

2022

ANNUAL REPORT



Washington<sup>SM</sup>  
Financial Bank





# ANNUAL REPORT MESSAGE 2023

As we reflect on one of the most successful years in the history of Washington Financial Bank, we do so with gratitude to our dedicated team and especially to you, our loyal customers. We recognize that you are the reason for our success - helping Washington Financial Bank grow for almost 125 years.

## OUR FINANCIAL PERFORMANCE

Washington Financial Bank continued to achieve record levels in fiscal 2023, with total assets at June 30, 2023, of over \$1.6 billion. The Bank experienced record net income as well, with capital ratios far in excess of all regulatory requirements. This past year we witnessed the failure of several banks, which validated our belief that there is no substitute for prudent lending and investment practices. This is why we remain committed to maintaining practical and sustainable approaches to banking. With Washington Financial's well-diversified account base and conservative management of its investment portfolio, the Bank remains a strong, stable force in an ever-changing financial landscape. Our record growth is complimented by our significant investment in the people, processes, systems, and technologies essential to effectively managing this growth.

## OUR SERVICES

We continued our focus on enhancing convenience for our customers during the fiscal year with a number of initiatives designed to make your banking experience even easier. Our ATM fleet has been upgraded to accept deposits at all locations with the exception of our South Fayette Branch, which will also be upgraded within the next few months. Earlier this year, we integrated a centralized Call Center, staffed with Washington Financial Bank employees, who are ready to help with any questions or issues our customers may be experiencing. This enhancement allows customers to get answers, report problems and resolve issues much more quickly.

Recognizing the rapid advancements in digital banking, we have begun a year-long process to significantly improve our desktop and mobile banking platforms. These upgrades will add a considerable number of conveniences for both our consumer and business customers, as well as include several tools to help both constituencies manage their financial lives.

And, in keeping with our history of helping small businesses thrive in Southwestern Pennsylvania, we have also commenced plans to appreciably improve our small business lending offerings. These offerings, coupled with streamlined loan approval processes, cutting-edge technology, and experienced lenders, will help a new generation of entrepreneurs strengthen our local economy.

## OUR COMMUNITY OUTREACH

Corporate philanthropy remains at the heart of our mission, and as a mutual organization, Washington Financial Bank continues to be in a unique position to help the communities we all call home. During the past fiscal year, the Bank and its Charitable Foundation provided more than \$770,000 in funding – to local charities, for student scholarships, for community reinvestment initiatives, and in support of local community events.

While we traditionally shy away from recognition, we were honored to receive the Outstanding Commitment to the Community Reinvestment Act award from the Pittsburgh Community Reinvestment Group (PCRG) for our efforts over the past year. PCRG is doing incredible work throughout Southwestern Pennsylvania, and we are proud to partner with them as they continue with their remarkable community development efforts.





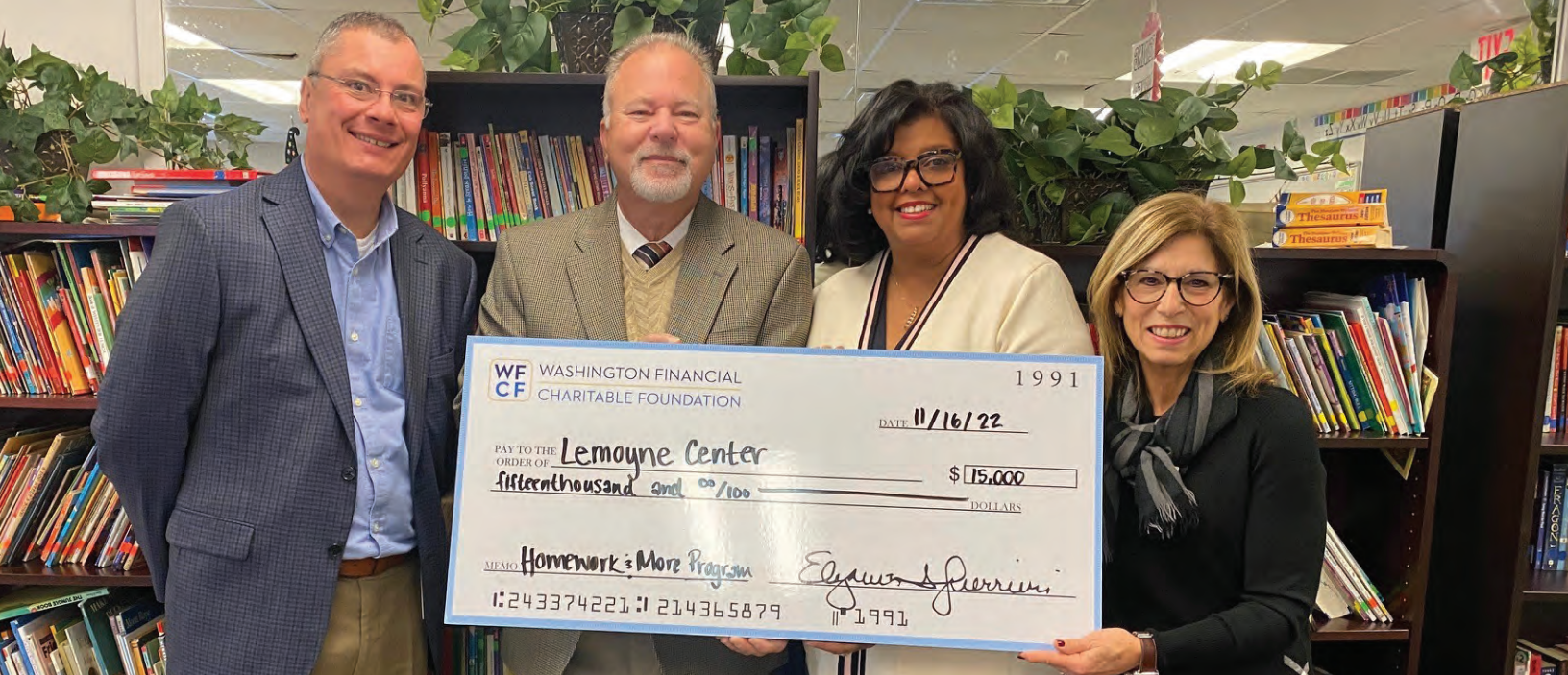


With a continuing focus on health and human service needs, the Bank partnered with many local charities this year, including the American Cancer Society to provide Patient Support Services; 2000 Turkeys to help ensure our neighbors had Thanksgiving dinner; The Main Street Farmers Market to supplement the SNAP Benefit program; The City Mission to provide shelter for homeless women; and Blueprints to provide support for mothers in the Women Infants and Children program.

The Bank has enjoyed a long-standing partnership with The Education Partnership, adopting Washington Park Elementary School to provide essential school supplies for students. This year, we have also partnered with the Salvation Army to not only provide school supplies, but also to purchase new school shoes for students in need. For both of these projects, Washington Financial Bank staff members happily volunteered their time to help their neighbors in need. In addition to these programs, the Bank partnered with Big Brothers Big Sisters in support of in-school

mentoring programs for at-risk youth in our community and with the LeMoyne Center's "Homework and More" after-school program.

Bringing our neighborhoods together has always been important to us. With deep ties to the communities we serve, we are fortunate to be in a position to be a prime sponsor of so many amazing local events. In addition to our continuing sponsorships of Canonsburg's July 4th Celebration, Octoberfest, and Old Fashioned Christmas, Washington's Whiskey Rebellion Festival, Hickory's Apple Festival, South Fayette's Joy-Thru Fairview, and the PONY League World Series, to name just a few, we became involved with a number of new events this year. The North Strabane and South Fayette Community Day events, both of which featured the Bank as the primary sponsor, were a great success, as was the Peters Township Library's Novel November program. Washington's "Small Business Saturday" continues to grow, and Washington Financial Bank is proud to be the presenting sponsor in this project with the Washington Business District.



Recognizing that financial contributions are only part of our commitment to the communities we serve, we are also proud of our entire Washington Financial Bank team for volunteering hundreds of community service hours over the past year. Virtually all employees of Washington Financial Bank volunteer in some respect in the communities we serve, and our Board and Executive Team hold numerous leadership positions in many non-profits as well.



Finally, we would be remiss if we did not acknowledge the loss this year of a driving force in so many of Washington Financial Bank's accomplishments, our former President & Chief Executive Officer, Brian Smith. Not only was Brian our leader since 2006, but he was also a dynamic community leader in Southwestern Pennsylvania for decades. His fingerprints are visible on so many organizations throughout the area and we are grateful for the contributions he made towards the betterment of the Bank and our communities. His legacy will not soon be matched or forgotten.

As we close this record year, we once again thank you, our valued customers. Our success is a direct measure of the trust you have placed in us and we remain committed to earning that trust every day.

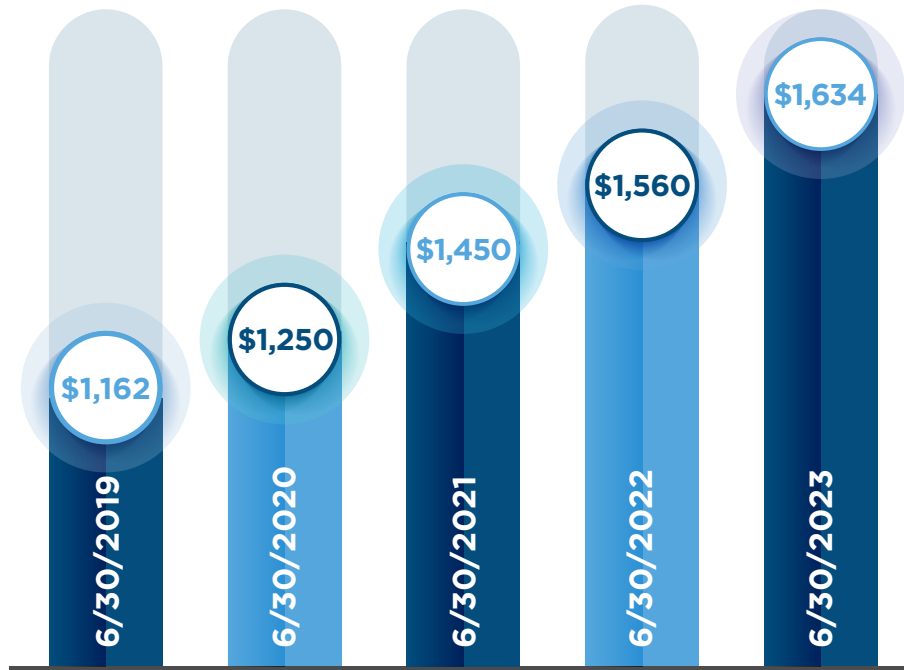
Mary Lyn Drewitz  
Chairman

Michael L. Chaido  
President/CEO



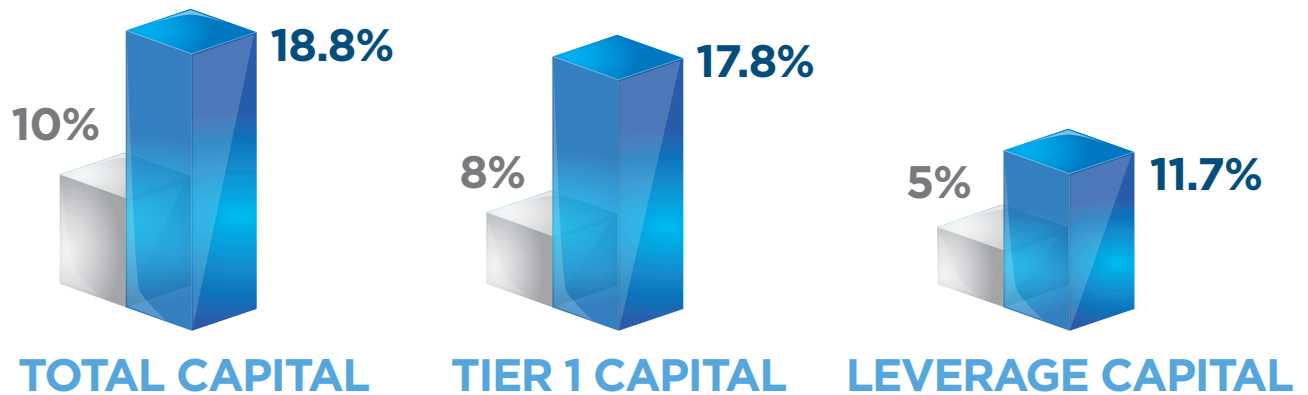
# Total Assets (In Billions)

Years Ended June 30th



## Washington Financial Bank Consolidated Capital Regulatory Compliance

June 30, 2023



■ TO BE WELL CAPITALIZED ■ 6/30/23 - ACTUAL



Photo Credit: Bernie Fischer

## Washington Financial Bank Consolidated Statement of Condition

June 30, 2023

June 30, 2022

### ASSETS

Cash on Hand and in Banks .....	\$32,750,364	.....	\$ 90,780,846
Securities - Available for Sale .....	331,140,758	.....	380,597,681
Securities - Held to Maturity .....	118,451,070	.....	65,825,384
Loans .....	1,061,334,601	.....	944,756,672
Office Property & Equipment, Net .....	13,569,218	.....	10,886,708
FHLB Stock .....	3,514,900	.....	2,622,300
Other Assets .....	73,373,370	.....	64,871,634

<b>Total Assets</b>	<b>\$1,634,134,281</b>	<b>\$ 1,560,341,225</b>
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### LIABILITIES & RETAINED EARNINGS

Deposits .....	\$ 1,389,718,532	.....	\$ 1,395,264,538
Other Obligations .....	67,310,000	.....	1,070,000
Other Liabilities .....	18,267,334	.....	12,630,660
Retained Earnings .....	158,838,415	.....	151,376,027

<b>Total Liabilities &amp; Retained Earnings</b>	<b>\$1,634,134,281</b>	<b>\$ 1,560,341,225</b>
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Copies of the annual audited financial statements are available to the public after September 30, 2023, by writing to Administrative Services, Washington Financial Bank, 190 North Main Street, Washington, PA 15301.

## Directors

(of both WFSB Mutual Holding Company and Washington Financial Bank)

<b>Mary Lyn Drewitz, Chairman</b>	Of Counsel, Goldfarb, Posner, Beck, DeHaven, & Drewitz
<b>Martin P. Beichner, Jr., Vice Chairman</b>	President, Accutrex Products, Inc.
<b>R. Carlyn Belczyk</b>	Partner, Guthrie, Belczyk & Associates, P.C.
<b>William M. Campbell</b>	Retired President, Camalloy, Inc.
<b>Michael L. Chaido, Esq.</b>	President/CEO, WFSB Mutual Holding Company & Washington Financial Bank
<b>Edward C. Morascyzk, Esq.</b>	Senior Partner, Morascyzk, Yarosz & Morascyzk
<b>E. Alex Paris, III</b>	President/CEO, Alex E. Paris Contracting Co. Inc.
<b>James R. Proudfit</b>	Vice President/Proudfit Insurance
<b>Telford W. Thomas</b>	Retired President, The Washington Hospital
<b>Louis E. Waller</b>	President, Waller Corporation

## Directors Emeritus of Washington Financial Bank

<b>Richard L. White</b>	Retired President/CEO/WFSB Mutual Holding Company & Washington Financial Bank
<b>D. Jackson Milhollan</b>	Retired President/Precision Marshall Steel Co.

## WFSB Mutual Holding Company Officers

(Parent Company of Washington Financial Bank)

<b>Michael L. Chaido, Esq.</b>	President/Chief Executive Officer
<b>Janet L. Brandtonies, CPA</b>	Executive Vice President/Treasurer/Chief Financial Officer
<b>Lee D. Truax</b>	Executive Vice President/Chief Risk and Compliance Officer
<b>Harry A. Stiffler, Jr., Esq.</b>	Senior Vice President/General Counsel
<b>Suzanne L. Taylor</b>	Senior Vice President/Secretary

## Washington Settlement Services, Inc. Officers

(Subsidiary of Washington Financial Bank)

<b>Michael L. Chaido, Esq.</b>	President/Chief Executive Officer
<b>Janet L. Brandtonies, CPA</b>	Executive Vice President/Treasurer/Chief Financial Officer
<b>Suzanne L. Taylor</b>	Senior Vice President/Secretary
<b>Cathy A. Lavelle</b>	Assistant Vice President/Settlement Services Closing Manager



## Washington Financial Bank Officers

<b>Michael L. Chaido, Esq.</b>	President/Chief Executive Officer
<b>Janet L. Brandtonies, CPA</b>	Executive Vice President/Treasurer/Chief Financial Officer
<b>Jason M. Dalnoky</b>	Executive Vice President/Chief Operations Officer
<b>Edward R. Ermine</b>	Executive Vice President/Chief Credit Officer
<b>William J. King, Jr.</b>	Executive Vice President/Chief Lending Officer
<b>Douglas M. Klescich</b>	Executive Vice President/Chief Information Officer
<b>Lee D. Truax</b>	Executive Vice President/Chief Risk and Compliance Officer
<b>Chad J. Gearing</b>	Senior Vice President/Director of Retail Lending
<b>Daniel C. Lutz, CPA</b>	Senior Vice President/Director of Accounting
<b>Harry A. Stiffler, Jr., Esq.</b>	Senior Vice President/General Counsel
<b>Suzanne L. Taylor</b>	Senior Vice President/Secretary/Administrative Services Division Manager
<b>Robert B. Vettorel</b>	Senior Vice President/Wealth Management Division Manager
<b>Laura L. Austin</b>	Vice President/Business Banking Officer
<b>Joseph R. Bartolomeo</b>	Vice President/Business Banking Officer
<b>G. Ryan Bates</b>	Vice President/Treasury Services Manager
<b>Victor D. Bell</b>	Vice President/Wealth Management
<b>Nancy E. Campbell</b>	Vice President/Regional Branch Manager
<b>Sheila J. Cowieson</b>	Vice President/Commercial Banking Group Manager
<b>Todd J. Day</b>	Vice President/Regional Branch Manager
<b>Doreen A. Dingle</b>	Vice President/BSA/AML Officer
<b>Lauri A. Gerstner</b>	Vice President/Audit Manager
<b>Timothy M. Grady</b>	Vice President/Business Banking Officer
<b>Elizabeth I. Guerrieri</b>	Vice President/Marketing and Public Relations Manager
<b>William M. Harker</b>	Vice President/Commercial Banking Group Manager
<b>Stephanie T. Leoni</b>	Vice President/Compliance & Risk Management Officer
<b>Dana M. McWreath</b>	Vice President/Controller
<b>James M. Medved</b>	Vice President/Business Banking Officer
<b>Christopher L. Monaghan</b>	Vice President/Credit Department Manager
<b>Randolph T. Patterson</b>	Vice President/Business Banking Officer
<b>Dawn L. Rankin</b>	Vice President/Consumer Lending Manager
<b>Lori L. Szallar</b>	Vice President/Human Resources Manager
<b>Gregory A. Vallecorsa</b>	Vice President/Business Banking Officer
<b>Dustin R. Yoder</b>	Vice President/Information Technology Manager











## Branch Offices

### Canonsburg

160 East Pike Street  
Canonsburg, PA 15317  
724-745-2417

### Finleyville

3576 Sheridan Avenue  
Finleyville, PA 15332  
724-348-5255

### Hickory

220 Main Street  
Hickory, PA 15340  
724-356-2900

### McMurray

3616 Washington Road  
McMurray, PA 15317  
724-941-4275

### South Fayette

173 Millers Run Road  
Bridgeville, PA 15017  
412-221-1026

### Tylerdale

98 East Wylie Avenue  
Washington, PA 15301  
724-225-9100

### Valley Brook

430 Valley Brook Road  
McMurray, PA 15317  
724-941-8430

### Washington

77 South Main Street  
Washington, PA 15301  
724-206-1100

### Washington Crown Center

1500 West Chestnut Street  
Washington, PA 15301  
724-223-8000

### Washington Mall Plaza

255 Murtland Avenue  
Washington, PA 15301  
724-229-7600

## Loan Centers

### McMurray Loan Office

3616 Washington Road  
McMurray, PA 15317  
724-942-2301

### North Hills Loan Office

6200 Brooktree Road  
Wexford, PA 15090  
724-940-4450

## Remote ATM

Courthouse Square  
The Washington Hospital



**Washington**  
**Financial Bank**

SM

190 North Main Street  
Washington, PA 15301  
724.222.3120  
washfin.bank

Member  
**FDIC**

