

Risk Factors Comparison 2025-02-26 to 2024-02-23 Form: 10-K

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

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 the other information included in this report. The risks described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially and adversely affect our business, financial condition, capital levels, cash flows, liquidity, results of operations and prospects. The market price of our common stock could decline significantly due to any of these identified or other risks, and you could lose some or all of your investment. The risks discussed below also include forward- looking statements, and our actual results may differ substantially from those discussed in these forward- looking statements. This report is qualified in its entirety by these risk factors.

Risks Related to Macroeconomic Conditions Our business may be adversely affected by downturns in the national economy and the regional economies on which we depend. Our operations are significantly affected by national and regional economic conditions. Weakness in the national economy, or the economies of the markets in which we operate, could have a material adverse effect on our financial condition, results of operations and prospects. We provide banking and financial services primarily to businesses and individuals in the states of Washington, Oregon, California and Idaho. ~~All~~, **with all** of our branches and most of our deposit clients ~~are also~~ located in these four states. **Our** Further, as a result of a high concentration of our client base **is highly concentrated** in the Puget Sound area and eastern Washington state. **A deterioration in the business environment in these** regions, ~~the deterioration of businesses in these areas~~, or one or more businesses with a large employee base in these areas, could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. As we expand **into other** our presence in areas, such as San Diego and Sacramento, and throughout California, we **face additional** will be exposed to concentration risks in those areas as well. In addition, weakness in the global economy and prevalent global supply chain issues have adversely affected numerous businesses within our market **markets areas**. **Furthermore**, particularly those reliant on international trade. ~~Changes in agreements, wars, tariffs, or relationships shifts in trade policies~~ between the United States and other countries **nations could disrupt supply chains, increase costs for businesses, and reduce export opportunities for our clients. These developments may further, in turn, negatively** impact these businesses and, by extension, our operations **and financial performance**. A downturn in economic conditions, be it due to inflation, recessive trends, geopolitical conflicts, adverse weather, **severe fire or the other natural disasters** impact of COVID-19 variants, or other factors, could have a material adverse effect on our business, financial condition, liquidity and results of operations, including but not limited to: • Reduced demand for our products and services, potentially leading to a decline in our overall loans or assets; • Elevated instances of loan delinquencies, problematic assets, and foreclosures; • An increase in our allowance for credit losses on loans; • Declines in collateral values linked to our loans, thereby diminishing borrowing capacities and asset values tied to existing loans; • Reduced net worth and liquidity of loan guarantors, possibly impairing their ability to meet commitments to us; and • Reduction in our low- cost or non- interest- bearing deposits. A decline in local economic conditions **could disproportionately** may have a greater effect **affect** on our earnings and capital **compared to** than on the earnings and capital of larger financial institutions **with** whose real estate loans are more geographically diverse **real estate loan portfolios**. Our ~~Because our~~ loan portfolio is predominantly secured by real estate, ~~Deterioration~~ **deterioration** in the real estate markets **where could impair borrowers' ability to repay loans and reduce the value of the underlying** collateral for a loan is real property could negatively affect the borrower's ability to repay the loan and the value of the collateral securing the loan. Real estate values are affected **influenced** by **various a range of** factors, including economic conditions, ~~regulatory changes~~ **government policies**, and natural disasters such as ~~(e. g., fires, earthquakes, flooding and tornadoes)~~, **and trade- related pressures affecting construction costs or material availability**. **Liquidating** If we are required to liquidate a significant amount of collateral during a period of ~~reduced depressed~~ real estate values **could negatively impact** our financial condition and profitability ~~could be adversely affected~~. Adverse changes in the regional ~~and or~~ general ~~economy~~ **economic conditions may** reduce our growth rate, impair our ability to collect loans and generally have a negative effect on our financial condition and results of operations. **Monetary policy, inflation, deflation, and other** External ~~external~~ economic factors **could**, such as changes in monetary policy and inflation and deflation, may have an adverse **adversely impact** effect on our business, financial condition **performance** and results of operations. Our financial condition and results of operations are affected by credit policies of monetary authorities, particularly the Federal Reserve. Actions by monetary and fiscal authorities, including the Federal Reserve, could lead to inflation, deflation, or other economic phenomena that could adversely affect our financial performance. **Higher U. S. tariffs on imported goods could exacerbate** Inflation **inflationary pressures by increasing** has risen sharply since the end ~~cost~~ of **goods and materials** 2021 at levels not seen for over 40 years **businesses and consumers**. **This may particularly affect** Inflationary pressures, while easing recently, remained elevated throughout most of 2023. ~~Small~~ **small** to medium- sized businesses, may be impacted more during periods of high inflation as they are ~~not less~~ able to leverage economies **economies** of scale to mitigate cost pressures compared to larger businesses. Consequently, ~~the ability of our business clients~~ **may experience increased financial strain, reducing their ability** to repay their loans **and** may deteriorate quickly, which would adversely impact **impacting** our results of operations and financial condition. Furthermore, a prolonged period of inflation could cause wages and other costs to the Company to increase, which could adversely affect our results of operations and financial condition. Virtually all ~~of~~ our assets and liabilities are monetary in nature ~~As~~, **and as** a result, interest rates tend to have a more significant impact on our performance than general levels of inflation or deflation. ~~However~~, **Interest interest** rates do not necessarily move in the

same direction or by the same magnitude as the prices of goods and services. Risks related to recent events impacting the banking industry could adversely affect our stock price, **creating additional uncertainty** results of operations and financial condition. The banking industry has been negatively impacted by the failures of Silicon Valley Bank and Signature Bank in March 2023, and First Republic Bank in May 2023. These failures highlighted deposit-related risks to the banking industry, in particular the speed at which deposits can be moved. These events led to decreased investor and depositor confidence in regional banks as well as increased volatility in the stock trading prices of regional banks, to varying degrees. Despite differences in business models across the banking industry, further concerns related to these **the economic environment** events could adversely impact our deposits, liquidity, results of operations and the trading price of our stock.

Risks Related to Credit and Lending Our loan portfolio includes loans with a higher risk of loss. In addition to our first- lien one- to four- family residential real estate lending, we originate construction and land **and land development** loans, commercial and multifamily **mortgage real estate** loans, commercial business loans, agricultural mortgage loans and agricultural business loans, and consumer loans, primarily within our market areas. **As of December 31**, which generally involve a higher **2024**, we had **\$ 9. 76 billion outstanding in these non- first- lien one- to four- family residential real estate loan categories, compared to \$ 9. 29 billion as of December 31, 2023**. These loans present **risk risks** of loss than distinct from those associated with first- lien one- to four- family residential real estate lending. We had **\$ 9. 29 billion outstanding in these types of higher risk loans at December 31, 2023, compared to \$ 8. 97 billion at December 31, 2022**, which typically present different risks to us than our first- lien one- to four- family residential real estate for a number of reasons, including the following:

- **Construction and Land Loans.** At December 31, **2023- 2024**, construction and land loans were **\$ 1. 54- 52 billion, or 14 % of our total loan portfolio**. This type of lending carries inherent uncertainties in estimating a property' s future value upon project completion and the overall cost (including interest) of the project. These **uncertainties- challenges** arise from **challenges- difficulties** in estimating construction costs, assessing the market value upon project completion, and **considering- accounting for** the impact of government regulations on real property. **Consequently, accurately- Accurately** evaluating the total funds required to complete a project and determining the loan- to- value ratio for the completed project is often challenging. If **the estimate of construction costs- cost** proves **estimates are** inaccurate, we may be required to advance funds beyond the **amount originally- original committed loan commitment** to ensure project completion. **If our- Additionally, if the appraisal- appraised value** of a **the** completed project **is** ² s- value proves to be overstated, we may have inadequate security for loan repayment, **resulting in potential** upon project completion and subsequent losses. **Challenges such as- Other risks include** disputes between borrowers and builders **and**, the failure of builders to pay subcontractors, and the concentration of higher loan amounts among a limited number of builders **further increases risk exposure**. A downturn in housing or the real estate market could increase delinquencies, defaults and foreclosures, and significantly impair the value of our collateral and our ability to sell the collateral upon foreclosure. Multiple loans to a single builder amplify **our- these risk risks** exposure, **wherein- as** adverse developments in one loan or credit relationship **pose could result in** significant **loss- losses** potential. **In addition- At December 31**, during the term of some of **2024, non- performing construction and land loans totaled \$ 4. 0 million, our- or 11 % of total non- performing loans**. **Some** construction loans **include interest reserves**, where no payment from the borrower is required since the accumulated interest is added to the **loan principal of- rather than requiring borrower payments during** the loan through an **term. Rising market** interest reserve. **Increases in market- rates can** of interest may have a more pronounced effect on construction loans by rapidly **depleting- deplete** the **these** interest reserves **prior to- before project** completion and **/or increasing- increase** the end- purchaser' s borrowing costs **for end- purchasers**, **potentially** thereby possibly reducing the **their** homeowner' s ability to finance the home upon completion or **diminishing** the overall demand for the project. Properties under construction are often **difficult- also challenging** to sell and typically **must need to** be completed **before a sale can occur** in order to be successfully sold, which also complicates **complicating** the process **management of managing** problem construction loans. This may require us to **advance- advancing** additional funds and **/or contract- contracting** with another builder to complete construction and assume the **project, exposing us to** market **risk risks** and **potential losses on** of selling the project at a future market price, which may or may not enable us to fully recover unpaid loan funds and associated construction and liquidation costs. Loans on land under development or held for future construction **carry** also pose additional **risk risks** due to the lack of income generation from the property and **potential- reduced collateral** liquidity of collateral, **significantly affected- both of which are highly influenced** by supply and demand **dynamics**. **These loans** As a result, this type of lending often involves **involve** disbursing substantial funds **disbursements**, with repayment dependent on **the success of the** project success and the borrower' s ability to sell or lease the property or obtain permanent financing, **rather than independent repayment capability**. **Our** **Construction- construction** loans **made- include both those secured** by us include those with a sales contract **contracts** or permanent **loan- loans** in place for the finished homes and those for which **speculative construction loans, where end- purchasers for the finished homes** may not be identified either during or **following- after** the construction period, known as speculative construction loans. Speculative construction loans **pose- present** additional risks **related to**, especially regarding finding **buyers** end- purchasers for **finished- completed** projects. **To** We attempt to mitigate this risk by, **we** actively monitoring **--- monitor** the number of unsold homes in our construction loan portfolio and local housing markets **in an attempt to maintain a** an appropriate balance between home sales and new loan originations. **In addition, We also limit** the maximum number of speculative construction loans (loans that are not pre- sold) approved for each builder is based on a combination of factors **such as**, including their financial capacity, market demand, **for the finished product** and the ratio of sold to unsold inventory the builder maintains. **Additionally, we** We have also attempted to diversify the risk associated with speculative construction lending by **working doing business** with a large number of small **and- to** mid- sized builders **across** spread over a **broad** relatively large geographic region representing numerous, **encompassing multiple** sub- markets within our service area. **At December 31, 2023, non- performing construction and land loans totaled \$ 4. 2 million, or 14 % of total non- performing loans**.
 - **Commercial and Multifamily Real Estate Loans.** At December 31, **2023- 2024**, commercial and multifamily real estate loans

were \$ 4. 45-76 billion, or 41-42 % of our total loan portfolio. Many of these loans involve higher principal amounts than other types of loans, and some commercial borrowers maintain multiple loans with us. Consequently, an adverse development with respect to ~~one a single~~ loan or ~~one~~ credit relationship can expose us to a significantly greater risk of loss compared to an adverse development with respect to a one- to four- family residential mortgage loan. Repayment of these loans typically ~~is dependent~~ **depends upon on the** income ~~being~~ generated from the property securing the loan, in amounts sufficient to cover operating expenses and debt service, ~~which~~. **This income** may be adversely affected by changes in the economy or local market conditions. In addition, many of our commercial and multifamily real estate loans are not fully amortizing and ~~contain~~ **include** large balloon payments ~~upon at~~ maturity. These balloon payments may require the borrower to either sell or refinance the underlying property, potentially ~~heightening~~ **increasing** the risk of default or non- payment. If we foreclose on a commercial or multifamily real estate loan, ~~our the~~ holding period for the collateral **is** typically longer than for one- to four- family residential loans ~~because as a result of there-- the are fewer smaller pool of~~ potential ~~buyers purchasers of the collateral~~. At December 31, 2023-2024, non- performing commercial and multifamily real estate loans totaled \$ 2. 7-2 million, or 9-6 % of total non- performing loans. • Commercial Business Loans. At December 31, 2023-2024, commercial business loans were \$ 2. 28-42 billion, or 21 % of our total loan portfolio. ~~These~~ Our commercial business loans are primarily made based on the **borrower's** cash flow ~~of the borrower and~~, secondarily, on the underlying collateral provided by the borrower. A borrower's cash flow **can** ~~may prove to~~ be unpredictable, and **the value of** collateral securing these loans may fluctuate ~~in value~~. Most often, this collateral includes accounts receivable, inventory, equipment, or real estate. ~~For In the case of~~ loans secured by accounts receivable, the availability of funds for repayment ~~of these loans may be depend~~ substantially ~~dependent~~ on the **borrower's** ability ~~of the borrower~~ to collect amounts due from its clients. Other ~~types of~~ collateral securing commercial business loans may depreciate over time, ~~may be difficult to appraise, lack liquidity, or may be illiquid and may fluctuate in value based~~ **depending** on the success of the business. At December 31, 2023-2024, non- performing commercial business loans totaled \$ 9 7. 0-1 million, or 30-19 % of total non- performing loans. • Agricultural Loans. At December 31, 2023-2024, agricultural loans were \$ 331-340. +3 million, or 3 % of our total loan portfolio. Repayment of agricultural loans ~~is dependent~~ **depends upon on** the successful operation of the business and is subject to ~~many numerous~~ factors ~~outside beyond~~ the control of either us or the borrowers. These factors include adverse weather conditions that prevent ~~the crop~~ planting ~~of crops~~ or limit ~~crop~~ yields (such as hail, drought, and floods), loss of crops or livestock due to disease or other ~~factors causes~~, declines in market prices for agricultural products (both domestically and internationally), and the impact of government regulations (including changes in price supports, subsidies, tariffs, and environmental ~~regulations policies~~). ~~Additionally In addition~~, many farms ~~rely are~~ **dependent** on a limited number of key individuals whose injury or death ~~may could~~ significantly affect ~~the farm's~~ successful operation ~~of the farm~~. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. ~~Consequently As a result~~, agricultural loans may ~~involve pose~~ a greater degree of risk than other types of loans, particularly ~~in the those case of loans~~ that are unsecured or secured by rapidly depreciating assets, such as farm equipment (some of which is highly specialized with a limited ~~and may have little~~ or no ~~resale~~ market for resale), or assets ~~like~~ such as livestock or crops. In such cases, any repossessed collateral ~~for from~~ a defaulted agricultural ~~operating~~ loan may not provide an adequate source of repayment ~~of for~~ the outstanding loan balance ~~due to as a result of~~ the greater likelihood of damage, loss, or depreciation, or because the ~~collateral's~~ assessed value ~~of the collateral~~ exceeds ~~the its~~ eventual realization value. At December 31, 2023-2024, non- performing agricultural loans totaled \$ 3-8. 2-5 million, or 11-23 % of total non- performing loans. • Consumer Loans. At December 31, 2023-2024, consumer loans were \$ 699-721. 4 million, or 6 % of our total loan portfolio. Home equity lines of credit, which represented 84-87 % of our total consumer loan portfolio at December 31, 2023-2024, generally entail greater risk than one- to four- family residential mortgage loans where we are in the first lien position. For home equity lines secured by a second mortgage, it is less likely that we will ~~be successful in recovering-- recover~~ all of our loan proceeds in the event of default as the value of the property must be sufficient to cover the repayment of the first mortgage loan, and ~~the foreclosure- related~~ costs ~~associated with foreclosure~~, before the balance on the second mortgage loan **balance** is repaid. ~~For In the case of~~ consumer loans that are unsecured or secured by rapidly depreciating assets, such as automobiles, any repossessed collateral ~~for from~~ a defaulted consumer loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the ~~greater higher~~ likelihood of damage, loss, or depreciation. The remaining deficiency often does not ~~warrant justify~~ further substantial collection efforts against the borrower. ~~Additionally In addition~~, consumer loan collections are ~~dependent-- depend~~ on the borrower's ~~continuing~~ financial stability, ~~making them~~ and thus are more likely **vulnerable** to be adversely ~~-- adverse~~ affected by ~~events such as~~ job loss, divorce, illness, or personal bankruptcy. Furthermore, ~~the application of various federal and state laws, including federal and state~~ bankruptcy and insolvency laws, may limit the amount ~~which can be recovered- recoverable~~ on these consumer loans. Loans that we purchased, or indirectly originated, may also ~~give rise expose us~~ to claims and defenses by ~~a consumer loan borrower borrowers~~. **In such cases, borrowers may assert claims and defenses** against ~~us as~~ an assignee of such loans such as us, and a borrower may be able to assert against the assignee claims and defenses that ~~it has~~ **they could have raised** against the seller of the underlying collateral. At December 31, 2023-2024, non- performing consumer loans totaled \$ 3-4. 6-9 million, or 12-13 % of total non- performing loans. Our business may be adversely affected by credit risk associated with residential property and declining property values. At December 31, 2023-2024, first- lien one- to four- family residential loans were \$ 1. 52-59 billion or 14 % of our total loan portfolio. Our first- lien one- to four- family residential loans are primarily made based on the repayment ability of the borrower and the collateral securing these loans. Foreclosure on the loans requires the value of the property to be sufficient to cover the repayment of the loan, and the costs associated with foreclosure. This type of lending is generally sensitive to regional and local economic conditions that significantly impact the ability of borrowers to meet their loan payment obligations, making loss levels difficult to predict. A downturn in the economy or the housing market in our market areas or a rapid increase in interest rates may reduce the value of the real estate collateral securing these types of loans and increase the risk that we

would incur losses if borrowers default on their loans. Residential loans with high combined loan- to- value generally will be more sensitive to declining property values than those with lower combined loan- to- value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, the borrowers may be unable to repay their loans in full from the sale proceeds. As a result, these loans may experience higher rates of delinquencies, defaults and losses, which will in turn adversely affect our financial condition and results of operations. **At December 31, 2024, non-performing one- to four- family residential loans totaled \$ 10. 4 million, or 28 % of total non- performing loans.** Our allowance for credit losses on loans may not be sufficient to absorb losses in our loan portfolio, which would cause our results of operations, liquidity and financial condition to be adversely affected. Lending money is a substantial part of our business and each loan carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things: • cash flow of the borrower and / or the project being financed; • in the case of a collateralized loan, the changes and uncertainties as to the future value of the collateral; • the duration of the loan; • the character and creditworthiness of ~~the a particular~~ borrower; and • changes in economic and industry conditions. We maintain an allowance for credit losses ~~that — a reserve established through a provision for expected losses —~~ we believe is appropriate to provide for lifetime expected credit losses in our loan portfolio. The appropriate level of the allowance for credit losses is determined by ~~management~~ **Management** through periodic reviews and consideration of several factors, including, but not limited to: • our collective loss reserve, for loans evaluated on a pool basis with similar risk characteristics based on our life of loan historical default and loss experience, certain macroeconomic factors, reasonable and supportable forecasts, regulatory requirements, ~~management~~ **Management**' s expectations of future events and certain qualitative factors; and • our individual loss reserve, based on our evaluation of individual loans that do not share similar risk characteristics and the present value of the expected future cash flows or the fair value of the underlying collateral. Determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and future trends, all of which may undergo material changes. If our estimates are incorrect, the allowance for credit losses may not be sufficient to cover the expected losses in our loan portfolio, resulting in the need for increases in our allowance for credit losses through the provision for credit losses which is recorded as a charge against income. Management also recognizes that significant new growth in loan portfolios, new loan products and the refinancing of existing loans can result in portfolios comprised of unseasoned loans that may not perform in a historical or projected manner and will increase the risk that our allowance may be insufficient to absorb losses without significant additional provision. Deterioration in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors —, both within and outside of our control —, may require an increase in the allowance for credit losses. If current conditions in the housing and real estate markets weaken, we expect we will experience increased delinquencies and credit losses. **The ongoing Los Angeles wildfires that began in January 2025 present heightened risks to our loan portfolio and the adequacy of our allowance for loan losses. Borrowers impacted by the fires may face financial hardship, leading to increased loan defaults and reduced repayment capacity. Damage to or destruction of properties securing loans may result in collateral value depreciation, further increasing potential losses. Additionally, inadequate insurance coverage or denied claims may limit recovery efforts and contribute to greater uncertainty in estimating credit losses. Local economic disruptions, such as business closures and job losses, may impair borrowers' ability to meet financial obligations, requiring adjustments to our credit loss assumptions. The concentration of our loan portfolio in fire- prone areas further increases exposure, while the growing frequency and severity of wildfires due to climate change heightens long- term risks. These factors may necessitate increases to our allowance for loan losses to account for elevated credit risks. While we continuously evaluate our allowance to ensure it reflects current and expected risks, there can be no assurance it will be sufficient to cover actual losses, particularly in the context of ongoing and future wildfire- related challenges.** Bank regulatory agencies also periodically review our allowance for credit losses and may require an increase in the provision for credit losses or the recognition of further loan charge- offs, based on judgments different than those of ~~management~~ **Management**. If charge- offs in future periods exceed the allowance for credit losses, we may need additional provision to increase the allowance for credit losses. Any increases in the allowance for credit losses will **reduce** result in a decrease in net income and, most likely, capital, and may have a material negative effect on our financial condition and results of operations. **Risks Related to Merger and Acquisition Strategy** We pursue a strategy of supplementing internal growth by acquiring other financial companies or their assets and liabilities ~~that, which~~ we believe will help us fulfill our strategic objectives and enhance our earnings. We may be adversely affected by risks associated with **potential growth through** acquisitions. As part of our general growth strategy, we periodically expand our business through acquisitions. ~~Although~~ **While** our business strategy emphasizes **primary focus is** organic expansion **growth**, from time to time ~~in the ordinary course of business,~~ we engage in discussions with potential acquisition targets **as part of our ordinary business activities**. There can be no assurance that we will successfully identify suitable acquisition candidates, complete acquisitions and, successfully integrate acquired operations into our existing operations, or expand into new markets. ~~The consummation of any future~~ **Future** acquisitions may dilute shareholder value or may have an adverse effect upon our operating results ~~while during the operations of the acquired business are being integrated~~ **integration process** into our operations. In addition, once integrated, acquired operations may ~~not fail to~~ achieve **the profitability** levels of **our profitability** comparable to those achieved by Banner' s existing operations, or otherwise **meet** performance **performance expectations** as expected. Further, transaction **Transaction**- related expenses may **also** adversely affect our earnings, **which could, in turn,** ~~These adverse effects on our earnings and results of operations may have a negative~~ **negatively** impact on the value of **our Banner' s** stock. Acquiring banks, bank branches, or businesses involves **several** risks ~~commonly associated with acquisitions~~, including: • we may be exposed to potential asset quality issues or unknown or contingent liabilities of the banks, businesses, assets, and liabilities we acquire. If these issues or liabilities exceed our estimates, our results of operations and financial condition may be materially negatively

affected; • higher than expected deposit attrition; • potential diversion of our management’s time and attention; • prices at which acquisitions can be made fluctuate with market conditions. We have experienced times during which acquisitions could not be made in specific markets at prices we considered acceptable and expect that we will experience this situation in the future; • the acquisition of other entities generally requires integration of systems, procedures and personnel of the acquired entity into our company to make the transaction economically successful. This integration process is complicated and time-consuming and can also be disruptive to the clients of the acquired business. If the integration process is not conducted successfully and with minimal adverse effect on the acquired business and its clients, we may not realize the anticipated economic benefits of particular acquisitions within the expected time frame, and we may lose clients or employees of the acquired business. We may also experience greater than anticipated client losses even if the integration process is successful; • to finance an acquisition, we may borrow funds, thereby increasing our leverage and diminishing our liquidity, or raise additional capital, which could dilute the interests of our existing shareholders; • we have completed various acquisitions over the years that enhanced our rate of growth. We may not be able to sustain our past rate of growth or to grow at all in the future; and • to the extent our costs of an acquisition exceed the fair value of the net assets acquired, the acquisition will generate goodwill that must be analyzed for impairment at least annually. We may incur impairment to goodwill. In accordance with **generally accepted accounting principles (GAAP)**, we record assets acquired and liabilities assumed in a business combination at their fair value with the excess of the purchase consideration over the net assets acquired resulting in the recognition of goodwill. As a result, acquisitions typically result in recording goodwill. We perform a goodwill evaluation at least annually to test for goodwill impairment. Our test of goodwill for potential impairment is based on a qualitative assessment by Management that takes into consideration macroeconomic conditions, industry and market conditions, cost or margin factors, financial performance and share price. Our evaluation of the fair value of goodwill involves a substantial amount of judgment. If our judgment was incorrect, or if events or circumstances change, and an impairment of goodwill was deemed to exist, we would be required to record a non-cash charge to earnings in our financial statements during the period in which such impairment is determined to exist. Any such charge could have a material adverse effect on our results of operations.

Risks Related to Market and Interest Rate Changes Our results of operations, liquidity and cash flows are subject to interest rate risk. Our earnings and cash flows are largely dependent upon our net interest income, **which is significantly affected by interest rates**. Interest rates are highly sensitive to many factors that are beyond our control, including such as general economic conditions and policies of various **set by** governmental and regulatory agencies **bodies**, and in particular **particularly** the Federal Reserve. **Since March 2022**, in response to inflation, the Federal Open Market Committee (FOMC) of the Federal Reserve has increased the target range for the federal funds rate by 525 basis points, including 225 basis points during 2023, to a range of 5.25% to 5.50% as of December 31, 2023. As inflation eases, the FOMC has indicated rate decreases may be expected during 2024. However, if the FOMC further increases **Increases in** the targeted federal funds rate, overall interest rates **could reduce** will likely continue to rise, which may negatively impact our net interest margin and loan demand **income, weaken the housing market** by **reducing curbing** refinancing activity and new home purchases, **and negatively affect the broader U. S. economy, potentially leading to slower economic growth or recessionary conditions**. We principally manage interest rate risk by managing our volume and mix of our earning assets and funding liabilities. If we are unable to manage **this interest rate** risk effectively, our business, financial condition and results of operations could be materially affected. **Changes in interest rates could also have a negative impact on our results of operations by reducing the ability of borrowers to repay their current loan obligations or by reducing our margins and profitability.** Our net interest margin is, the difference between the yield we earn on our **interest-earning assets and the cost of interest-bearing liabilities, can be adversely affected by** interest rate we pay for deposits and our other sources of funding. **Changes changes**. While yields on assets and costs of liabilities tend to move in the same direction, they may do so at different speeds, causing the margin to expand or contract. As our interest-bearing liabilities often have shorter durations than our interest-earning assets, a rise in interest rates may lead to funding costs increasing faster than asset yields, **compressing** up or down, could adversely affect our net interest margin and. **Additionally**, changes in the slope of the yield curve, such as a result **flattening or inversion**, can further pressure our margins as funding costs rise relative to asset yields. **Conversely, falling rates can initially reduce** our net interest income **as**. Although the yield we earn on our **floating-rate** assets and our funding costs tend to **be move more immediately** in the same direction in response **responsive** to changes in interest **market** rates, one can rise or fall faster than **most deposit** the other, causing our net interest margin to expand or contract. Our liabilities tend to be shorter in duration than our assets, so they may adjust faster in response to changes in interest rates. **In addition** As a result, **a decline** when interest rates rise, our funding costs may rise faster than the yield we earn on our assets, causing our net interest margin to contract until the yields on interest-earning assets catch up. Changes in the slope of the “yield curve” — or the spread between short-term and long-term interest rates — could also reduce our net interest margin. Normally, the yield curve is upward sloping, meaning short-term rates are lower than long-term rates. Because our liabilities tend to be shorter in duration than our assets, when the yield curve flattens or even inverts, we could experience pressure on our net interest margin as our cost of funds increases relative to the yield we can earn on our assets. Also, interest rate decreases can lead to increased prepayments of loans and mortgage-backed securities as borrowers refinance their loans to reduce borrowing costs. Under these circumstances, we are subject to reinvestment risk as we may have to redeploy such repayment proceeds into lower yielding investments, which would likely decrease our income. A sustained increase in market interest rates could adversely affect our earnings. As is the case with many banks, we attempt to maintain or increase our proportion of non-loan prepayments, leading to reinvestment in lower interest-bearing yielding assets, reducing income. **In a rising rate environment, retaining** deposits **can become costlier** comprising either, which has been challenging over the last year. At December 31, 2023-2024, we had \$ 1.40-45 billion in certificates of deposit that mature within one year and \$ 11.12-55-01 billion in non-interest-bearing, negotiable order of withdrawal (NOW) checking, savings and money market accounts. **If** We would incur a higher cost of funds to retain these deposits — **deposit and borrowing** in a rising interest rate

rates environment. Our net interest income and overall earnings could decline be adversely affected if the rates we pay on deposits and borrowings increase more rapidly than the rates we earn on loans and other investments. In addition, a substantial amount of our loans have adjustable interest rates. As a result, these loans may experience a higher rate of default in a rising interest rate environment. Further, a significant portion of our adjustable-rate loans have interest rate floors below which that prevent the loan's contractual interest rate may not adjust from falling below a specified level. At December 31, 2024, approximately 64-65% of our loan portfolio consisted was comprised of adjustable or floating-rate loans at December 31, 2023, and approximately \$ 4.5-7.19 billion, or 69-70%, of those loans contained interest rate floors, below which the loans' contractual interest rate may not adjust. The At December 31, 2023, the weighted average floor interest rate of these loans was 4.40-7.77%. At that date, and approximately \$ 1.36-3.4 billion, or 29-26%, of these loans were at their floor interest rate. The inability-presence of interest rate floors our loans to adjust downward can contribute to increased-increase income in during periods of declining interest rates, although as the rates on these loans cannot adjust downward below the floor. However, this result-benefit is subject to the risks-risk that borrowers may refinance these loans during periods to take advantage of lower declining interest rates. Also-Furthermore, when loans are at their floors-floor interest rates, there is a further risk that our interest income may not increase-rise as rapidly-quickly as our cost of funds during periods of increasing interest rates, which could have a material-materially and adverse-adversely effect-affect on our results of operations. While we employ Although Management believes it has implemented effective asset and liability management strategies to mitigate-reduce the potential effects of changes in interest rates on our results of operations, any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on our financial condition, liquidity and results of operations. Also, our interest rate risk modeling techniques, unexpected, substantial, or prolonged rate changes could materially affect our financial condition and results of operations. Additionally, our interest rate risk models and assumptions may not fully predict-or-capture the impact of actual interest-rate changes on our balance sheet or projected operating results. Our securities portfolio may be negatively impacted by fluctuations in market value and interest rates. Our securities portfolio may be impacted by fluctuations in market value, potentially reducing accumulated other comprehensive income and / or earnings. These Fluctuations-fluctuations in market value may result from be caused by changes in market interest rates, rating agency actions in respect to the securities, defaults by the issuer or with respect to the underlying securities, lower market prices, for-or securities and limited investor demand. Our available-for-sale debt securities in an unrealized loss position are evaluated to determine whether the decline in fair value has resulted from credit losses or other factors. If a credit loss exists-is identified, an allowance for credit losses is recorded for-the credit loss, resulting in a charge against earnings. Because Changes in interest rates can also have an adverse effect on our financial condition, as our available-for-sale securities are reported at their estimated fair value, changes and therefore are impacted by fluctuations in interest rates can adversely affect our financial condition. The Generally, the fair value of fixed-rate securities fluctuates-generally moves inversely with interest rate changes in interest rates. Unrealized gains and losses on these securities available-for-sale are reported as a separate component of AOCI, net of tax. Decreases in the fair value of securities — available-for-sale resulting from increases in interest rates could have an adverse effect on shareholders' equity. Additionally, There there is can be no assurance that the declines in market value will not result in credit losses, which would lead to additional provision-provisions for credit losses that could have a material-materially adverse effect-affect on our net income and capital levels. An increase in interest rates, change in the programs offered by secondary market purchasers or our ability to qualify for their programs may reduce our mortgage banking revenues, which would negatively impact our non-interest income. Our mortgage banking operations provide a significant portion of our non-interest income. We generate mortgage banking revenues primarily from-through gains on the sale of one-to-four-family mortgage-residential loans. The-These one-to-four-family mortgage-loans are sold pursuant to programs currently-offered by Fannie Mae, Freddie Mac, Ginnie Mae, and non-Government Sponsored Enterprise ("GSE") investors. These entities, which collectively account for a substantial portion of the secondary market in residential one-to-four-for such-family mortgage-loans. Future changes-Changes in the one-to-four-family programs, including our eligibility to participate in these programs, our eligibility to participate, the criteria for loans-loan to be accepted-acceptance, or related laws that significantly affect the activity of such entities could materially and adversely affect our results of operations. Mortgage banking is generally considered a volatile source of income because it depends largely on the level of loan volume, which is influenced by, in turn, depends largely on prevailing market interest rates. In a rising or higher interest rate environment, our originations of mortgage loans may decrease, resulting in fewer loans that are available to be sold to investors. This would result in a decrease in mortgage banking revenues and a corresponding decrease in non-interest income. Our In addition, our results of operations are also affected by the amount of non-interest expense associated with mortgage banking activities, including such as salaries and employee benefits, occupancy, equipment and, data processing expense, and other operating costs. During periods of reduced loan demand, we may face challenges in reducing these expenses proportionately, which could adversely impact our results of operations may be adversely affected to the extent that we are unable to reduce expenses commensurate with the decline in loan originations. In addition, although-Although we sell loans into the secondary market without recourse, we provide are required to give customary representations and warranties about-to buyers. If these representations and warranties are breached, we may be required to repurchase the loans to the buyers. If we breach those representations and warranties, potentially incurring the buyers may require us to repurchase the loans and we may incur a loss on the repurchase. Certain hedging strategies that we use to manage investment in mortgage loans held for sale and interest rate lock commitments may be ineffective to offset any adverse changes in the fair value of these assets due to changes in interest rates and market liquidity. We use derivative instruments to economically hedge mortgage loans held for sale and interest rate lock commitments to offset changes in fair value resulting from changing interest rate environments. Our hedging strategies are susceptible to prepayment risk, basis risk, market volatility and changes in the shape of the yield curve, among

other factors. In addition, hedging strategies rely on assumptions and projections regarding assets and general market factors. If these assumptions and projections prove to be incorrect or our hedging strategies do not adequately mitigate the impact of changes in interest rates, we may incur losses that would adversely impact earnings. Risks Related to Regulatory, Legal and Compliance

New or Proposed proposed FDIC guidelines on corporate governance and risk management standards may affect our profitability, capital adequacy, and reputation. In October 2023, ~~considering recent and historical bank failures,~~ the FDIC proposed guidelines ~~to aimed at establishing~~ **establish** corporate governance and risk management ~~expectations standards~~ for all-insured state ~~nonmember~~ **nonmember** chartered banks, excluding those who are member of the Federal Reserve, with total **consolidated** assets exceeding of \$ 10 billion **or more**. This initiative, conducted through rulemaking under Section 39 of the Federal Deposit Insurance Act, empowers the FDIC to set forth enforceable standards that banks must comply with. The ~~These~~ guidelines focus on defining ~~obligations~~ **the responsibilities** of the board of directors, specifying board composition and committee structures, ~~establishing and outlining~~ **establishing** expectations for an independent risk management function, **and introducing safeguards to prevent a "single point of failure" in risk management processes**. The impetus behind ~~If implemented,~~ these guidelines stems from the FDIC's observation that financial institutions with deficient corporate governance and risk management practices face a higher risk of failure. The FDIC aims to enhance a bank's safety and soundness, minimizing the likelihood of failure and mitigating potential losses. The introduction of multiple safeguards within a bank's risk management function seeks to avoid a "single point of failure." As currently proposed, the guidelines could **materially** have various effects - **affect** on us, and other banks subject to ~~the their~~ **the their** guidelines, including **requirements in the following ways**: • elevating compliance **Compliance** costs and ~~with the guidelines may elevate~~ **with the guidelines may elevate** operational complexity and costs for the Bank, potentially diminishing ~~our~~ **our** net income and return on equity; • ~~The guidelines could mandating~~ **The guidelines could mandating** ~~mandate~~ **mandate** the Bank to maintain ~~maintaining~~ **maintaining** increased levels of capital or liquidity to meet the proposed risk management standards, which may ~~limit~~ **restrict** our ability to leverage assets and generate higher returns; • ~~The guidelines may subjecting~~ **The guidelines may subjecting** ~~subject us~~ **subject us** the Bank to heightened regulatory ~~scrutiny~~ **oversight** and enforcement actions, ~~posing risks to which could adversely affect~~ **posing risks to which could adversely affect** our reputation and the Company's market value; **valuation**. • ~~creating~~ **Banks subject to these guidelines, including us, may face** competitive disparities for covered ~~disadvantages compared to financial~~ **disadvantages compared to financial** institutions, such as the Bank, compared to other financial entities not subject to similar standards, ~~and~~ **making** ~~The guidelines' emphasis on board responsibilities and independence may make it more challenging to attracting~~ **The guidelines' emphasis on board responsibilities and independence may make it more challenging to attracting** ~~attract~~ **attract** and ~~maintaining~~ **retain** qualified directors willing to serve on ~~our~~ **our** the Bank's board more difficult. The ~~precise impact~~ **full implications** of the proposed guidelines on ~~our~~ **our** the Company's profitability, capital adequacy, and reputation ~~remains~~ **remain** uncertain at this time. **However, the potential for increased operational burdens, reduced financial flexibility, and elevated regulatory risks underscores the importance of monitoring developments closely and adapting our governance and risk management practices to meet evolving regulatory expectations. Failure to effectively manage these challenges could have a material adverse effect on our business, financial condition, and results of operations.** New or changing tax, accounting, and regulatory rules and interpretations could significantly impact strategic initiatives, results of operations, cash flows, and financial condition. The financial services industry is extensively regulated. Federal and state banking regulations are designed primarily to protect the deposit insurance funds and consumers, not to benefit our shareholders. Regulations may sometimes impose significant limitations on operations. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets by the institution and the adequacy of an institution's allowance for credit losses. Bank regulators also have the ability to impose conditions in the approval of merger and acquisition transactions. Additionally, actions by regulatory agencies or significant litigation against us may lead to penalties that materially affect us. These regulations, along with the current tax, accounting, securities, insurance, and monetary laws, regulations, rules, standards, policies, and interpretations control the methods by which financial institutions conduct business, implement strategic initiatives and tax compliance, and govern financial reporting and disclosures. These laws, regulations, rules, standards, policies, and interpretations are constantly evolving and may change significantly over time. Any new regulations or legislation or change in existing regulations or oversight, whether a change in regulatory policy or a change in a regulator's interpretation of a law or regulation, could have a material impact on our operations, increase our costs of regulatory compliance and of doing business and / or otherwise adversely affect us and our profitability. Further, changes in accounting standards can be both difficult to predict and involve judgment and discretion in their interpretation by us and our independent registered public accounting firm. Changes could materially impact, potentially even retroactively, how we report our financial condition and results of our operations, as could our interpretation of those changes. We cannot predict what restrictions may be imposed upon us with future legislation. Climate change and related legislative and regulatory initiatives may materially affect the Company's business and results of operations. The effects of climate change continue to ~~create~~ **raise** **significant concern concerns for about** the state of the environment. **However As a result, under a new administration the global business community has increased its political and social awareness surrounding the issue, and federal policy may shift to reduce** the United States has entered into **emphasis on climate change initiatives and environmental regulations. This could include scaling back federal participation in** international agreements ~~in,~~ **such as is occurring with the Paris Agreement, an and reducing** attempt to reduce global temperatures. Further, the U. S. Congress, state legislatures and federal and state regulatory agencies continue **pressures on businesses, including banks, to address climate-related risks. Legislative and regulatory propose proposals aimed at** initiatives to supplement the global effort to combat ~~combating~~ **combating** climate change **may face greater scrutiny**. Similar and even more expansive initiatives are expected under the current administration, including potentially increasing supervisory expectations with respect to banks' risk management practices, accounting for ~~or diminished priority~~ **or diminished priority** the effects of climate change in stress testing scenarios and systemic risk assessments, revising expectations for credit portfolio concentrations based on climate-related factors and encouraging investment by banks in climate-related initiatives and lending to communities disproportionately impacted by the effects of climate change. The lack

of empirical data surrounding regarding the financial and credit and other financial risks posed by climate change render still makes it difficult, or even impossible, to specifically predict how its specific impact on our financial condition and results of operations. However, the physical effects of climate change, such as more frequent and severe weather disasters, could directly affect us. For instance, such events may damage real property securing loans in our portfolios or reduce the value of that collateral. If our borrowers' insurance is insufficient to cover these losses or if insurance becomes unavailable, the value of the collateral securing our loans could be negatively affected, potentially impacting our financial condition and results of operations; however, Moreover, the physical effects of climate change may also directly impact us. Unpredictable and more frequent weather disasters may adversely impact the real property, and / or the value of the real property, securing the loans in our portfolios. Additionally, if insurance obtained by our borrowers is insufficient to cover losses sustained to the collateral, or if insurance coverage is otherwise unavailable to our borrowers, the collateral securing our loans may be negatively impacted by climate change, natural disasters and related events, which could impact our financial condition and results of operations. Further, the effects of climate change may negatively impact regional and local economic activity, harming which could lead to an adverse effect on our customers clients and the communities in which we operate. Overall Regardless of changes in federal policy, the effects of climate change, its effects and the their resulting, unknown long- term impact impacts could still have a material adverse effect on our financial condition and results of operations. Non- compliance with the USA PATRIOT Act, Bank Secrecy Act, or other laws and regulations could result in fines or sanctions and limit our ability to obtain regulatory approval of acquisitions. The USA PATRIOT and Bank Secrecy Acts require financial institutions to develop programs to prevent financial institutions from being used for money laundering and terrorist activities. If such activities are detected, financial institutions are obligated to file suspicious activity reports with the U. S. Treasury' s Office of Financial Crimes Enforcement Network. These rules require financial institutions to establish procedures for identifying and verifying the identity of clients seeking to open new financial accounts. Failure to comply with these regulations could result in fines or sanctions and limit our ability to obtain regulatory approval of acquisitions. While we have developed policies and procedures designed to assist in compliance with these laws and regulations, no assurance can be given that these policies and procedures will be effective in preventing violations of these laws and regulations. Additionally, any perceived or actual Failure failure to prevent maintain and implement adequate programs to combat money laundering and or terrorist financing activities could also have serious significantly damage our reputational-- reputation consequences for us. Any of these These results outcomes could have a material adverse effect on our business, financial condition, results of operations, and growth prospects. If our enterprise risk management framework is not effective at mitigating risk and loss to us, we could suffer unexpected losses and our results of operations could be materially adversely affected. Our enterprise risk management framework seeks to achieve an appropriate balance between risk and return, which is critical to optimizing shareholder value. We have established processes and procedures intended to identify, measure, monitor, report, analyze and control the types of risk risks to which we face are subject. These risks include liquidity risk, credit risk, market risk, interest rate risk, operational risk, legal and compliance risk, and reputational risk risks, among others. We also maintain a compliance program designed to identify, measure, assess, and report on our adherence to applicable laws, regulations, policies and procedures. While Although we continuously assess and improve these programs on an ongoing basis, there can be no assurance that our risk management or compliance programs, along with other related controls, will effectively mitigate all risk and limit losses in our business. However, as with any risk management framework, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that we have not appropriately anticipated or identified. If our risk management framework proves ineffective, we could suffer unexpected losses and our business financial condition and results of operations could be materially adversely affected. Our business and financial results could be impacted materially by adverse results in legal proceedings. Legal proceedings could result in judgments, significant management time and attention from our management, or other adverse effects on our business and financial results. We establish estimated liabilities for legal claims when payments associated with claims become probable and the amount of loss can be reasonably estimated. We may still incur losses for a matter even if we have not established an estimated liability. In addition, the actual cost of resolving a legal claim may be substantially higher than any amounts accrued for that matter. The ultimate resolution of any legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations and financial condition. Risks Related to Cybersecurity, Data and Fraud We are subject to certain risks in connection with our use of technology. Our security measures may not be sufficient to mitigate the risk of a cyberattack cyber- attack. Communications and information systems are essential to the conduct of our business operations, as we use such rely on these systems to manage our client relationships, maintain our general ledger, and support virtually all other aspects of our operations. Our business depends. Our operations rely on the secure processing, storage, and transmission of confidential and other information in through our computer systems and networks. Although we take protective measures and adapt endeavor to modify them as circumstances warrant evolve, the security of our computer systems, software, and networks may be remain vulnerable to breaches, fraudulent or unauthorized access, denial or degradation of service attacks, misuse, computer viruses, malware, or other cyber threats malicious code and cyberattacks that could have a meaningful security impact. If any one or more of these events occur, this they could jeopardize compromise our or our clients' confidential and other information processed and stored in, disrupt operations and transmitted through, our or harm computer systems and networks, or our otherwise cause clients or counterparties. We may incur significant expenses interruptions or malfunctions in our operations or the operations of our clients or counterparties. We may be required to expend substantial additional resources to modify our investigate and remediate security vulnerabilities, enhance protective measures, or address to investigate and remediate vulnerabilities or other-- the impact of a cyber- attack. Such incidents could exposures--- expose us, and we may be subject to litigation, regulatory scrutiny, and financial losses that are either not insured against or not fully covered by through any insurance maintained by us. We They could also suffer cause significant reputational damage and loss of business. Security

breaches in our internet banking activities could further expose us to possible liability and damage our reputation. Increases in criminal activity levels and sophistication, **which may** advances in computer capabilities, new discoveries, vulnerabilities in third-party technologies (including browsers and operating systems) or other developments could result in a compromise or breach of the technology, processes and controls that we use to prevent fraudulent transactions and to protect data about us, our clients and underlying transactions. Any compromise of our security could deter clients from using our **services. Cybersecurity risks are particularly acute in internet banking. Increases in criminal sophistication, advances in technology, or vulnerabilities in third-party systems (such as browsers and operating systems) could lead to breaches that compromise the security of data and transactions. A breach could discourage clients from using our online services, negatively impacting our business** that involve the transmission of confidential information. Although **While** we have developed and continue to invest in systems and processes that are designed to detect and prevent security breaches and cyberattacks and periodically test our security, these precautions may not **no** protect our systems **system** from compromises or **is foolproof**. Breaches **Breaches** of our security measures, and any failure of these precautions could result in **financial** losses to us or our clients, our loss of **reputational harm, additional compliance costs,** business and / or clients, damage to our reputation, the incurrence of additional expenses, disruption to our business, **regulatory penalties, and potential legal liabilities. These outcomes could materially adversely affect** our **financial condition, results of operations, and** inability **ability** to grow our online services. **In** or other businesses, additional **addition,** regulatory scrutiny or **our** penalties, or our exposure to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition and results of operations. Our security measures may not protect us from system failures or interruptions. **Although we have policies and procedures to mitigate such risks, we cannot guarantee their effectiveness. We also rely on third-party providers for data processing and operational support.** While we **carefully select** have established policies and procedures to prevent or limit the impact of systems failures and interruptions, there **these** can be no assurance that such events will not occur or that they will be adequately addressed if they do. In addition, we outsource certain aspects of our data processing and other operational functions to certain third-party providers. While we select third-party vendors carefully, we do not control their actions. If **our a** third-party **vendor experiences** providers encounter difficulties including those resulting from breakdowns or other disruptions in communication, **cyber- attacks, or fails to meet our** services **service standards** provided by a vendor, **it could impair** failure of a vendor to handle current or higher transaction volumes, cyberattacks and security breaches or if we otherwise have difficulty in communicating with them, our ability to adequately process and account for transactions could be affected, and our ability to deliver products and services to, **our** or clients and otherwise conduct business operations. **Transitioning to alternative vendors** could be adversely impacted **involve significant delays and costs.** Replacing **Further, information security risks may arise from** these **the processing of client data by** third-party vendors could also entail significant delay and expense. Threats to information security also exist in the processing of client information through various other vendors and their personnel. We cannot provide assurance **assure you** that such breaches, **system** failures, or interruptions will not occur or, if they do occur, that they will be adequately addressed by us or **our vendors** the third parties on which we rely. We **Additionally, our insurance coverage** may not be insured **fully protect** against all types of losses; including losses resulting from **such events** third-party failures, and insurance coverage may be inadequate to cover all losses resulting from breaches, system failures or other disruptions. If any of our third-party service providers experience financial, operational, or technological difficulties, or if there is any other disruption **disruptions occur** in our relationships with them, we may be required to identify **find** alternative sources of such services **service,** and we cannot provide **providers. This** assurance that we could **involve** negotiate **negotiating less favorable** terms that are as favorable to us, or could obtain services with similar functionality as found in our **or existing incurring substantial costs to implement new** systems without. **Any of these** need to expend substantial resources, if at all. Further, the occurrence **occurrences** of any, **whether** systems **system** failure **failures, security breaches,** or interruption **vendor disruptions,** could damage our reputation and, result in a loss of clients **client** and business **losses,** expose could subject us to additional regulatory scrutiny **and,** or could expose us to legal liability **liabilities, and.** Any of these occurrences could have a material adverse effect on our financial condition and results of operations. **Our current and future uses of Artificial Intelligence (AI) and other emerging technologies may create additional risks. The increasing adoption of AI in financial services presents significant opportunities but also introduces a range of risks that could impact our operations, regulatory compliance, and client trust. AI introduces model risk, where flawed algorithms or biased data could result in inaccurate credit decisions, compliance violations, or discriminatory outcomes in lending or client service. Cybersecurity threats, such as data breaches, adversarial attacks, and data poisoning, pose significant challenges, particularly as these systems handle large volumes of sensitive client information. Additionally, the opaque nature of some AI models, often referred to as "black-box" systems, raises regulatory compliance concerns, as regulators increasingly require transparency and explainability in AI-driven decision-making. Operational risks also arise from potential system failures, over-reliance on AI, and integration challenges with existing infrastructure. Disruptions in AI systems could impact critical functions such as fraud detection, transaction monitoring, and client support. Ethical and reputational risks, including unintended consequences or perceived unfairness in AI-driven decisions, may erode client trust and expose us to regulatory scrutiny. Mitigating these risks requires a robust governance framework, regularly testing and auditing of AI models, and strong human oversight. Investments in cybersecurity, data privacy protections, and employee training are critical to managing these risks.** We are subject to certain risks in connection with our data management or aggregation. We are reliant on our ability to manage data and our ability to aggregate data in an accurate and timely manner to ensure effective risk reporting and management. Our ability to manage data and aggregate data may be limited by the effectiveness of our policies, programs, processes and practices that govern how data is acquired, validated, stored, protected and processed. While we regularly update our policies, programs, processes and practices, many of our data management and aggregation processes are manual and

subject to human error or system failure. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit our ability to manage current and emerging risks, and to manage changing business needs. Our business may be adversely affected by an increasing prevalence of fraud and other financial crimes. The Bank is susceptible to fraudulent activity that may be committed against us or our clients which may result in financial losses or increased costs to us or our clients, disclosure or misuse of our information or our client's information, misappropriation of assets, privacy breaches against our clients, litigation or damage to our reputation. Such fraudulent activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering and other dishonest acts. Nationally, reported incidents of fraud and other financial crimes have increased. We have also experienced losses due to apparent fraud and other financial crimes. While we have policies and procedures designed to prevent such losses, there can be no assurance that such losses will not occur. Risks Related to Our Business and Industry Generally Ineffective liquidity management could adversely affect our financial results and condition. Effective liquidity management is essential to our business. We require sufficient liquidity to meet client loan requests, ~~client~~ deposit maturities and withdrawals, payments on ~~our~~ debt obligations, ~~as they come due~~ and other cash commitments under both normal operating conditions and ~~other~~ unpredictable circumstances, including events causing industry or ~~general~~ financial market stress. An inability to raise funds through deposits, borrowings, ~~the sale of loans~~ ~~loan~~ or ~~and~~ investment securities ~~security~~ and sales, or other sources could ~~severely impact~~ have a substantial negative effect on our liquidity. We rely on client deposits and, at times, borrowings from the FHLB of Des Moines and ~~certain~~ other wholesale funding sources to fund ~~our~~ operations. Deposit flows and ~~the prepayment of loans~~ ~~loan~~ and mortgage-related securities ~~security~~ prepayments are strongly influenced by ~~such~~ external factors, ~~such~~ as the direction of interest rates ~~rate~~, whether trends (both actual or ~~and~~ perceived, ~~)~~ and the ~~market~~ competition for deposits and loans in the markets we serve. Further, ~~changes~~ ~~Changes~~ to the FHLB of Des Moines' ~~lending policies or~~ underwriting guidelines for wholesale borrowings or lending policies may limit or restrict our ability to borrow, ~~and could therefore have a significant adverse~~ ~~adversely affect~~ impact on our liquidity. ~~Although~~ ~~Historically~~, we have ~~historically~~ been able to replace maturing deposits and borrowings if desired; however, we ~~future replacements~~ may not be able ~~challenging due~~ to ~~changes~~ replace such funds in the future if, among other things, our financial condition, the financial condition of the FHLB of Des Moines' ~~s condition~~, or ~~broader~~ market ~~disruptions~~ conditions change. Our access to ~~adequate~~ funding sources in amounts adequate to finance our activities or on terms which are acceptable could also be impaired by factors that affect ~~affecting~~ us specifically or the financial services industry or economy in general ~~generally~~, such as a disruption in the financial markets ~~market~~ or ~~disruptions~~, negative ~~perceptions of~~ views and expectations about the prospects for the financial services industry ~~sector~~, or deterioration ~~deteriorating~~ in credit markets. Additional factors that ~~challenges to liquidity~~ could ~~arise from reduced~~ detrimentally impact our access to liquidity sources include a decrease in the level of our business activity as a result of a downturn in the ~~our core~~ markets in which, ~~adverse regulatory actions~~, our ~~or~~ deposits and loans are concentrated, negative operating results, ~~or~~ adverse regulatory action against us. Any ~~significant~~ decline in available funding ~~availability~~ in amounts adequate to finance our activities or on terms which are acceptable could ~~impede~~ adversely impact our ability to originate loans, invest in securities, meet ~~our~~ expenses, or fulfill obligations such as repaying ~~our~~ borrowings or ~~and~~ meeting deposit withdrawal demands, ~~potentially resulting~~ any of which could, in turn, have a material adverse effect ~~impact~~ on our business, financial condition, and results of operations. Additionally, collateralized public funds are bank ~~(state and local municipal~~ deposits of state and local municipalities. These deposits are required to be secured by certain investment ~~- grade securities~~) ~~help to ensure~~ repayment, which on the one hand tends to reduce our contingent liquidity risk by making ~~being less credit-sensitive~~, however, the pledging of collateral to secure these funds ~~limits~~ somewhat less credit sensitive, but on the other ~~their~~ hand reduces standby ~~availability as a reserve source of~~ liquidity by restricting the potential liquidity of the pledged collateral. ~~Although~~ ~~While~~ these deposits ~~have~~ historically ~~provided~~ have been a relatively stable ~~funding source of funds for us~~, ~~their~~ availability depends on the ~~individual municipality's~~ fiscal policies and cash flow needs ~~of individual municipalities~~. Benefits of strategic initiatives may not be realized. ~~Our~~ ~~Banner's~~ ability to compete depends on ~~various~~ a number of factors, including ~~our~~, among others, its ability to develop and successfully execute strategic plans and initiatives. ~~We~~ ~~However, we~~ may not be successful in achieving ~~achieve~~ some or all of our strategic initiatives ~~objectives~~. The expected ~~Expected~~ cost savings and revenue growth from ~~these~~ our strategic initiatives may not be realized. ~~The~~ ~~materialize, and the~~ costs to ~~of implement~~ ~~implementation~~ our strategic initiatives may be greater than anticipated. ~~Additionally, Changes~~ ~~changes~~ in economic conditions beyond our control, including changes ~~such as fluctuations~~ in interest rates, may affect our ability to achieve our objectives. ~~Failure~~ Our inability to execute on or achieve the anticipated outcomes of our strategic initiatives ~~could negatively~~ ~~impact~~ may affect how the market perceives us ~~perceptions of our company~~ and could impede our growth and profitability. Development of new products and services may impose additional costs on us and may expose us to increased operational risk. Our financial performance depends, in part, on our ability to develop and market ~~new and~~ innovative services and to adopt or develop new technologies that differentiate our products or provide ~~create~~ cost efficiencies, while ~~controlling~~ avoiding increased related expenses. This dependency ~~reliance~~ is exacerbated ~~heightened~~ in the current "FinTech" environment, where financial institutions are ~~significantly~~ ~~heavily~~ investing in ~~emerging~~ evaluating new technologies, such as blockchain, and developing potentially industry- changing ~~products, services, and standards. The introduction of~~ new products ~~and~~ services ~~requires~~ and industry standards. The introduction of new products and services can entail significant time and resources, including ~~obtaining~~ regulatory approvals. ~~It also entails~~ ~~Substantial~~ ~~substantial~~ risks and uncertainties are associated with the introduction of new products and services, including ~~such as meeting~~ technical and control requirements that may need to be developed and implemented, ~~keeping pace with~~ rapid technological ~~advancements~~ change in the industry, our ability to access ~~accessing client~~ technical and other information from our clients, ~~the~~ ~~and making~~ significant and ongoing investments required to ~~ensure timely~~ bring new products and services to market ~~entry~~ in a timely manner at competitive prices and the ~~Additionally, preparation~~ ~~preparing~~ of marketing, sales, ~~and~~ other materials that fully and accurately describe the product

products or service services, and their its underlying risks is critical. Our failure Failure to manage these challenges increases the risks and uncertainties also exposes us to enhanced risk of operational lapses, which may could result in the recognition of financial statement liabilities. Factors such as Regulatory regulatory and internal control requirements, capital requirements demands, competitive alternatives, vendor relationships, and shifting market preferences may also determine if such influence whether new initiatives can be successfully launched brought to market in a timely and appealing manner that is timely and attractive to our clients. Failure If we fail to successfully manage effectively address these risks in the development and implementation of new products or services, our business and reputation could have suffer, potentially leading to a material adverse impact effect on our business and reputation, as well as on our consolidated results of operations and financial condition. We are dependent on key personnel and the loss of one or more of those key personnel may materially and adversely affect our prospects. Competition for qualified employees and personnel in the banking industry is intense, with and there are a limited number pool of candidates qualified persons with knowledge of, and experience experienced in, the community banking industry where the Bank conducts its business. The process of recruiting personnel with the combination of skills and attributes required to carry out our strategies is often lengthy. Our success relies depends to a significant degree on our ability to attract attracting and retain retaining qualified skilled management, loan origination, finance, administrative, marketing, and technical personnel and upon, as well as on the continued contributions of our management and personnel. In particular, our success has been, and continues to be, highly dependent upon the abilities of key executives, including our president, and certain other critical employees. We Losing any of these individuals could undergo result in a difficult challenging transition period if and negatively impact our operations. Additionally, the experience and client relationships of our banking facility managers are vital to maintaining strong connections with the communities we were to lose the services serve of any. The loss of these key personnel individuals. Our success also depends on the experience of our or banking facilities' managers and bankers and on their relationships with the clients and communities they serve. In addition, our success has been and continues to be highly dependent upon the services of our directors, some of whom are at or nearing retirement without age, and we may not be able to identify and attract suitable replacements candidates to replace such directors. The loss of these key persons could adversely negatively impact the affected affect banking operations our business. We rely on other companies to provide key components of our business infrastructure. We rely on numerous external vendors to provide us with products and services necessary for to maintain our day-to-day operations. Accordingly, our operations are exposed to risk risks associated that these vendors will not perform in accordance with vendor performance the contracted arrangements under service level agreements. If a The failure of an external vendor fails to meet its perform in accordance with the contracted contractual obligations due to arrangements under service level agreements because of changes in its the vendor's organizational structure, financial condition, support for existing products and services or, strategic focus or, for or any other reason, our operations could be disruptive disrupted to our operations, potentially causing which in turn could have a material negative adverse impact on our financial condition and results of operations. We also Furthermore, we could be adversely affected if a vendor to the extent such an agreement is not renewed by the third-party vendor or is renewed on terms less favorable to us. Additionally, the bank regulatory Regulatory agencies expect also require financial institutions to be responsible remain accountable for all aspects of our vendors vendor performance, including activities aspects which they delegate delegated to third parties. Additionally, Disruptions disruptions or failures in the physical infrastructure or operating systems that support supporting our business and clients, or cyberattacks cyber- attacks or security breaches involving of the network networks, system systems, or devices that used by our clients use to access our products and services, could result in lead to client attrition, regulatory fines, or penalties or intervention, reputational damage, reimbursement or other compensation costs, and increased /or additional compliance costs, any expenses. Any of which these outcomes could materially and adversely affect our results of operations or financial condition and results of operations. Any inaccurate assumptions in our analytical and forecasting models could cause us to miscalculate our projected revenue or losses, which could adversely affect us. We use analytical and forecasting models to estimate the effects of economic conditions on our financial assets and liabilities including as well as our mortgage servicing rights. Those models include assumptions about interest rates and consumer behavior that may be incorrect. If our model assumptions are incorrect, improperly applied or inadequate, we may record higher than expected losses or lower than expected revenues which could have a material adverse effect on our business, financial condition and results of operations. Regulatory changes to Diversity, Equity and Inclusion ("DEI") and Environmental, Social and Governance ("ESG") practices may adversely impact our reputation, compliance costs, and business operations. In light of the recent executive order titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity" which revokes previous mandates promoting DEI and directs federal agencies to combat "illegal DEI" practices in the private sector, we must reassess our ESG strategies to ensure compliance with the evolving regulatory environment. The order signals a shift in federal oversight and enforcement priorities, potentially affecting internal policies, hiring practices, supplier diversity programs, and corporate governance frameworks. The executive order rescinds prior directives, such as Executive Order 11246, which required affirmative action and non-discriminatory practices by federal contractors. As a result, federal agencies may reevaluate existing contracts, scrutinize hiring and promotion policies, and take enforcement actions against companies perceived to be Managing engaging in practices that do not align with the revised federal standards. Additionally, new guidance or rulemaking stemming from the executive order could impose restrictions on voluntary DEI initiatives, training programs, or supplier diversity efforts. These developments may necessitate changes to our internal policies, reporting obligations, and public disclosures, creating operational and compliance challenges. Failure to align our DEI and ESG efforts with the current legal framework could result in reputational risk is important damage, legal challenges, and adverse impacts on our operations. Government investigations, enforcement actions, or private litigation challenging our DEI- and ESG- related policies could lead to financial penalties, increased legal costs, and potential restrictions on our

ability to engage in government contracting. Moreover, various private third-party organizations continue to evaluate companies based on ESG and maintaining clients' DEI practices. Unfavorable ratings from these entities could influence investor decisions, limit access to capital, and generate negative sentiment among stakeholders. While the executive order aims to eliminate specific DEI programs, investors and employees. Threats to our reputation can come from many sources, including adverse sentiment about financial institutions generally, unethical practices, employee misconduct, failure to deliver minimum standards of service or quality or operational failures due to integration or conversion challenges as a result of acquisitions we undertake, compliance deficiencies, and questionable or fraudulent activities of our clients. We have policies and procedures in place to protect our reputation and promote ethical conduct, but these policies and procedures may not be fully effective. Negative publicity regarding our business, employees, or clients, with or without merit, may result in the loss of clients, investors and employees, costly litigation, a decline in revenues and increased governmental regulation. Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders may still expect transparency and commitment to broader ESG goals, including workforce diversity, community engagement, and responsible corporate governance. Companies that scale back DEI initiatives to comply with respect to our environmental federal mandates may face backlash from institutional investors, advocacy groups, and employees who view such actions as a retreat from social responsibility commitments, and governance practices may impose additional costs on us. Inconsistencies between federal and state-level DEI policies may create further complexities, as certain states continue to mandate affirmative action or corporate diversity disclosures. Moreover, the rapid pace of change in legal frameworks, regulatory guidance and enforcement priorities resulting from the recent Presidential transition yields considerably increased uncertainty and compounds the difficulty of establishing and maintaining compliance. Adapting to the recent regulatory changes is crucial to maintaining our reputation, ensuring operational continuity, and meeting stakeholder expectations in the evolving ESG landscape. Noncompliance or perceived noncompliance with the executive order and related regulatory guidance could expose us to new or additional increased regulatory scrutiny, litigation risks. Companies are facing increasing scrutiny from clients, regulators, investors, and other stakeholders related to their environmental, social and governance (ESG) practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on business opportunities. At these practices, especially as they relate to the environment, health and safety, diversity, labor conditions, human rights, and corporate governance. Increased ESG-related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations regarding ESG and standards DEI commitments could impair our brand value, reduce employee engagement and retention, and negatively impact our reputation stock performance. Given these factors, ability we must carefully assess and adjust our policies, disclosures, and risk mitigation strategies to do navigate the shifting legal and business environment effectively with certain partners, and our stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure.

Risks Related to Holding Our Common Stock Our growth or future losses may require us to raise additional capital in the future, but that capital may not be available when it is needed or the cost of that capital may be exceedingly high. We are required by federal regulatory authorities to maintain adequate levels of capital to support our operations. We may at some point, however, need to raise additional capital to support continued growth or be required by our regulators to increase our capital resources. Any capital we obtain may result in the dilution of the interests of existing holders of our common stock. Our ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside our control, and on our financial condition and performance. Accordingly, we cannot make assurances that we will be able to raise additional capital if needed on terms that are acceptable to us, or at all. If we cannot raise additional capital when needed, our ability to further expand our operations could be materially impaired and our financial condition and liquidity could be materially and adversely affected. In addition, if we are unable to raise additional capital when required by our bank regulators, we may be subject to adverse regulatory action. We rely on dividends from the Bank for substantially all our revenue at the holding company level. We are an entity separate and distinct from our principal subsidiary, the Bank, and derive substantially all our revenue at the holding company level in the form of dividends from that subsidiary. Accordingly, we are, and will be, dependent upon dividends from the Bank to pay the principal of and interest on our indebtedness to satisfy our other cash needs and to pay dividends on our common stock. The Bank's ability to pay dividends is subject to its ability to earn net income and to meet certain regulatory requirements. In the event the Bank is unable to pay dividends to us, we may not be able to pay dividends on our common stock at the same rate or at all. Also, our right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors. Our articles of incorporation contain a provision which could limit the voting rights of a holder of our common stock. Our charter provides that any person or group who acquires beneficial ownership of our common stock in excess of 10 % of the outstanding shares may not vote the excess shares. Accordingly, if a person acquires beneficial ownership of more than 10 % of the outstanding shares of our common stock, that person's voting rights with respect to our common stock will not be commensurate with their economic interest in our company. Anti-takeover provisions could negatively affect our shareholders. Provisions in our articles of incorporation and bylaws, the corporate laws of the state of Washington and federal laws and regulations could delay or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise negatively affect the market value of our stock. These provisions, among others, include restrictions on voting shares of our common stock beneficially owned in excess of 10 % of total shares outstanding; and advance notice requirements for nominations for election to our Board of Directors and for proposing matters that shareholders may act on at shareholder meetings. In addition, although we are in the process of transitioning from staggered three-year terms for directors to a declassified board structure in which each director will be elected for a one-year term, this transition is not complete. The partially staggered-terms structure will continue to serve

as a relevant anti- takeover provision until the transition to a declassified board structure. Our articles of incorporation also authorize our Board of Directors to issue preferred or other stock, and preferred or other stock could be issued as a defensive measure in response to a takeover proposal. In addition, because we are a bank holding company, the ability of a third party to acquire us is limited by applicable banking laws and regulations. The Bank Holding Company Act requires any bank holding company to obtain the approval of the Federal Reserve before acquiring 5 % or more of any class of our voting securities. Any entity that is a holder of 25 % or more of any class of our voting securities, or in some circumstances a holder of a lesser percentage, is subject to regulation as a bank holding company under the Bank Holding Company Act. Under the Change in Bank Control Act of 1978, as amended, any person (or persons acting in concert), other than a bank holding company, is required to notify the Federal Reserve before acquiring 10 % or more of any class of our voting securities.