laws or regulatory actions may increase our operational costs, restrict our ability to provide certain products and services compromise, reduce income from certain business initiatives, or result in interruptions or delays in the privacy availability of systems users and others.** Concerns about our practices with regard to the collection, use, disclosure or security of personal information of our customers or other privacy related matters, even if unfounded, could damage our reputation and results of operations. While we strive to comply with all applicable data protection laws and regulations, as well as our own posted privacy policies, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, or could cause us to lose customers, which could potentially have an adverse effect on our business. Misconduct by employees could also result in fraudulent, improper or unauthorized activities on behalf of clients or improper use of confidential personal information. The Company may not be able to prevent employee errors or misconduct, and the precautions the Company takes to detect this type of activity might not be effective in all cases. Employee errors or misconduct could subject the Company to civil claims for negligence or regulatory enforcement actions, including fines and restrictions on our business. ~~As~~ ~~In addition, as~~ nearly all of our products and services are smartphone and internet-based, the amount of data we store for our customers on our servers (including personal information) has been increasing and will continue to increase. Any systems failure or compromise of our security that results in the release of our customers' data could seriously limit the adoption of our products and services, as well as harm our reputation and brand and, therefore, our business. We may ~~also~~ need to expend significant resources to protect against security breaches. System enhancements and updates may ~~also~~ create risks associated with implementing new systems and integrating them with existing ones. Due to the complexity and interconnectedness of information technology systems, the process of enhancing our layers of defense can ~~itself~~ create a risk of systems disruptions and security issues. In addition, addressing certain information security vulnerabilities, such as hardware-based vulnerabilities, may affect the performance of our information technology systems. The ability of our hardware and software providers to deliver patches and updates to mitigate vulnerabilities in a timely manner can introduce additional risks, particularly when a vulnerability is being actively exploited by threat actors. The risk that these types of events could seriously harm our business is likely to increase as we add more customers and expand the number of smartphone and internet-based products and services we offer. We have risks of systems failure and disruptions to operations. The computer systems, internet connectivity and network infrastructure utilized by us and others could be vulnerable to unforeseen problems. This is true of both our internally developed systems and the systems of our third-party service providers. Our operations are dependent upon our ability to protect computer equipment against damage from fire, power loss, telecommunication failure or similar catastrophic events. Any damage or failure that causes an interruption in our operations could adversely affect our business, prospects, financial condition and results of operations. If our security measures are breached, or if our services are subject to **information cybersecurity** ~~-----~~ **security attacks incidents** that degrade or deny the ability of customers to access our products and services, our products and services may be perceived as not being secure, customers may curtail or stop using our products and services, and we may incur significant legal and financial exposure. Our products and services involve the storage and transmission of customers' proprietary information, and security breaches could expose us to a risk of loss of this information, litigation, and potential liability. We employ cybersecurity measures that are designed to prevent, detect, and respond to cyberattacks, including management-level engagement and

corporate governance, formalized risk management, advanced technical controls, incident response planning, frequent vulnerability testing, vendor management, intrusion monitoring, security awareness program, and partnerships with the appropriate government and law enforcement agencies. These procedures cannot, however, assure that we will be fully protected from a cybersecurity incident. Our security measures may be breached due to the actions of organized crime, hackers, terrorists, nation-states, activists and other outside parties, employee error, failure to follow security procedures, malfeasance, or otherwise. As a result, an unauthorized party may obtain access to our data or our customers' data. In addition, to access our products and services, our customers use personal computers, smartphones, tablets, and other mobile devices that are beyond our control environment. Additionally, outside **Outside** parties may attempt to fraudulently induce employees or customers to disclose sensitive information in order to gain access to our data or our customers' data. Other types of **information cybersecurity security attacks incidents** may include computer viruses, malicious or destructive code, denial-of-service attacks, ransomware or ransom demands to not expose security vulnerabilities in the Company's systems or the systems of third parties. Any such breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the security of our products and services that could potentially have an adverse effect on our business. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, including those of our third-party vendors, such as hacking or identity theft, it could cause serious negative consequences, including significant disruption of our operations, misappropriation of confidential information, or damage to computers or systems, and may result in violations of applicable privacy and other laws, financial loss and loss of confidence in our security measures. As a result, we could lose customers, suffer employee productivity losses, incur technology replacement and incident response costs, be subject to additional regulatory scrutiny, and be subject to civil litigation and possible financial liability, any of which may have a material adverse effect on our business, financial condition and results of operations. We are heavily reliant on technology, and a failure in effectively implementing technology initiatives or anticipating future technology needs or demands could adversely affect our business or financial results. We depend on technology to deliver our products and services and to conduct our business and operations. To remain technologically competitive and operationally efficient, we invest in system upgrades, new solutions, and other technology initiatives. Many of these initiatives take a significant amount of time to develop and implement, are tied to critical systems, and require substantial financial, human, and other resources. Although we take steps to mitigate the risks and uncertainties associated with these initiatives, no assurance can be provided that they will be implemented on time, within budget, or without negative financial, operational, or customer impact or that, once implemented, they will perform as we or our customers expect. We also may not succeed in anticipating or keeping pace with future technology needs, the technology demands of customers, or the competitive landscape for technology. If we are not able to anticipate and keep pace with existing and future technology needs, our business, financial results, or reputation could be negatively impacted.

Risks Associated with our Common Stock The market price of our common stock may be volatile. Stock price volatility may make it more difficult for our stockholders to resell their common stock when desired. Our common stock price may fluctuate significantly due to a variety of factors that include the following:

- actual or expected variations in quarterly results of operations;
- recommendations by securities analysts;
- operating and stock price performance of comparable companies, as deemed by investors;
- news reports relating to trends, concerns, and other issues in the financial services industry, including recent highly-publicized bank failures;
- perceptions in the marketplace about our company **Company** or competitors;
- new technology used, or services offered, by competitors;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by, or involving, our Company or competitors;
- failure to integrate acquisitions or realize expected benefits from acquisitions;
- changes in government regulations; and
- geopolitical conditions, such as acts or threats of terrorism or military action. General market fluctuations; industry factors; political conditions; and general economic conditions and events, such as economic slowdowns, recessions, interest rate changes, or credit loss trends, could also cause our common stock price to decrease regardless of operating results.

Provisions in our Certificate of Incorporation, By-laws and Delaware laws might discourage, delay or prevent a change of control of our company **Company** or changes in our management and, therefore, depress the trading price of our common stock. Provisions of our Certification of Incorporation, by-laws and Delaware laws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include:

- supermajority voting provisions providing that certain sections of our Certificate of Incorporation and our By-laws may not be amended or repealed by our stockholders without the affirmative vote of the holders of at least 75 % of the voting power, and requiring the affirmative vote of the holders of at least 75 % of the voting power to remove a director or directors and only for cause;
- our classified Board of Directors, which may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us since the classification of our Board of Directors generally increases the difficulty of replacing a majority of directors;
- advance notice provisions requiring stockholders seeking to nominate candidates to be elected as directors at an annual meeting or to bring business before an annual meeting to comply with the written procedure specified in our By-laws;
- the inability of stockholders to act by written consent or to call special meetings;
- the ability of our Board of Directors to make, alter or repeal our by-laws;
- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without stockholder approval;
- the additional shares of authorized common stock and preferred stock available for issuance under our Certificate of Incorporation, which could be issued at such times, under such circumstances and with such terms and conditions as to impede a change in control. In addition, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with an interested stockholder for a period of three

years following the date on which the stockholder became an interested stockholder, unless such transactions are approved by our Board of Directors. The existence of the foregoing provisions and anti- takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our ~~company~~ **Company**, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition. General Risk Factors Our acquisitions involve integration and other risks. From time to time we undertake acquisitions of assets, deposits, lines of business and other companies consistent with our operating and growth strategies. Acquisitions generally involve a number of risks and challenges, including our ability to integrate the acquired operations and the associated internal controls and regulatory functions into our current operations, our ability to retain key personnel of the acquired operations, our ability to limit the outflow of acquired deposits and successfully retain and manage acquired assets, our ability to attract new customers and generate new assets in areas not previously served, and the possible assumption of risks and liabilities related to litigation or regulatory proceedings involving the acquired operations. Additionally, no assurance can be given that the operation of acquisitions would not adversely affect our existing profitability, that we would be able to achieve results in the future similar to those achieved by the acquired operations, that we would be able to compete effectively in the markets served by the acquired operations, or that we would be able to manage any growth resulting from the transaction effectively. We also face the risk that the anticipated benefits of any acquisition may not be realized fully or at all, or within the time period expected. As a public company, we face the risk of ~~shareholder~~ **stockholder** lawsuits and other related or unrelated litigation, particularly if we experience declines in the price of our common stock. We are subject to a variety of litigation pertaining to fiduciary and other claims and legal proceedings. Currently, there are certain legal proceedings pending against us in the ordinary course of business. While the outcome of any legal proceeding is inherently uncertain, we believe any liabilities arising from pending legal matters have been adequately accrued for based on the probability of a charge. However, if actual results differ from our expectations, it could have a material adverse effect on the Company' s financial condition, results of operations, or cash flows. For a detailed discussion on current legal proceedings, see Item 3 — **Legal Proceedings.**” Our controls and procedures may fail or be circumvented. We regularly review and update our internal controls, disclosure controls and procedures, compliance monitoring activities and corporate governance policies and procedures. Any system of controls, however well- designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations, reputation and financial condition. In addition, if we identify material weaknesses or significant deficiencies in our internal control over financial reporting or are required to restate our financial statements, we could be required to implement expensive and time- consuming remedial measures. We could lose investor confidence in the accuracy and completeness of our financial reports and potentially subject us to litigation. Any material weaknesses or significant deficiencies in our internal control over financial reporting or restatement of our financial statements could have a material adverse effect on our business, results of operations, reputation, and financial condition.