Risk Factors Comparison 2024-02-28 to 2023-02-23 Form: 10-K

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

Investing in our common stock involves various risks, many of which are specific to our business. The discussion below addresses the material risks and uncertainties, of which we are currently aware, that could have a material adverse effect on our business, results of operations, and financial condition. Other risks that we do not know about now, or that we do not currently believe are material, could negatively impact our business or the trading price of our securities. Additionally, investors should not interpret the disclosure of a risk to imply that the risk has not already materialized. See additional discussions about credit, interest rate, market, and litigation risks in" Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations." Market and Economic Risks Our financial performance may be adversely affected by conditions in the financial markets **, adverse developments or concerns affecting the financial services industry generally or financial institutions that are similar to us or may be viewed as being similar to us,** and economic conditions generally. Our financial performance is highly dependent upon the business environment in the markets where we operate and in the U. S. as a whole. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity, or investor or business confidence, limitations on the availability or increases in the cost of credit and capital, increases in inflation or interest rates, ~~US~~ **U. S.** government debt default or shutdown, the imposition of tariffs on trade, natural disasters, the emergence of widespread health emergencies or pandemics (~~including~~ **such as** the COVID- 19 pandemic), terrorist attacks, acts of war (~~including~~ **such as** the military ~~conflict~~ **conflicts in** ~~between Russia and~~ Ukraine **and the Middle East**), or a combination of these or other factors. The specific impact on us of unfavorable or uncertain economic or market conditions is difficult to predict, could be long or short term, and may be indirect, such as disruptions in our customers' supply ~~chain~~ **chains** or a reduction in the demand for their products or services. A worsening of business and economic conditions generally or specifically in the principal markets in which we conduct business could have adverse effects, including the following: • a decrease in deposit balances or the demand for loans and other products and services we offer; • an increase in the number of borrowers who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to us, which could lead to higher levels of nonperforming assets, net charge- offs, and provisions for credit losses; • a decrease in the value of loans and other assets or in the value of collateral; • a decrease in net interest income from our lending and deposit gathering activities; • an impairment of certain intangible assets such as goodwill; ~~and~~ • an increase in competition resulting from increasing consolidation within the financial services industry; and • an increase in borrowing costs in excess of changes in the rate at which we reinvest funds. In the U. S. financial services industry, the soundness of financial institutions is closely interrelated ~~because of credit~~ **. Actual events involving limited liquidity** , ~~trading~~ **defaults** , ~~clearing~~ **non- performance** or other ~~relationships between the~~ **adverse developments affecting financial** institutions ~~. As a result~~ , **transactional counterparties or other companies in the financial services industry or the financial services industry generally, or** concerns **or rumors** about ~~,~~ **any events of these kinds** or **other similar events** ~~a default or threatened default by~~ , ~~one institution could~~ **have in the past and may in the future** lead to ~~significant market- wide~~ **erosion of customer confidence in the banking system or certain banks, deposit volatility,** liquidity ~~and~~ **issues,** credit problems, losses or defaults by other institutions **, stock price volatility and other adverse developments** . ~~This~~ **The bank closures in the first half of 2023 led to such disruption and volatility, including deposit outflows, at many mid- sized banks, including us, increasing the need for liquidity. Although bank regulators ensured depositors would have access to all of their money after only one business day of the first such bank closure, including funds held in uninsured deposit accounts, it** is ~~sometimes referred to as " systemic risk " and~~ **not certain bank regulators will treat future bank failures similarly. Additionally, these types of events** may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, and exchanges, with which we interact on a daily basis **. Any of these impacts** , ~~and therefore~~ **or any other impacts resulting from the events described above or other related or similar events,** could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect** ~~us~~ **on our liquidity and current and / or projected business operations and financial condition and results of operations** . It is possible that the business environment in the U. S. **, including with respect to the financial services industry,** will continue to be challenging or experience recession or additional volatility in the future. There can be no assurance ~~that~~ such conditions will improve in the near term or that conditions will not worsen. **There also can be no assurance there will not be additional bank failures or liquidity concerns in particular segments of the financial services industry or in the U. S. financial system as a whole.** Such conditions **or events** could adversely affect our business, results of operations, and financial condition. Changes in interest rates and increased rate competition could adversely affect our profitability, business, and prospects. Most of our assets and liabilities reprice with changes in interest rates, which subjects us to significant risks from changes in interest rates and can impact our net interest income, mortgage banking revenues, the valuation of our assets and liabilities, and our ability to effectively manage ~~our~~ interest rate risk. We derive a significant amount of ~~our~~ revenue from net interest income and, therefore, our net income depends heavily on ~~our~~ net interest margin. Net interest margin is the difference between the interest we receive on loans, securities, and other earning assets and the interest we pay on interest- bearing deposits, borrowings, and other liabilities. These rates are highly sensitive to many factors beyond our control, including competition, general economic conditions, the slope of the interest rate curve, and monetary and fiscal policies of various governmental and regulatory authorities, including the FRB. In a rising rate environment, the rate of interest we pay on our interest- bearing deposits, borrowings, and other liabilities may increase more quickly than the rate of interest we receive on loans, securities, and other earning assets, which could adversely impact our net interest income and earnings. Interest rates rose during ~~2022 and may~~

~~continue to rise during~~ 2023 **,** ~~. As a result~~ **resulting in** ~~, we have experienced~~ certain of the rising rate environment effects described herein **. Specifically, inflation and rapid interest rate increases during 2023 led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Any sale of investment securities held in an unrealized loss position for liquidity or other purposes will cause actual losses to be realized. Gross unrealized losses on our HTM and AFS investment securities totaled $ 179 million and $ 702 million, respectively, as of December 31, 2023** . If interest rates continue to increase, our business, financial condition and results of operations may be materially and adversely affected. Conversely, our earnings also could be adversely affected in a declining rate environment if the rates on our loans and other investments fall more quickly than those on our deposits and other liabilities. Because of our relatively high reliance on net interest income, our revenue and earnings are more sensitive to changes in market rates than other financial institutions **with** ~~that have~~ more diversified sources of revenue. Loan volumes ~~are~~ **may** also **be** affected by market interest rates on loans. Lower interest rates are ~~usually~~ **typically** associated with higher loan originations, but also result in higher loan refinancings which can result in lower average loan yields and the loss of future net servicing revenues on residential loans with an associated write- down of MSRs. In contrast, in rising interest rate environments, loan repayment rates generally decline and result in a lower volume of loan originations. In addition to the impact on our lending business, a decrease in loan originations would adversely affect the volume of loans available for purchase by our mortgage warehouse lending platform. In addition to the potential effects on net interest margin and loan volumes, an increase in the general level of interest rates **may** ~~affected~~ -- **affect** the ability of certain borrowers to pay interest and principal on their obligations and ~~reduced~~ **reduces** the amount of non- interest income we can earn due to potentially lower levels of banking business conducted **,** generally **,** as well lower levels of servicing, gain on sale, and other revenues generated through our residential mortgage business. Our financial instruments expose us to certain market risks and may increase the volatility of earnings and AOCI. We hold certain financial instruments measured at fair value. For those financial instruments measured at fair value, we are required to recognize ~~the~~ changes in ~~the~~ fair value ~~of such instruments~~ in either earnings or AOCI each quarter. Therefore, any increases or decreases in the fair value of these financial instruments **will** have a corresponding impact on reported earnings or AOCI. Fair value can be affected by a variety of factors, many of which are beyond our control, including credit spreads, interest rate volatility, liquidity, and other economic factors. Accordingly, we are subject to mark- to- market risk and the application of fair value accounting **which** may cause our earnings and AOCI to be more volatile than ~~would~~ **what may** be suggested by our underlying performance. Due to the inherent risk associated with accounting estimates, our ACL may be insufficient, which could require us to raise additional capital or otherwise adversely affect our financial condition and results of operations. Credit losses are an inherent risk in the business of making loans. Management makes various assumptions and judgments about the collectability of our loan portfolio and maintains an ACL ~~deemed~~ **estimated** to cover expected losses over the life of the ~~loan~~ **loans in our** portfolio. The measurement of expected credit losses takes place at the time the financial asset is first added to the balance sheet (with periodic updates thereafter) and is based on a number of factors, including the size of the portfolio, asset classifications, economic trends, industry experience and trends, industry and geographic concentrations, estimated collateral values, management' s assessment of the credit risk inherent in the portfolio, loan underwriting policies, historical loan loss experience, and reasonable and supportable forecasts. In addition, with the exception of residential loans, we individually evaluate all loans identified as problem loans with a total commitment of $ 1. 0 million or more, and establish an allowance based upon our estimation of the potential loss associated with those problem loans. Additions to the ACL recorded through ~~our~~ provision for credit losses decrease our net income. If management' s assumptions and judgments are incorrect or if economic conditions worsen compared to forecast, our actual credit losses may exceed our ACL. At December 31, ~~2022~~ **2023** , our ACL on funded loans and loss contingency on unfunded loan commitments and letters of credit ~~totals~~ **totaled** $ ~~309~~ **336** . 7 million and $ ~~47~~ **31** . ~~0~~ **6** million, respectively. Deterioration in the real estate market or general economic conditions could affect the ability of our loan customers to service their debt, which could result in additional loan loss provisions and increases in our ACL. In addition, ~~we~~ **future volatility in the banking industry and related economic effects, like those experienced during 2023,** may **adversely impact the Company' s estimate of its ACL and resulting provision for credit losses. We may also** be required to record additional loan provisions or increase our ACL based on new information regarding existing loans, input from regulators in connection with their review of our loan portfolio, changes in regulatory guidance, regulations or accounting standards, identification of additional problem loans, changes in economic outlook, and other factors, both within and outside of our management' s control. Moreover, because future events are uncertain and because we may not successfully identify all deteriorating loans in a timely manner, there may be loans that deteriorate in an accelerated time frame. Any increases in the provision or ACL would decrease our net income and capital, and may have a material adverse effect on our financial condition and results of operations. If actual credit losses materially exceed our ACL, we may be required to raise additional capital, which may not be available to us on acceptable terms or at all. Our inability to raise additional capital on acceptable terms when needed could materially and adversely affect our financial condition, results of operations, and capital. **A protracted shutdown of the United States government may result in reduced loan originations and other adverse effects that could negatively affect our financial condition and results of operations. Increasing political polarization in the United States and its government, including disagreement around conflict- related foreign involvement and aid and other politically charged issues may increase the likelihood of a shutdown of the federal government. Any shutdown of the United States government could adversely impact our ability to originate loans, particularly through AmeriHome' s correspondent and retail operations and our small business lending program. A government shutdown could also adversely affect certain of our borrowers which may be dependent on government funding, contractual arrangements or employment, which could affect such borrowers' ability to pay principal and interest on our loans or their ability or desire to deposit money with or borrow from our bank. Any of these effects could result in greater loan delinquencies, increases in non-performing, criticized, and classified assets, and a decline in demand for our products and services.** The markets in which

we operate are subject to the risk of both natural and man- made disasters. Many of the real and personal properties securing our loans are located in California and more generally in the southwestern portion of the United States. ~~Much~~ **Substantial portions** of California ~~experiences~~ **experience** wildfires from time to time that **may** cause significant damage throughout the state. While these wildfires have not significantly damaged our own properties, it is possible ~~that~~ our borrowers may experience losses in the future, which may materially impair their ability to meet the terms of their obligations. California and the southwestern United States are also prone to other natural disasters, including, but not limited to, drought, earthquakes, flooding, and mudslides. In recent years, drought and decreased snowfall in the Rocky Mountains has led to decreased water flow in the Colorado River, from which many areas in the southwest obtain water, including certain of our markets. Persistence of such conditions or additional significant natural or man- made disasters in the state of California or in our other markets could lead to damage or injury to our own properties and / or employees, declines in population in our markets, and increased risk that our borrowers may experience losses or sustained job interruption, which may materially impair their ability to maintain deposits or meet the terms of their loan obligations. Therefore, additional natural disasters, a man- made disaster or a catastrophic event, persistence of detrimental environmental conditions, or a combination of these or other factors, in any of our markets could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Climate change ~~or~~ **,** societal responses **and legislative and regulatory initiatives with respect** to climate change could ~~adversely~~ **materially** affect our business and performance, including indirectly through impacts on our customers and vendors. The lack of empirical data surrounding the credit and other financial risks posed by climate change makes it impossible to predict the specific impact climate change may have on our financial condition and results of operations; however, the physical effects of climate change may also impact us. In addition to the risk of more frequent and / or severe natural disasters, climate change can result in longer term shifts in climate patterns such as extreme heat, sea level rise, declining fresh water resources, and more frequent and prolonged drought. The effects of climate change may have a significant effect in our geographic markets, and could disrupt our operations, the operations of our customers or third parties on which we rely, or supply chains generally. These disruptions, including increased regulation and compliance cost for our customers and changes in consumer behaviors, could result in declines in the economic conditions in geographic markets or industries in which our customers operate and impact their ability to repay loans or maintain deposits and could affect the value of real estate and other assets that serve as collateral for loans. Bank regulators have increasingly viewed financial institutions as playing an important role in helping to address climate change, which may result in increased requirements regarding the disclosure and management of climate risks and related lending activities. We may also become subject to new or heightened regulatory requirements related to climate change, such as requirements relating to operational resiliency or stress testing for various climate stress scenarios. New or increased regulations, including potential additional climate- related disclosure requirements, could result in increased compliance costs or capital requirements. Changes in regulations and customer preferences and behaviors could negatively affect our growth or force us to alter our business strategies, including whether and on what terms and conditions we will engage in certain activities or offer certain products or services and which growth industries and customers we pursue. Additionally, our reputation and customer relationships may be damaged due to our practices related to climate change, including our involvement, or our customers' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. Overall, climate change, its effects and the resulting, unknown impact could have a material adverse effect on our financial condition and results of operations. Increased scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to ESG practices may impose additional costs on the Company or expose it to new or additional risks. As a regulated financial institution and a publicly traded company, we are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to ESG practices and disclosure. Investor advocacy groups, investment funds, and influential investors are increasingly focused on these practices, especially as they relate to climate risk, hiring practices, ~~the~~ diversity of the workforce, and racial and social justice issues. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain customers and business partners, and stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory or voluntary reporting, diligence, and disclosure. ESG- related costs, including with respect to compliance with any additional regulatory or disclosure requirements or expectations, could adversely impact our results of operations ~~. The COVID- 19 pandemic and resulting adverse economic conditions have adversely impacted, and could continue to adversely impact, our financial condition and results of operations. Our business is dependent on the willingness and ability of our customers to conduct banking and other financial transactions. The ongoing COVID- 19 global and national health emergency caused significant disruption in the United States and international economies and financial markets and continues to cause illness, quarantines, reduced attendance at events and reduced travel, reduced commercial and financial activity, and overall economic and financial market instability. While the level of disruption caused by, and the economic impact of, COVID- 19 has lessened in 2022, there is no assurance that the pandemic will not worsen again, including as a result of the emergence of new strains of the virus. Any worsening of the pandemic and its effects on the economy could further impact our business, our provision and ACL, and the value of certain assets that we carry on our balance sheet, such as goodwill. Our customers, business partners, and third- party providers, including those who perform critical services for our business, may also be adversely affected~~ . Credit Risks We are highly dependent on real estate and events ~~that~~ negatively ~~impact~~ **impacting** the real estate market will hurt our business and earnings. A significant portion of our business is located in areas in which economic growth is largely dependent on the real estate market, and a large part of our loan portfolio is secured by or otherwise dependent on real estate. The market for real estate is cyclical and a significant change in the real estate market that ~~resulted~~ **results** in deterioration in the value of collateral or rental or occupancy rates could adversely affect borrowers' ability to repay loans. Changes in the real estate market could also affect the value of foreclosed assets. A decline in real estate activity would likely

cause a decline in asset and deposit growth and negatively impact our earnings and financial condition. **In recent years, commercial real estate markets have been impacted by economic disruptions, including those resulting from the COVID- 19 pandemic and the effects of increases in remote work on urban centers and changes in the characteristics of certain urban centers. CRE loans are generally viewed as having a greater risk of default than other types of loans and depend on cash flows from the owner' s business or the property' s tenants to service the debt. The borrower' s cash flows may be affected significantly by general economic conditions. Adverse conditions in the real estate market or the general business climate and economy or in occupancy rates where the property is located could increase the likelihood of default. CRE loans generally have large loan balances, and therefore, the deterioration of one or a few of these loans could cause a significant increase in the percentage of our non- performing loans. An increase in non- performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses, and an increase in charge- offs, all of which could have a material adverse effect on our financial condition and results of operations. The banking regulatory agencies have expressed concerns about weaknesses in the current CRE market. Banking regulatory authorities typically give CRE lending greater scrutiny and may require banks with higher levels of CRE loans to implement enhanced risk management practices, including stricter underwriting, internal controls, risk management policies, more granular reporting, and portfolio stress testing, as well as possibly higher levels of allowances for losses and capital levels as a result of CRE lending growth and exposure. If our banking regulators determine that our CRE lending activities are particularly risky and are subject to heightened scrutiny, we may incur significant additional costs or be required to restrict certain of our CRE lending activities. Furthermore, failures in our risk management policies, procedures and controls could adversely affect our ability to manage this portfolio going forward and could result in an increased rate of delinquencies in, and increased losses from, this portfolio, which could have a material adverse effect on our business, financial condition and results of operations.** Our loan portfolio contains concentrations in certain business lines or product types that have unique risk characteristics and may expose us to increased lending risks. Our loan portfolio consists primarily of commercial and industrial, residential mortgage, and CRE loans, which contain material concentrations in certain business lines or product types, such as mortgage warehouse, real estate, corporate finance, as well as in specific business sectors such as technology and innovation. These loan concentrations present unique risks and involve specialized underwriting and management as they often involve large loan balances to a single borrower or group of related borrowers. Consequently, an adverse development with respect to one commercial loan or one credit relationship may adversely affect us. In addition, based on the nature of lending to these specialty markets, repayment of loans may be dependent upon borrowers receiving additional equity financing or, in some cases, a successful sale to a third party, public offering, or other form of liquidity event. Our commercial and industrial, CRE, and construction and land development loans, are also largely concentrated in ~~selected~~ -- **select** markets in Arizona, California, and Nevada. As a result of this geographic concentration, deterioration in economic conditions in these markets could result in an increase in loan delinquencies and charge- offs, an increase in problem assets and foreclosures, a decrease in the demand for our products and services or a decrease in the value of real estate and other collateral for loans. Unforeseen adverse events, changes in economic conditions, and changes in regulatory policy affecting borrowers' industries or markets could have a material adverse impact on our financial condition and results of operations. Our credit linked notes do not ensure full protection against credit losses, and as such we could still incur significant credit losses on loans for which risk of loss has been transferred pursuant to these transactions. We have entered into transactions to mitigate exposure to losses on our loan portfolio. These transactions are structured as credit linked notes, which transfer the risk of first losses on covered loans to these note holders. These notes have an aggregate principal amount of $ ~~1~~ **459** . ~~0~~ **9** ~~billion~~ **million** on a $ ~~12~~ **9** . ~~0~~ **1** billion reference pool of warehouse and equity fund resource loans and residential mortgages. Pursuant to these arrangements, in the event of borrower default, the principal balance of the notes will be reduced by the amount of the loss, up to the amount of the aggregate principal of the notes. However, all residual risk over and above the first loss position is retained by us. While current estimates of future credit losses are below the first loss position, no assurances can be given that ~~these~~ **future** losses will not exceed the first loss position and, if credit losses were to exceed the first loss position, our financial condition and results of operations could be adversely effected. We may enter into more such transactions in the future. We are exposed to risk of environmental liabilities with respect to properties to which we obtain title. Approximately ~~60~~ **62** % of our loan portfolio at December 31, ~~2022~~ **2023** was secured by real estate. In the course of our business, we may foreclose on and take title to real estate, and could be subject to environmental liabilities with respect to these properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation, and clean- up costs incurred by these parties in connection with environmental contamination, or may be required to investigate or clean up hazardous or toxic substances, or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. These costs and claims could be substantial and adversely affect our business and prospects. Strategic Risks Our future success depends on our ability to compete effectively in a highly competitive and rapidly evolving market. We face substantial competition in all phases of our operations from a variety of different competitors. Our competitors, including money center banks, national and regional commercial banks, community banks, thrift institutions, mutual savings banks, credit unions, finance companies, insurance companies, securities dealers, brokers, mortgage bankers, investment advisors, money market mutual funds, financial technology companies and other financial institutions, compete with lending and deposit- gathering services offered by us. Increased competition in our markets or our inability to compete effectively may result in reduced loans and deposits or less favorable pricing. In particular, we have experienced intense price and terms competition in some of the lending lines of business and deposits in recent years. Many of these competing institutions have much greater financial and marketing resources than we have. Due to their size and brand recognition, larger competitors can achieve economies of scale

and may offer a broader range of products and services or more attractive pricing than us. In addition, some of the financial services organizations ~~with which~~ we compete **with** are not subject to the same degree of regulation as is imposed on bank holding companies and federally insured depository institutions. As a result, these non- bank competitors have certain advantages over us in accessing funding and in providing various services. The banking business in our primary market areas ~~are~~ **is** very competitive, and the level of competition facing us may increase further, which may limit our asset growth and financial results. In particular, our predominate source of revenue is net interest income. Therefore, if we are unable to compete effectively, including sustaining loan and deposit growth at our historical levels, our business and results of operations may be adversely affected. The financial services industry **is** also ~~is~~ facing increasing competitive pressure from the introduction of disruptive new technologies such as blockchain and digital payments, often by non- traditional competitors and financial technology companies. Among other things, technology and other changes are allowing customers to complete financial transactions that historically have involved banks at one or both ends of the transaction. The elimination of banks as intermediaries for certain transactions, as well as further disruption of traditional bank businesses and products by non- banks, could result in the loss of fee income and deposits and otherwise adversely affect our business and results. Our expansion strategy may not prove to be successful and our market value and profitability may suffer. We continually evaluate expansion through acquisitions of banks and other financial assets and businesses. Like previous acquisitions by us such as the acquisition of AmeriHome in 2021 and DST in 2022, any future acquisitions will be accompanied by risks commonly encountered in such transactions, including, among other things: • time and expense incurred while identifying, evaluating and negotiating potential acquisitions and transactions; • difficulty in accurately estimating the value of target companies or assets and in evaluating their credit, operations, management, and market risks; • potential payment of a premium over book and market values that may cause dilution of our tangible book value or earnings per share; • exposure to unknown or contingent liabilities of the target company; • potential exposure to asset quality issues of the target company; • difficulty of integrating the operations and personnel; • potential disruption of our ongoing business; • failure to retain key personnel ~~at~~ **of** the acquired business; • inability of our management to maximize our financial and strategic position by the successful implementation of uniform product offerings and the incorporation of uniform technology into our product offerings and control systems; and • failure to realize any expected revenue increases, cost savings, and other projected benefits from an acquisition. We expect ~~that~~ competition for suitable acquisition candidates may be significant. We may compete with other banks or financial service companies with similar acquisition strategies, many of which are larger and have greater financial and other resources. We cannot assure ~~that~~ we will be able to successfully identify and acquire suitable acquisition targets on acceptable terms and conditions, or that we will be able to obtain the regulatory approvals needed to complete any such transactions. We cannot provide any assurance ~~that~~ we will be successful in overcoming these risks or any other problems encountered in connection with acquisitions. Potential regulatory enforcement actions could also adversely affect our ability to engage in certain acquisition activities. Our inability to overcome the risks inherent in the successful completion and integration of acquisitions could have an adverse effect on the achievement of our business strategy. There are substantial risks and uncertainties associated with the introduction or expansion of lines of business or new products and services within existing lines of business. From time to time, we may implement new lines of business, offer new products and services within existing lines of business, or offer existing products or services to new industries, geographies, or market segments. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed or industries are heavily regulated. In developing and marketing new lines of business and / or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and / or new products or services may not be achieved and price and profitability targets may not prove attainable. External factors, such as compliance with laws and regulations, competitive alternatives, and shifting market preferences or government policies, may also impact the successful implementation of a new line of business, product or service or the offering of existing products and services to an emerging industry. Furthermore, any new line of business and / or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on our business, results of operations, and financial condition. We are pursuing digital payments initiatives which are subject to significant uncertainty and could adversely affect our business, reputation, or financial results. We are pursuing digital payments initiatives, including our 2022 acquisition of DST, a digital payments platform for the class action legal industry, and implementation of a fully integrated digital banking platform for our customers ~~, including a digital token powered by the TassatPay platform~~ . The digital payments products and services we offer may use or rely on blockchain- based technologies or assets. Use of blockchain- based technologies in payments are a relatively new and unproven technology, and the laws and regulations surrounding them are uncertain and evolving. Blockchain and digital payment technology has drawn significant scrutiny from governments and regulators in multiple jurisdictions and we expect that scrutiny to continue. Any changes in such laws and regulations applicable to, or scrutiny directed at, our products and services may impede or delay the offering of digital payments solutions, increase our operating costs, require significant management time and attention, or otherwise harm our business or results of operations. In addition, market acceptance of digital payments products and services is subject to significant uncertainty. As such, there can be no assurance ~~that~~ **the** digital payments products and services we offer and the technologies we have chosen to implement will be accepted and desired by customers. We do not have significant prior experience with blockchain- based technology, which may adversely affect our ability to successfully integrate and market such digital payments products and services. We also will continue to incur increased costs in connection with these efforts, and our investments may not be successful. Any of these events could adversely affect our business, reputation, or financial results. Our success is dependent upon our ability to recruit and retain qualified employees, including members of our leadership and management teams. Our business plan includes and is dependent upon hiring and retaining highly qualified and motivated executives and employees at every level. In particular, our

relative success to date has been partly the result of our management' s ability to identify and retain highly qualified employees in leadership and administrative support roles, and experienced bankers with expertise in certain specialty areas or that have long- standing relationships in their communities or markets, including with respect to our business- to- business mortgage platform. These professionals bring with them valuable knowledge, specialized skills and expertise, customer relationships and in some cases extensive ties within markets upon which our competitive strategy is based, and have been an integral part of our ability to attract deposits and to expand ~~our~~ market share. We have not entered into employment agreements with most of our employees and competition for talent in our industry is ~~intense~~ **strong** . The labor market is currently challenging, with **high** employee turnover ~~at an all- time high~~ and increased wage pressure. In addition, the **proliferation of hybrid** ~~transition to an increased remote~~ work ~~environment~~ **environments** , may exacerbate the challenges of attracting and retaining talented and diverse employees as job markets may be less constrained by physical geography. We incentivize employee retention through our equity incentive plans; however, we cannot guarantee the effectiveness of our equity incentive plans in retaining these key employees and executives. Were we to lose key employees, we may not be able to replace them with equally qualified persons who bring the same skills and knowledge of and ties to the communities and markets **where** ~~within which~~ we operate. If we are unable to retain qualified employees or hire new qualified employees to keep up with or outpace employee turnover, we may not be able to successfully execute our business strategy or may incur additional costs to achieve our objectives. We could be harmed if our succession planning is inadequate to mitigate the loss of key members of our senior management team. We believe ~~that~~ our senior management team has contributed greatly to our performance. In addition, we from time to time experience retirements and other changes to our senior management team. Our future performance depends on a smooth transition of our senior management, including finding and training highly qualified replacements who are properly equipped to lead us. We have adopted retention strategies, including equity awards, from which our senior management team benefits in order to achieve our goals. However, we cannot assure our succession planning and retention strategies will be effective and the loss of senior management could have an adverse effect on our business. Capital and Liquidity Risks We are subject to capital adequacy standards and liquidity rules, and a failure to meet these standards could adversely affect our financial condition. WAL and WAB are each subject to capital adequacy and liquidity rules and other regulatory requirements specifying minimum amounts and types of capital that must be maintained. From time to time, the regulators implement changes to these regulatory capital adequacy and liquidity guidelines. If we fail to meet these ~~minimum capital and liquidity~~ guidelines and other regulatory requirements, we may be restricted in the types of activities we may conduct and may be prohibited from taking certain capital actions, such as paying executive bonuses or dividends and repurchasing or redeeming capital securities. At December 31, ~~2022~~ **2023** , our CET1 ratio was ~~9~~ **10** . ~~3~~ **8** %. While this ratio is above the well- capitalized regulatory ratio threshold of 6. 5 %, it is still below our ~~targeted~~ -- **target** capital level. As we continue to focus on building our capital ratios, we may need to issue additional equity capital or reduce the pace at which we are growing in order to increase our CET1 and other capital ratios. If we lose a significant portion of our core deposits or a significant deposit relationship, or our cost of funding deposits increases significantly, our liquidity and / or profitability would be adversely impacted. Our success depends on our ability to maintain sufficient liquidity to fund our current obligations and support loan growth and, specifically, to attract and retain a stable base of relatively low- cost deposits. ~~The~~ **Shortly following the closures of Silicon Valley Bank and Signature Bank in March 2023, we and certain other banks experienced a brief period of elevated deposit withdrawals. While we cannot know for certain with respect to all withdrawals, we believe the elevated withdrawals were at least in part due to certain perceived similarities between our loan portfolio and deposit gathering activities and those of the aforementioned banks. Our deposit balances stabilized as of March 20, 2023 and from that date through December 31, 2023 deposits increased, and were up $ 1. 7 billion, or 3. 1 %, from December 31, 2022. During this time, we took additional measures to ensure liquidity, strengthen our capital position and increase customer confidence, which included increasing our borrowing capacity with the FRB, selling certain assets and strengthening our insured and collateralized deposit ratio from 47 % as of December 31, 2022 to 80 % as of December 31, 2023. We also participated in the BTFP where the company borrowed $ 1. 3 billion, all of which was repaid as of December 31, 2023. Moreover, the** competition for these **relatively low- cost** deposits in our markets is strong and customers may demand higher interest rates on their deposits or seek other investments offering higher rates of return. Additionally, we may accept brokered deposits, which may be more price sensitive than other types of deposits and may become less available if alternative investments offer higher returns. We offer reciprocal deposit products through third party networks to customers seeking federal insurance for deposit amounts ~~that exceed~~ **exceeding** the applicable deposit insurance limit at a single institution. We also from time to time offer other credit enhancements to depositors, such as FHLB letters of credit and, for certain deposits of public monies, pledges of collateral in the form of readily marketable securities. Any event or circumstance that interferes with or limits our ability to offer these products to customers that require greater security for their deposits, such as a significant regulatory enforcement action or a significant decline in capital levels at our bank subsidiary, could negatively impact our ability to attract and retain deposits. **Although our deposits have stabilized and increased since we experienced the period of elevated withdrawals, we cannot be assured similar unusual deposit withdrawal activity will not affect banks generally or us in the future.** If we were to lose a significant deposit relationship or a significant portion of our low- cost deposits, ~~we~~ **our liquidity** would be ~~required to borrow from~~ **adversely impacted. Additionally, if** ~~other~~ -- **the** ~~sources at higher rates and~~ **Company' s borrowings increase** ~~our~~ - **or** ~~liquidity~~ **remain elevated in future periods, our net interest margin** and profitability ~~would~~ **may** be adversely impacted. We may be required to repurchase mortgage loans or indemnify investors under certain circumstances. A substantial portion of our mortgage banking operations involves the sale of loans to third parties, including through securitization. When loans are sold or securitized, we make customary representations and warranties about such loans to the loan purchaser or through documents governing our securitized loan pools. If a mortgage loan does not comply with the representations and warranties made with respect to it at the time of its sale, we could be required to repurchase the loan, replace it with a substitute loan and / or

indemnify secondary market purchasers or investors for losses, and may not have recourse to the correspondent seller that sold the mortgage loans and breached similar or other representations and warranties. Significant indemnification or repurchase activity on securitized or sold loans without offsetting recourse to a counterparty from which the loan was purchased could have a material adverse effect on our financial condition and results of operations. We utilize borrowings from the FHLB and the FRB, and there can be no assurance these programs will be available as needed. As of December 31, ~~2022~~ **2023** , we have $ ~~4~~ **6** . ~~3~~ **2** billion of borrowings from the FHLB of San Francisco and no borrowings from the FRB. We utilize borrowings from the FHLB of San Francisco and the FRB to satisfy short- term liquidity needs. Our borrowing capacity is generally dependent on the value of our collateral pledged to these entities. These lenders could reduce our borrowing capacity or eliminate certain types of collateral and could otherwise modify or terminate their loan programs. Any change to or termination of these programs could have an adverse effect on our liquidity and profitability. A change in our creditworthiness could increase our cost of funding or adversely affect our liquidity. Market participants regularly evaluate our creditworthiness and the creditworthiness of our long-term debt based on a number of factors, some of which are not entirely within our control, including our financial strength and conditions within the financial services industry generally. There can be no assurance that our perceived creditworthiness will remain the same. Changes could adversely affect the cost and other terms upon which we are able to obtain funding and our access to the capital markets, and could increase our cost of capital. Likewise, any loss of or decline in the credit rating assigned to us could impair our ability to attract deposits or to obtain other funding sources, or increase our cost of funding. Operational and Technological Risks A failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors and other service providers, including as a result of cyber- attacks, could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs, and cause losses. Our operations rely on the secure processing, storage, and transmission of confidential and other information. Moreover, a portion of our employees work remotely at least some of the time. Although we take numerous protective measures to maintain the confidentiality, integrity, and security of our customers' information across all geographies and product lines, and endeavor to modify these protective measures as circumstances warrant, the nature of cyber threats continues to evolve. As a result, our computer systems, software, and networks and those of our customers and third- party vendors may be vulnerable to unauthorized payments and account access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber- attacks, and other events that could have an adverse security impact and result in significant losses to us and / or our customers. These threats may originate externally from increasingly sophisticated third parties, including foreign governments, organized criminal groups, and other hackers, or from outsourced or infrastructure- support providers and application developers, or the threats may originate from within our organization. We also face the risk of operational disruption, failure, termination, or capacity constraints of any of the third parties that facilitate our business activities, including vendors, exchanges, clearing agents, clearing houses, or other financial intermediaries. Such parties could also be the source or cause of an attack on, or breach of, our operational systems, data or infrastructure **. The rapid evolution and increased adoption of artificial intelligence technologies has also given rise to additional vulnerabilities and potential entry points for cyber threats** . In addition, we may be at risk of an operational failure with respect to our customers' systems. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the outsourcing of many of our business operations, and the continued uncertain global economic environment. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. We maintain insurance policies that we believe provide reasonable coverage for an institution of our size and scope with similar technological systems. However, we cannot assure that these policies will afford coverage for all possible losses or would be sufficient to cover all financial losses, damages, or penalties, including lost revenues, should we experience any one or more of our or a third party' s systems failing or experiencing an attack. We rely on third parties to provide key components of our business infrastructure. We rely on third parties to provide key components for our business operations, such as data processing and storage, recording and monitoring transactions, online banking interfaces and services, internet connections, and network access. While we have a robust due diligence process in place to select third- party vendors, we do not control their actions. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyber-attacks and security breaches at a vendor, failure of a vendor to provide services for any reason, or poor performance by a vendor could adversely affect our ability to deliver products and services to our customers and otherwise conduct our business. Financial or operational difficulties of a third- party vendor could also impact our operations if those difficulties interfere with their ability to serve us. Replacing third- party vendors could create significant delays and expense and there is no guarantee that such replacement vendors will be available at comparable rates, on similar terms, or in a timely manner, if at all. Any of these things could adversely affect our business and financial performance. Our business may be adversely affected by fraud. As a financial institution, we are inherently exposed to a wide range of operational risks, including, but not limited to, theft and other fraudulent activity by employees, customers, and other third parties targeting us and / or our customers or data. Such activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering and other dishonest acts. Although we devote substantial resources to maintaining effective policies and internal controls to identify and prevent such incidents, given the persistence and increasing sophistication of possible perpetrators, we may experience financial losses or reputational harm as a result of fraud. Our controls and processes, our reporting systems and procedures, and our operational infrastructure may not be able to keep pace with our growth, which could cause us to experience compliance and operational problems, ~~to~~ lose customers, or incur additional expenditures, any one of which could adversely affect our financial results. Our future success will depend on the ability of officers and other key employees to effectively implement solutions designed to continually enhance operational, credit, financial, management and other internal risk controls and processes, as well as improve

reporting systems and procedures, while at the same time maintaining and growing existing businesses and client relationships. We may not successfully implement such changes or improvements in an efficient or timely manner, or we may discover deficiencies in our existing systems and controls that adversely affect our ability to support and grow our existing businesses and client relationships, and could require us to incur additional expenditures to expand our administrative and operational infrastructure. If we are unable to maintain and implement improvements to our controls, processes, and reporting systems and procedures, we may lose customers, experience compliance and operational problems or incur additional expenditures beyond current projections, any one of which could adversely affect our financial results. The ~~replacement~~ **discontinuation** of ~~LIBOR~~ **, or substantial change to, an interest rate benchmark we use in lending, borrowing or hedging** may adversely affect our business. **We use various** ~~LIBOR and certain other~~ interest rate benchmarks **in our lending** ~~are the subject of national~~ , ~~international~~ **borrowing** and **hedging activities. An interest rate benchmark we use in lending, borrowing or hedging may be discontinued or substantially changed in** ~~other~~ -- **the future** ~~regulatory guidance and reform~~ . **For example,** ~~Effective~~ **effective** January 1, 2022, the administrator of ~~the~~ LIBOR ceased the publication of one- week and two- month ~~US~~ **U. S.** dollar LIBOR **,** and ~~will~~ **immediately after June 30, 2023, the administrator of LIBOR** ~~cease~~ **ceased** the publications of the remaining tenors of ~~US~~ **U. S.** dollar LIBOR (one, three, six, and 12- month) ~~immediately after June 30~~ **. Additionally, on November 15** , 2023 **, the Bloomberg Index Services Limited announced the permanent cessation of the Bloomberg Short- Term Bank Yield Index, effective November 15, 2024** . ~~The market transition~~ **Transitioning** away from ~~LIBOR~~ **an interest rate benchmark** to alternative reference rates is complex and could have a range of adverse effects on our business, financial condition and results of operations. In particular, the transition could: • adversely affect the interest rates received or paid on the value of our ~~LIBOR-~~ **assets and liabilities that are** based ~~assets and liabilities~~ **on the discontinued interest rate benchmark** compared to the rate received or paid based on the alternative benchmark rates; • adversely affect the interest rates received or paid on the value of other securities or financial arrangements **; • result** ~~, given LIBOR' s role~~ in ~~determining market~~ **charges to the financial statements and obligation to" de- designate" certain** interest ~~rates~~ - **rate** ~~globally~~ **swaps used in hedges of certain loans indexed to the discontinued interest rate benchmark** ; • prompt inquiries or other actions from regulators in respect of our preparation and readiness for the replacement of ~~LIBOR~~ **the discontinued interest rate benchmark** with an alternative reference rate; and • result in disputes, litigation or other actions with borrowers or counterparties about the ~~interpretation~~ **transition to** ~~and~~ - **an alternative reference rate** ~~enforceability of certain fallback language in LIBOR- based contracts and securities~~ . The transition away from ~~LIBOR~~ **a discontinued interest rate benchmark** to an alternative reference rate **would** ~~or rates has required~~ - **require** the transition to or development of appropriate systems, models and analytics to effectively transition our risk management and other processes **to** ~~from LIBOR- based~~ products ~~to those~~ based on the applicable alternative reference rate. **Such** ~~Accordingly, management' s LIBOR transition team is actively working on the LIBOR transition project. During the second half of 2021, we began offering three alternative rate indices (including Ameribor, SOFR, and~~ - **an undertaking would be time consuming** ~~BSBY) on our lending products, with Ameribor as our preferred rate index~~ and **costly** ~~, as of December 31, 2021, we are no longer originating new loans using any LIBOR index~~ . Despite ~~these~~ **such** efforts, the manner and impact of ~~this~~ **the** transition and related developments, as well as the effect of ~~these~~ **such** developments on our funding costs, investment and trading securities portfolios, and business, ~~is~~ **would be** uncertain and could have a material adverse impact on our profitability. Our risk management practices may prove to be inadequate or ineffective. Our risk management framework seeks to mitigate risk ~~and~~ **while** appropriately ~~balance~~ **balancing** risk and return. We have established policies and procedures intended to identify, monitor, and manage the types of risk to which we are subject, including, but not limited to credit risk, market risk, liquidity risk, operational risk, legal and compliance risk, and reputational risk. A BOD level risk committee approves and reviews our key risk management policies and oversees operation of our risk management framework. Although we have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future, these policies and procedures, as well as our risk management techniques, may be ineffective. In addition, as regulations and the markets in which we operate continue to evolve, our risk management framework may not keep sufficient pace with those changes. If our risk management framework does not effectively identify or mitigate significant or material risks, we could suffer unexpected losses or other material adverse impacts. Management of our risks in some cases depends upon the use of analytical and / or forecasting models. If the models we use to mitigate these risks are inadequate, or are subject to ineffective governance, we may incur increased losses. In addition, there may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified, or mitigated. Our internal controls and procedures may fail or be circumvented and the accuracy of judgments and estimates about financial and accounting matters may impact operating results and financial condition. Our management regularly reviews and updates internal controls over financial reporting, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls and procedures, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of controls and procedures, or failure to comply with regulations related to controls and procedures, could result in materially inaccurate reported financial statements and / or have a material adverse effect on our business, results of operations, and financial condition. Similarly, our management makes certain estimates and judgments in preparing financial statements. The quality and accuracy of those estimates and judgments will impact operating results and financial condition. If we are unable to understand and adapt to technological change and implement new technology- driven products and services, our business could be adversely affected. The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology- driven products and services. We expect ~~that~~ new technologies will continue to emerge and may be superior to or render obsolete the technologies currently used in our products and services. Our future success depends in part upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in operations. Many of our competitors, because of their larger size and available

capital, have substantially greater resources to invest in technological improvements. Developing or acquiring new technologies and incorporating them into our products and services may require significant investment, take considerable time, and ultimately may not be successful. We cannot predict which technological developments or innovations will become widely adopted or how those technologies may be regulated. We also may not be able to effectively market new technology- driven products and services to our customers. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on our business and, in turn, our financial condition and results of operations. Legal and Compliance Risks We operate in a highly regulated environment and the laws and regulations that govern our operations, corporate governance, executive compensation, and accounting principles, or changes in them, or our failure to comply with them, may adversely affect us. We are subject to extensive regulation, supervision, and legislation that govern almost all aspects of our operations. Intended to protect customers, depositors, and the DIF, these laws and regulations, among other matters, prescribe minimum capital requirements, impose limitations on the business activities in which we can engage, require monitoring and reporting of suspicious activity and of customers who are perceived to present a heightened risk of money laundering or other illegal activity, limit the dividends or distributions that WAB can pay to WAL or that we can pay to our stockholders, restrict the ability of affiliates to guarantee our debt, impose certain specific accounting requirements on us that may be more restrictive and result in greater or earlier charges to earnings or reductions in our capital than ~~does~~ **prescribed by** GAAP, among other things. Our mortgage warehouse lending operations subject us to regulations that have grown in complexity in recent years and may continue to do so as the government continues to prioritize consumer protection measures. Our mortgage warehouse lending operations are subject to federal, state and local laws, regulations and judicial and administrative decisions, including those designed to discourage predatory lending and regulate collections and servicing practices with respect to mortgage loans. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations often impose significant additional compliance costs. To the extent we continue to grow and become more complex, regulatory oversight ~~and~~ **,** risk **management,** and the cost of compliance will likely increase, which may adversely affect us. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Supervision and Regulation " included in this Form 10- K for a more detailed summary of the regulations and supervision to which we are subject. Changes to the legal and regulatory framework governing our operations, including the passage and continued implementation of the Dodd- Frank Act and EGRRCPA, have drastically revised the laws and regulations under which we operate. In general, bank regulators have increased their focus on risk management and regulatory compliance, and we expect this focus to continue. Additional compliance requirements may be costly to implement, may require additional compliance personnel, and may limit our ability to offer competitive products to our customers. We are also subject to changes in federal and state law, as well as regulations and governmental policies, income tax laws, and accounting principles. Regulations affecting banks and other financial institutions are ~~undergoing~~ **under** continuous review and frequently change, and the ultimate effect of such changes cannot be predicted. Regulations and laws may be modified at any time, and new legislation may be enacted that will affect us, WAB, and our other subsidiaries. Any changes in federal and state law, as well as regulations and governmental policies, income tax laws, and accounting principles, could affect us in substantial and unpredictable ways, including ways that may adversely affect our business, financial condition, or results of operations. Failure to appropriately comply with any such laws, regulations or principles or an alleged failure to comply, even if we acted in good faith or the alleged failure reflects a difference in interpretation, could result in sanctions by regulatory agencies, civil money penalties or damage to our reputation, all of which could adversely affect our business, financial condition, or results of operations. State and federal banking agencies periodically conduct examinations of our business, including compliance with laws and regulations, and our failure to comply with any supervisory actions to which we are or become subject as a result of such examinations may adversely affect us. State and federal banking agencies, including the FRB, FDIC, and CFPB, periodically conduct examinations of our business, including for compliance with laws and regulations. If, as a result of an examination, a federal agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of our operations had become unsatisfactory, or that we or our management was in violation of any law or regulation, the agency may take a number of different remedial or enforcement actions it deems appropriate to remedy such a deficiency. These actions include the power to enjoin " unsafe or unsound " practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, and to assess civil monetary penalties against us and / or officers or directors, and to remove officers and directors. If the FDIC concludes that such conditions cannot be corrected or there is an imminent risk of loss to depositors, it may terminate WAB' s deposit insurance. Under Arizona law, the state banking supervisory authority has many of the same enforcement powers with respect to our state- chartered bank. The CFPB also has the authority to examine us and to take enforcement actions, including the issuance of cease- and- desist orders or civil monetary penalties against us if it finds that we offer consumer financial products and services in violation of federal consumer financial protection laws or in an unfair, deceptive, or abusive manner. Finally, our AmeriHome subsidiary needs to maintain certain state licenses and federal and government- sponsored agency approvals required to conduct its business and is subject to periodic examinations by such state and federal agencies, which can result in increases in administrative costs, substantial penalties due to compliance errors, or the loss of licenses. If we were unable to comply with regulatory directives in the future, or if we were unable to comply with the terms of any future supervisory requirements to which we may become subject, then we could become subject to a variety of supervisory actions and orders, including cease and desist orders, prompt corrective actions, MOUs, and / or other regulatory enforcement actions. If our regulators were to take such supervisory actions, then we could, among other things, become subject to restrictions on our ability to enter into acquisitions and develop any new business, as well as restrictions on our existing business. We also could be required to raise additional capital, dispose of certain assets and liabilities **, or both,** within a prescribed period of time ~~, or both~~ . Failure to implement the measures in the time frames provided, or at all, could result in

additional orders or penalties from federal and state regulators, which could result in one or more of the remedial actions described above. In the event we were ultimately unable to comply with the terms of a regulatory enforcement action, we could fail and be placed into receivership by the FDIC or the chartering agency. The terms of any such supervisory action and the consequences associated with any failure to comply therewith could have a material negative effect on our business, operating flexibility, and financial condition. Current and proposed regulations addressing consumer privacy and data use and security could increase our costs and impact our reputation. We are subject to federal, state and local laws related to consumer privacy and data use and security, including information safeguard rules under the Gramm- Leach- Bliley Act and the California Consumer Protection Act. These rules require ~~that~~ financial institutions **to** develop, implement, and maintain a written, comprehensive information security program containing safeguards that are appropriate to the financial institution' s size and complexity, the nature and scope of the financial institution' s activities, and the sensitivity of any customer information at issue. The United States has experienced a heightened legislative and regulatory focus on privacy and data security, including requirements as to consumer notification in the event of data breaches and certain types of security breaches. Additional regulations in these areas may increase compliance costs, which could negatively impact earnings. In addition, failure to comply with the privacy, data use and security laws and regulations to which we are subject, including by reason of inadvertent disclosure of confidential information, could result in fines, sanctions, penalties, reputational harm, loss of consumer confidence, and other adverse consequences, any of which could have a material adverse effect on our results of operations and business. We could be subject to adverse changes or interpretations of tax laws, tax audits, or challenges to our tax positions. We are subject to federal and applicable state income tax laws and regulations. Income tax laws and regulations are often complex and require significant judgment in determining our effective tax rate and in evaluating our tax positions. Changes in tax laws, changes in interpretations, guidance or regulations that may be promulgated, or challenges to judgments or actions that we may take with respect to tax laws could negatively impact our current and future financial performance. In ~~August 2022, the IRA was signed into law. The IRA, among other provisions, imposes a 15 % book minimum tax on corporations with three- year average annual adjusted financial statement income exceeding $ 1 billion and a 1 % excise tax on corporate stock repurchases after December 31, 2022. We are currently assessing the potential impact of these legislative changes and will continue to evaluate the overall impact of other current, future and proposed regulations and interpretive guidance from tax authorities on our effective tax rate and consolidated balance sheets. In~~ addition, our determination of our tax liability is subject to review by applicable tax authorities. In the normal course of business, we are routinely subject to examinations and challenges from federal and applicable state and local taxing authorities regarding the amount of taxes due in connection with investments we have made and the businesses in which we have engaged. Recently, federal and state and local taxing authorities have been increasingly aggressive in challenging tax positions taken by financial institutions. The challenges made by taxing authorities may result in adjustments to the timing or amount of taxable income or deductions, or the allocation of income among tax jurisdictions. Any such challenges that are not resolved in our favor may adversely affect our effective tax rate, tax payments or financial condition. Securities- Related Risks The price of our common stock may fluctuate significantly in the future. The price of our common stock on the New York Stock Exchange constantly changes. There can be no assurances about the market price for our common stock. Our stock price may fluctuate as a result of a variety of factors many of which are beyond our control. ~~These~~ **For example, the volatility and economic disruption resulting from the bank closures in 2023 particularly impacted the price of capital stock and other securities issued by financial institutions, including us. Other** factors **that may cause fluctuations in our stock price** include: • actual or anticipated changes in the political climate or public policy **; • changes in national and global financial markets and economies and general market conditions, such as interest or foreign exchange rates, inflation, stock, commodity or real estate valuations or volatility and other global, geopolitical, regulatory or judicial events that effect the financial markets and economy including pandemics, terrorism and war, including the military conflicts in Ukraine and the Middle East** ; • sales of our equity securities; • our financial condition, performance, creditworthiness, and prospects; • quarterly variations in our operating results or the quality of our assets; • operating results that vary from the expectations of management, securities analysts, and investors; • changes in expectations as to our future financial performance; • announcements of strategic developments, acquisitions, and other material events by us or our competitors; • the operating and securities price performance of other companies that investors believe are comparable to us; • the credit, mortgage, and housing markets, the markets for securities relating to mortgages or housing, and developments with respect to financial institutions generally; • changes in interest rates and the slope of the yield curve; • **events affecting the** ~~changes in national and global~~ financial **services industry** ~~markets and economies and general~~ **generally** ~~market conditions, such~~ **or financial institutions similar to us or that may be viewed** as **similar to us** ~~interest or foreign exchange rates, inflation, stock, commodity or real estate valuations or volatility and other global, geopolitical, regulatory or judicial events that effect the financial markets and economy including pandemics, terrorism and war, including the military conflict between Russia and the Ukraine~~ ; and • our past and future dividend and share repurchase practices. There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock or depositary shares representing preferred stock. We are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. We also grant a significant number of shares of common stock to employees and directors under our Incentive Plan each year. The issuance of any additional shares of our common stock, depositary shares, or preferred stock or securities convertible into, exchangeable for or that represent the right to receive common stock, or the exercise of such securities could be substantially dilutive to stockholders of our common stock. Holders of our common stock, depositary shares, and preferred stock have no preemptive rights that entitle such holders to purchase their pro rata share of any offering of shares of any class or series. Because our decision to issue securities in the future will depend on market conditions, our acquisition activity, and other factors, we cannot predict or estimate the amount, timing, or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and

diluting their stock holdings in us. There can be no assurance that we will continue to declare cash dividends or repurchase stock as we have in the past. We have paid regular quarterly dividends on our common stock since the third quarter of 2019, subject to quarterly declarations by the BOD, and **have** also ~~have~~ paid dividends on our depositary shares representing our preferred stock since the issuance of such securities in the third quarter of 2021. We have previously adopted common stock repurchase programs, pursuant to which we have repurchased shares of our outstanding common stock, the most recent of which expired in December 2020. Our dividend payments and / or stock repurchase practices may change from time- to- time, and no assurance can be provided that we will continue to declare dividends in any particular amounts or at all, or institute a new stock repurchase program. Dividends and / or stock repurchases are subject to capital availability and the discretion of our BOD, which must evaluate, among other things, whether cash dividends and / or stock repurchases are in the best interest of our stockholders and are in compliance with all applicable laws and any agreements containing provisions that limit our ability to declare and pay cash dividends and / or repurchase stock. Furthermore, our outstanding Series A preferred stock is senior to our common stock and could adversely affect ~~the~~ **our** ability ~~of us~~ to declare or pay dividends or distributions on common stock. Under the terms of the Series A preferred stock, we are prohibited from paying dividends on our common stock unless all dividends for the latest dividend period on all outstanding shares of Series A preferred stock have been declared and paid in full or declared and a sum sufficient for the payment of those dividends has been set aside. A reduction in or elimination of our dividend payments or dividend program could have a negative effect on our stock price. Offerings of debt, which would be senior to our common stock upon liquidation, and / or preferred equity securities that may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock. We may from time to time issue debt securities, borrow money through other means, or issue preferred stock. We may also borrow money from the FRB, the FHLB, other financial institutions, and other lenders. At December 31, ~~2022~~ **2023**, we had outstanding subordinated debt, senior secured and unsecured debt, and short- term borrowings ~~. In addition, AmeriHome has outstanding senior notes that were issued prior to the acquisition~~. We also have outstanding depositary shares representing Series A preferred stock, which is senior to our common stock. All of these securities or borrowings have priority over our common stock in a liquidation, which could affect the market price of our stock. Our BOD is authorized to issue one or more classes or series of preferred stock from time to time without any action on the part of the stockholders. Our BOD also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our common stock with respect to dividends or upon our dissolution, winding- up, and liquidation and other terms. If we issue additional preferred stock in the future that has a preference over our common stock, with respect to the payment of dividends or upon ~~our~~ liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock and / or the rights of holders of our common stock, the market price of our common stock could be adversely affected. Anti- takeover provisions could negatively impact our stockholders. Provisions of Delaware law and provisions of our Certificate of Incorporation, as amended, and our Amended and Restated Bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. Additionally, our Certificate of Incorporation, as amended, authorizes our BOD to issue additional series of preferred stock and such preferred stock could be issued as a defensive measure in response to a takeover proposal. These provisions could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our stockholders.