



## Investor Presentation As of December 31, 2023

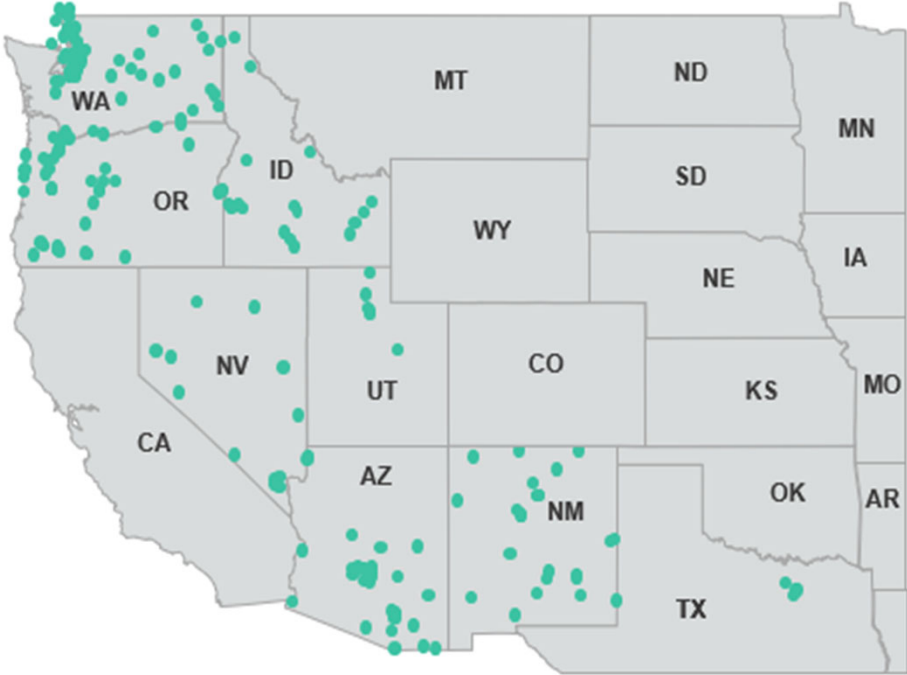
*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking statements in this presentation speak only as of the date of the presentation, and Washington Federal assumes no duty, and does not undertake, to update them. Actual results or future events could differ, possibly materially, from those that we anticipated in these forward-looking statements.*

# Overview of WaFd Bank

## Overview

- Established in **1917**; IPO in 1982
- Washington State Charter Commercial Bank – WA DFI, FDIC, FRB, CFPB Regulated
- Headquartered in Seattle, WA; is the **second largest** bank headquartered in the Pacific Northwest
- **198 branches** across 8 western states
- **Full-service** consumer & commercial bank
- Strong capital, high asset quality, consistent results
- Portfolio mortgage lender
- Profitable **every year since 1965**
- Interest rate risk management – well controlled
- **163 consecutive** quarterly cash dividends
- 14,474% Total shareholder return since IPO

## Geographic Overview



## Company Highlights<sup>1</sup>

Total Assets	Total Loans	Total Deposits	Stockholder Equity	Efficiency Ratio
<b>\$22.6Bn</b>	<b>\$17.6Bn</b>	<b>\$16.0Bn</b>	<b>\$2.5Bn</b>	<b>58.0%</b>

<sup>1</sup> As of or for the quarter-ended 12/31/2023

# WaFd Bank Executive Management Committee



Brent Beardall  
*President and Chief Executive  
Officer*



KEILI HOIZ  
*EVP Chief Financial Officer*



Cathy Cooper  
*EVP Chief Consumer Banker*



James Endrizzi  
*EVP Chief Commercial  
Banker*



Kim Robison  
*EVP Chief Operating Officer*



Ryan Mauer  
*EVP Chief Credit Officer*

# WaFd Bank Demographics

*Our markets are among the most desirable in the US and create a foundation for loan growth without excessive risk*

State	Number of Branches	Company Deposits in Market (\$000)	Deposit Market Share (%)	Percent of National Franchise (%)	Total Population 2024 (Actual)	Population Change 2020-2024 (%)	Projected Population Change 2024-2029 (%)	Median HH Income 2024 (\$)	Projected HH Income Change 2024-2029 (%)
Washington	71	7,881,675	3.52	46.3	7,904,137	2.58	4.33	93,297	11.25
Oregon	36	2,460,582	2.78	17.9	4,273,842	0.86	2.45	78,022	10.63
Arizona	28	1,599,257	0.77	9.9	7,485,634	4.67	3.52	74,483	11.99
New Mexico	19	1,487,392	3.32	8.9	2,117,948	0.02	0.93	61,656	10.55
Idaho	22	921,611	2.79	6.7	1,986,514	8.02	6.54	72,949	12.55
Utah	9	617,113	0.74	5.1	3,554,370	5.59	5.30	88,438	10.50
Nevada	8	504,217	0.51	3.1	3,234,642	4.19	2.61	71,942	9.10
Texas	5	566,940	0.03	2.2	30,665,339	5.21	4.74	73,203	9.01
<b>Totals:</b>	<b>198</b>	<b>16,038,787</b>		<b>100</b>	<b>61,222,426</b>				
<b>Weighted Average</b>						<b>2.88</b>	<b>3.77</b>	<b>83,184</b>	<b>11.08</b>
<b>Aggregate: National</b>					<b>334,500,069</b>	<b>1.42</b>	<b>2.40</b>	<b>75,874</b>	<b>10.12</b>

Deposit market share and percent of national franchise are from the FDIC's Summary of Deposit reports and is as of 09/30/2023. All other data is as of 12/31/2023.

# Vision 2025

## **Our Objective:**

*A highly-profitable, digital-first bank that leverages data to anticipate financial needs and empower our clients by creating frictionless experiences across all interactions and devices.*

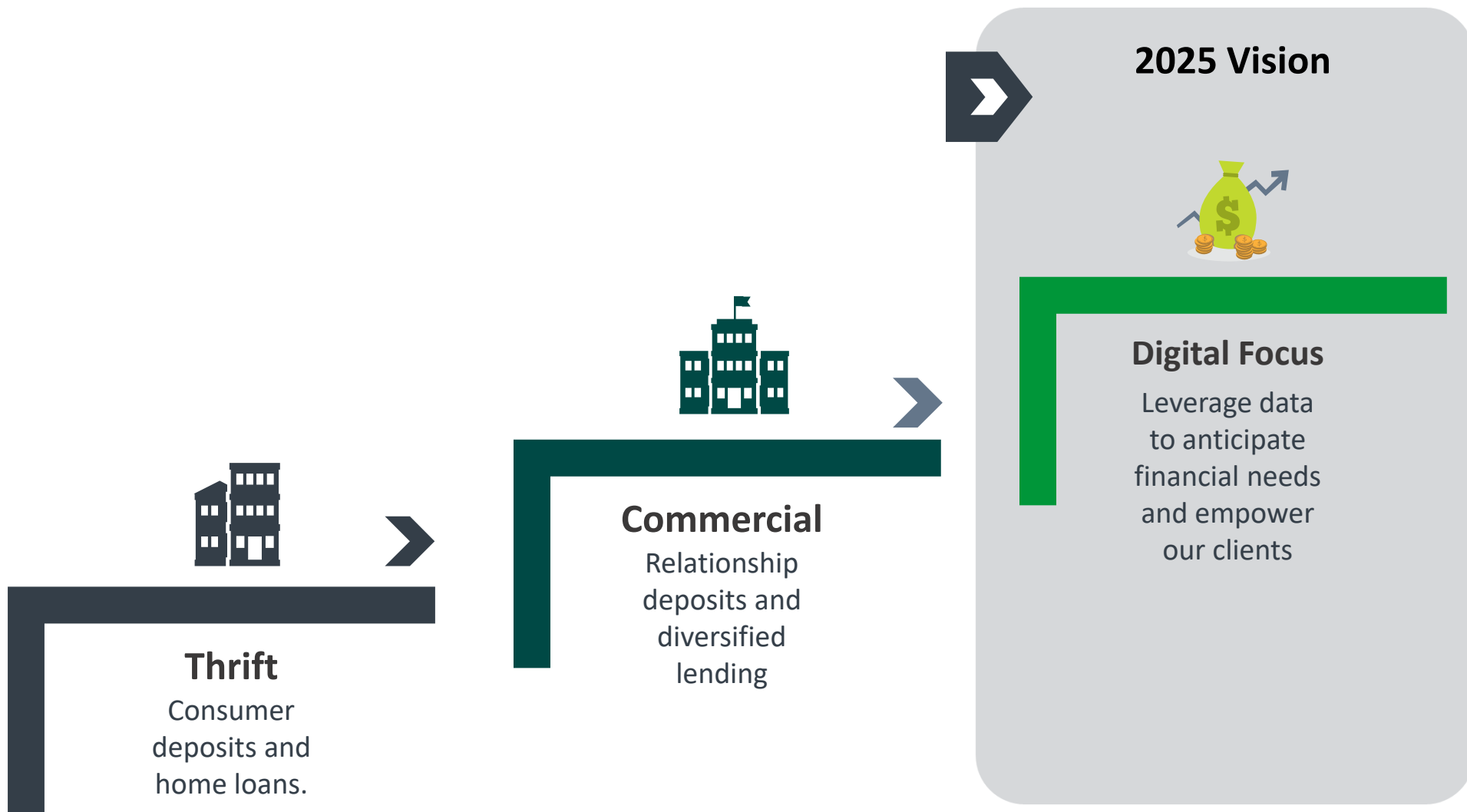
## **Our Values:**

*Integrity, Teamwork, Ownership, Service, Simplicity & Discipline*



# Evolution of Our Franchise

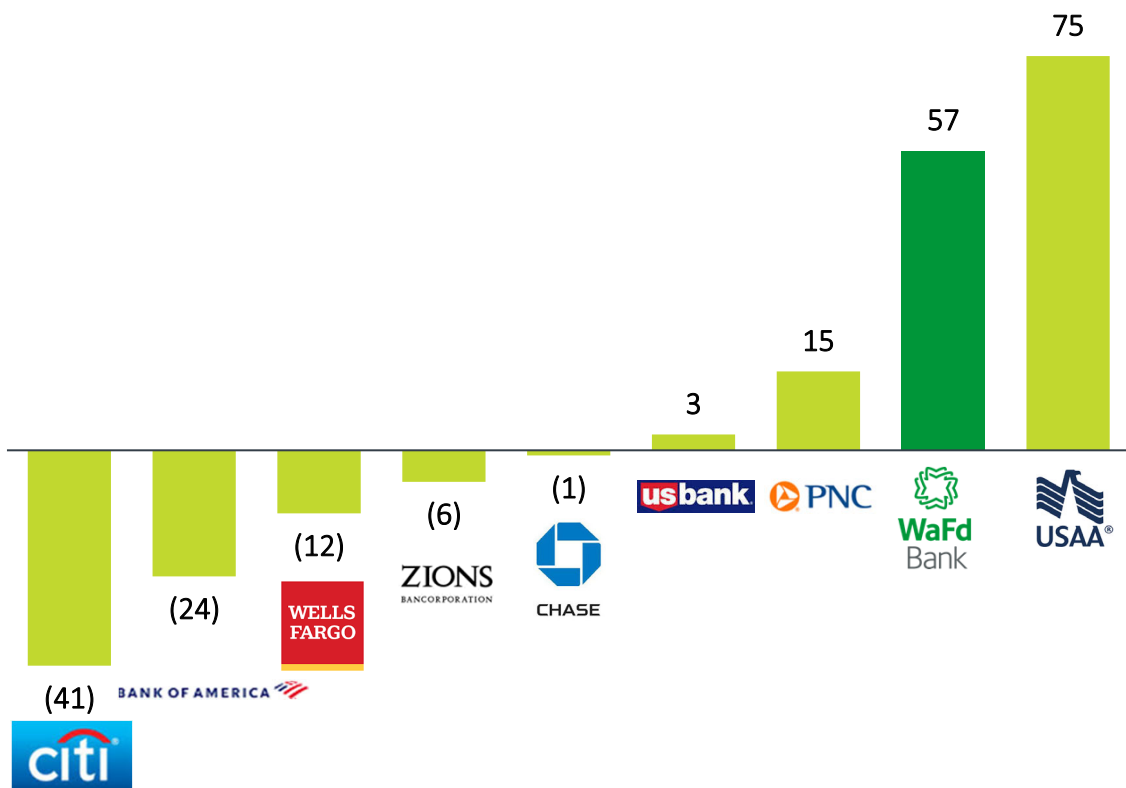
*10 years of investment has put us on glide path to an even stronger balance sheet and deeper client relationships*



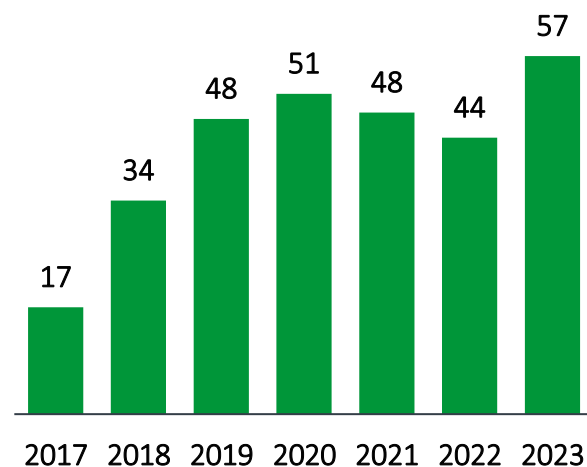
# Net Promoter Score Approaching Best in Class

Our investments in customer service, usability and technology are translating into high customer satisfaction levels

Peer Net Promoter Score <sup>1</sup>



WaFd Net Promoter Score <sup>1</sup>

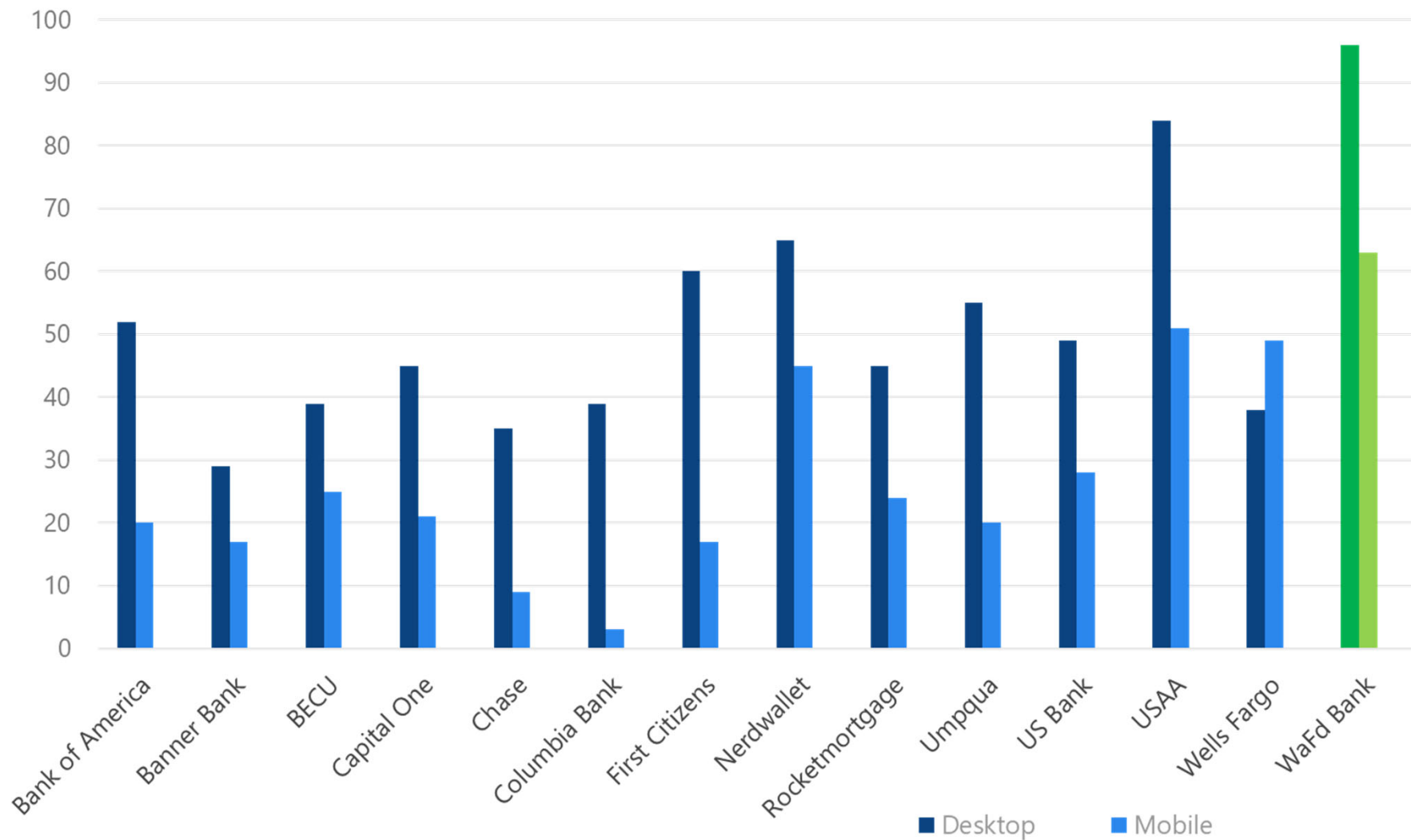


Source: Customer Guru

<sup>1</sup> 2023 Financial Services Banking Benchmarks

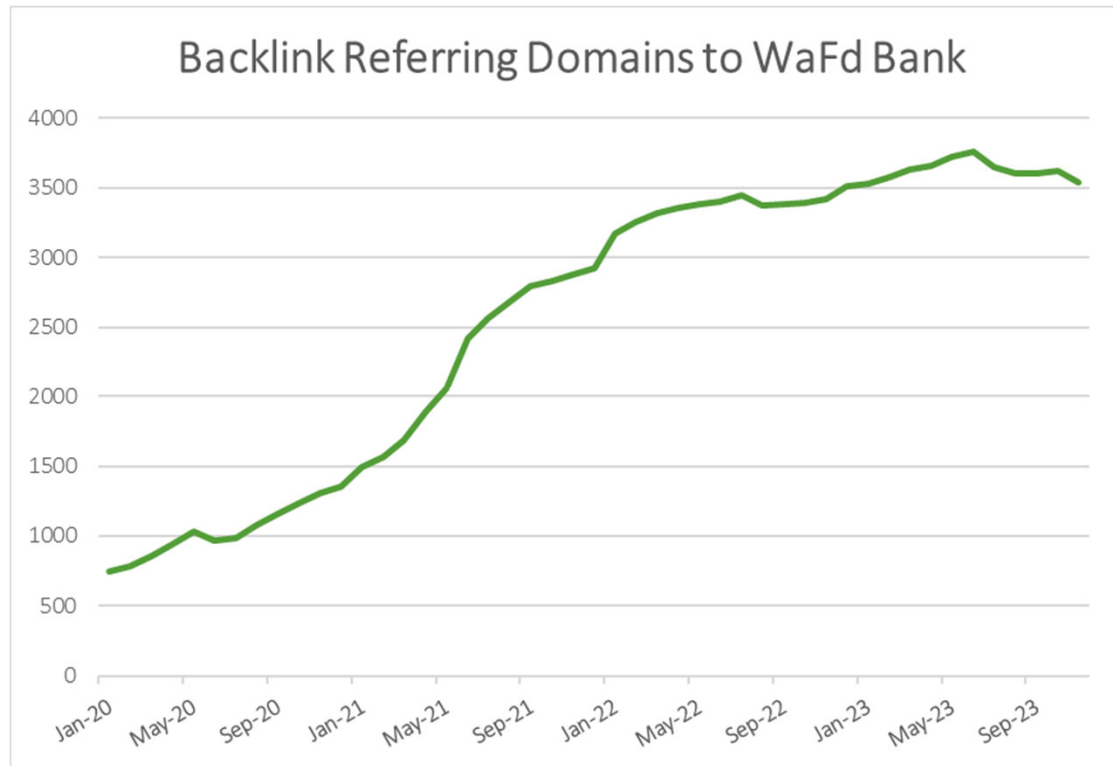
# Speed Matters – Website Is the New Storefront

*wafdbank.com* Google page speed scores





# Getting Customers to Your Website is Mission Critical



WaFd Bank's online presence and domain authority have been growing significantly year over year.

# Commitment to ESG & Diversity

We believe our enduring franchise comes from core principles focused on helping the neighborhoods we serve and creating long-term value for all stakeholders led by a Board, management and employee base that bring together a diversity of backgrounds

## Board Composition<sup>1</sup>

Gender Identity	Female	Male	Not Disclosed
Directors	2	7	1
Demographic Background			
African American or Black		2	
Hispanic or Latinx	1		
Asian		1	
White	1	4	
Not Disclosed			1

## ESG & Diversity Policy Highlights

Our Corporate Social and Environmental Responsibility Policy flows from WaFd Bank's core principles, which are:



**Community Development**  
Over \$57 million dollars invested towards community development lending including \$49 million in affordable housing investments

**Washington Federal Foundation**  
The Washington Federal Foundation awarded 242 grants to local community organizations totaling \$1.1 million for the fiscal year

**Volunteerism**  
WaFd employees participated in 8,771 volunteer hours in support of 735 community organizations and initiatives

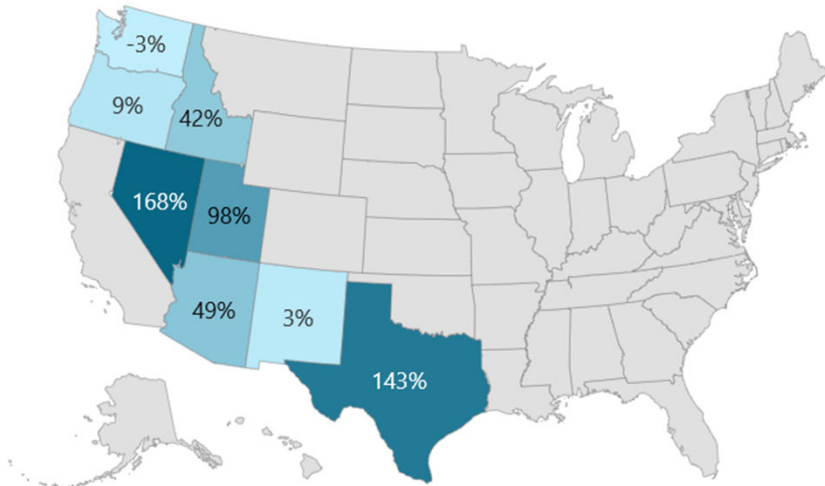
**United Way Matching Campaign**  
WaFd Bank matches employee contributions made to United Way agencies in all eight states. In fiscal year 2023 pledges from colleagues were \$376,794. WaFd matched \$318,171 for a total of \$694,966

<sup>1</sup> Based on self-identification <sup>2</sup> As of 9/30/23

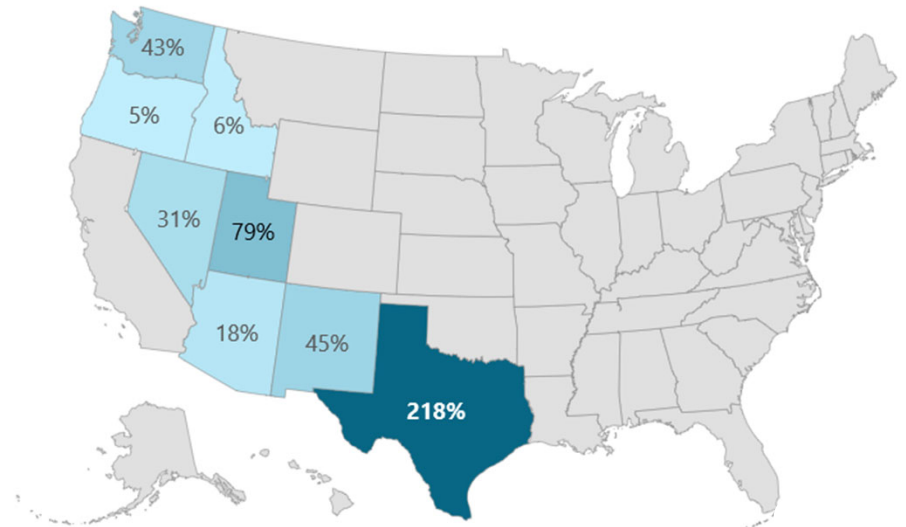
# 5 Year Change by Percentage in Each Geographical Area

From September 30, 2019, to December 31, 2023

5 Year percentage change in Loans by Geographical Area



5 Year percentage change in Deposits by Geographical Area

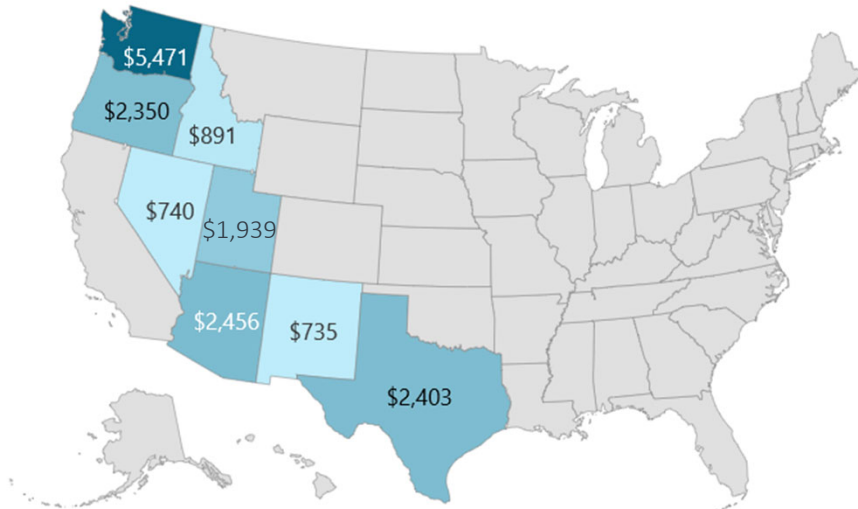


# Loan and Deposit Balances by Geographical Area

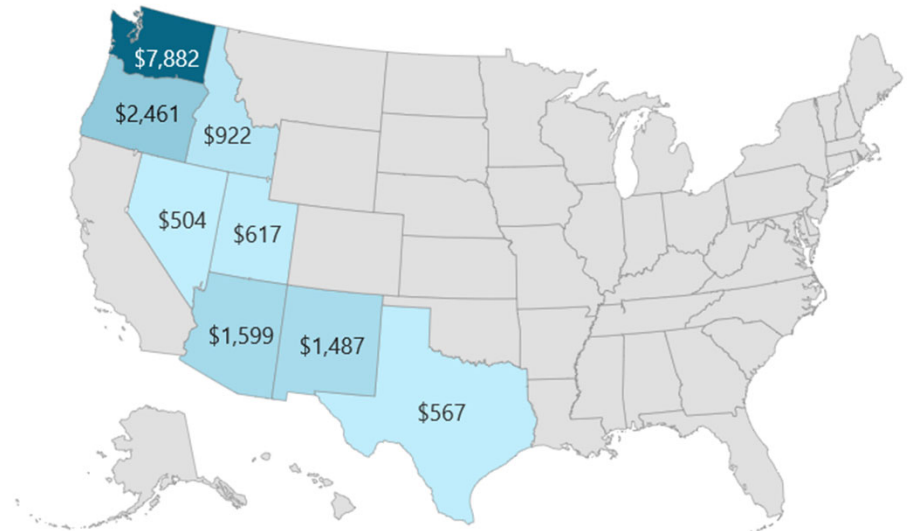
As of December 31, 2023

\$ In Millions

## Loan Balances by Geographical Area



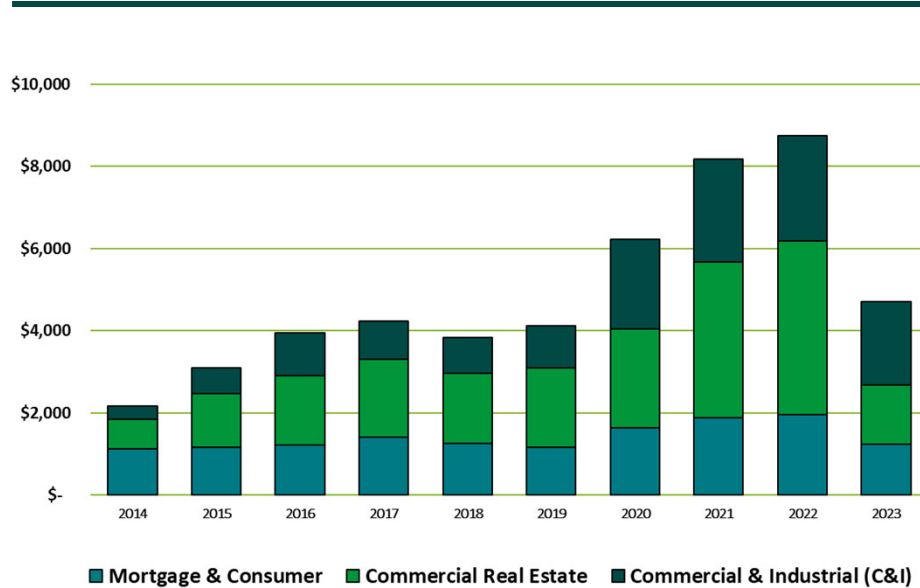
## Deposit Balances by Geographical Area



# Loan Growth – Through Different Interest Rate Environments

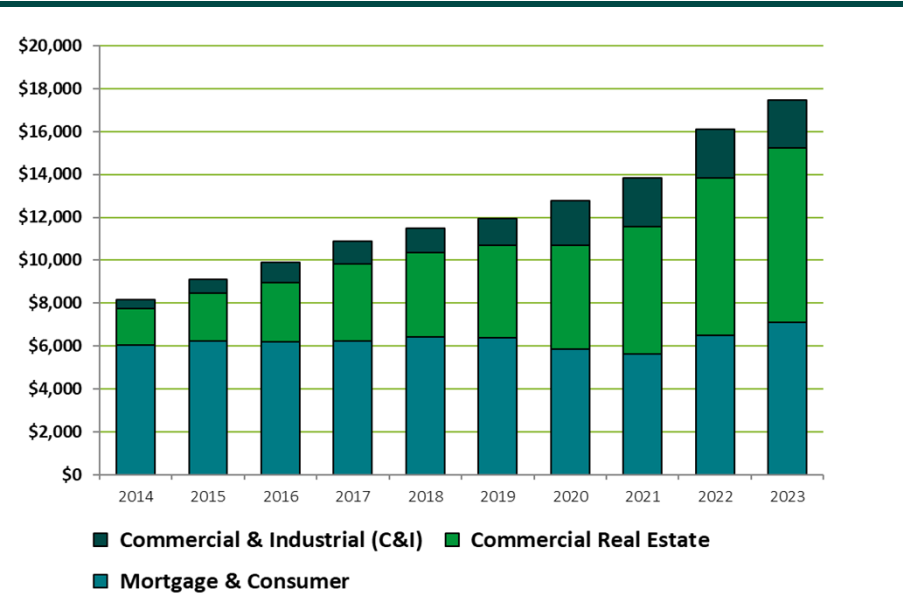
\$ in millions.

## New Loan Originations



- Originations overall are reduced due to both rising interest rates and an intentional slowing to temper growth
- Commercial loans make up a greater portion of all originations over time, making up 74% of all originations in 2023 compared to 49% in 2014

## Loan Growth



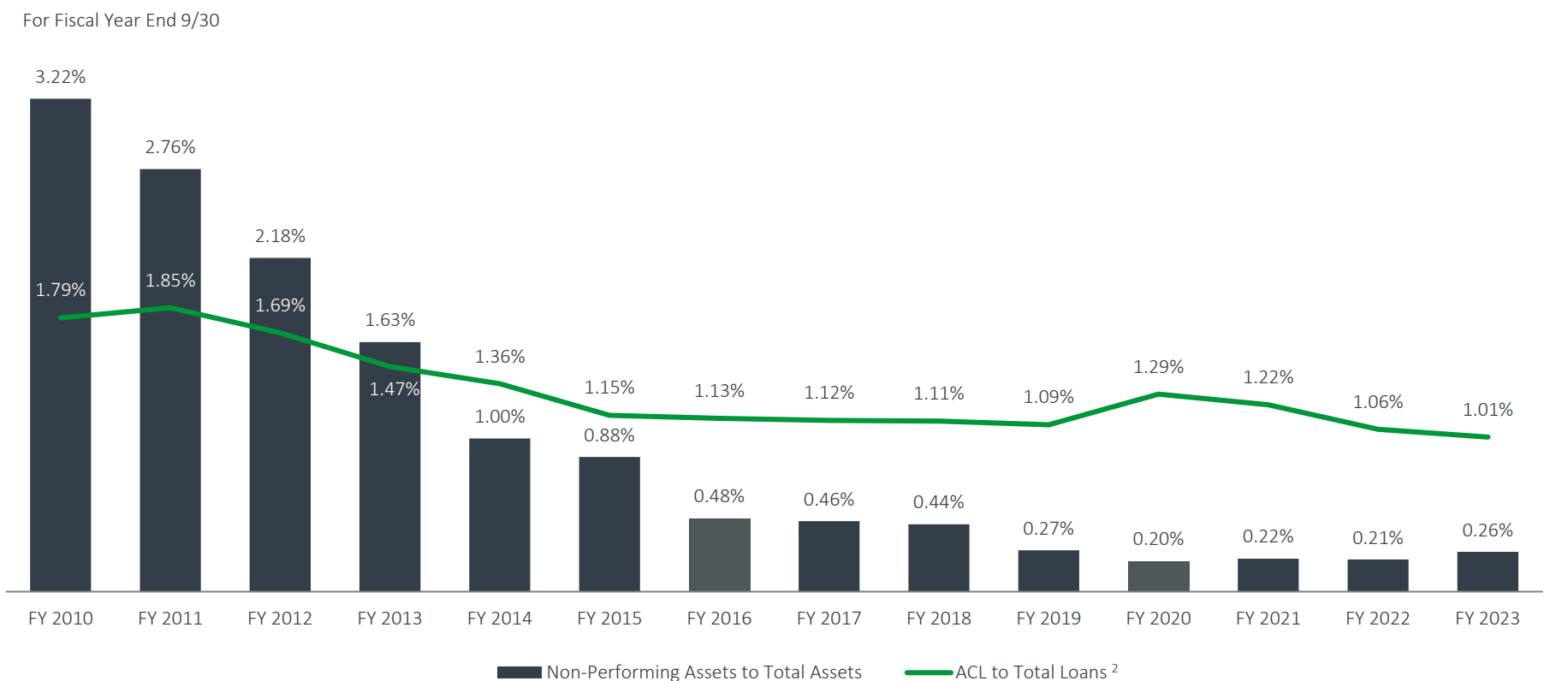
- Although originations are slowing, they are keeping up with repayments largely through funding of construction loans previously originated.
- Mortgage and Consumer loans currently make up 41% of total net loans compared to 74% in 2014 as a result in the origination trend noted at left

# Non-Performing Assets Near Record Lows

We have retained a strong ACL while NPAs have declined since 2010

- ACL at 12/31/2023 amounted to \$179 million, representing 324% of total NPAs <sup>1</sup>
- Non-performing assets \$55 million as of 12/31/2023, 0.24% of Total Assets

## Non-Performing Assets to Total Assets and ACL to Total Loans <sup>1</sup>



<sup>1</sup> ACL to Total Loans does not include ACL related to unfunded commitments of \$22.5 million.

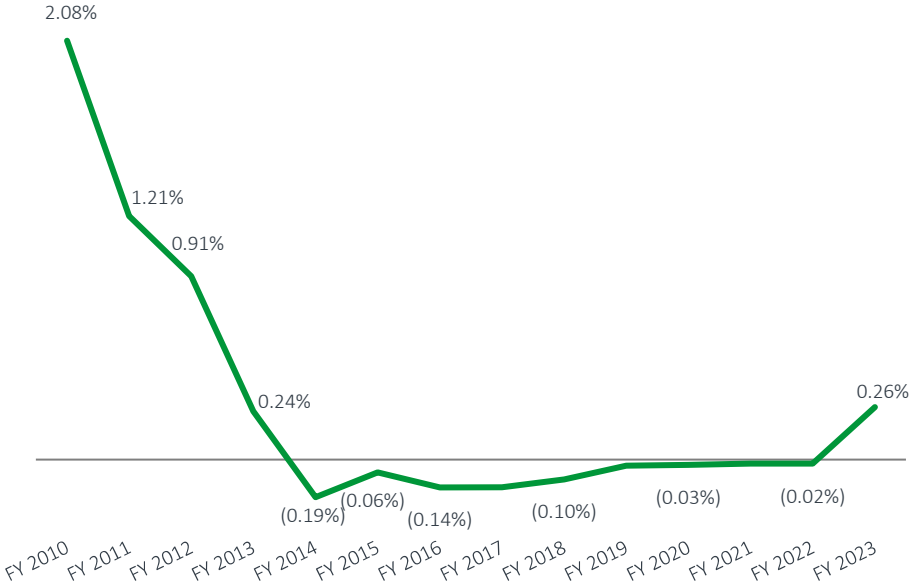
<sup>2</sup> Effective October 1, 2020, the Company implemented FASB's Current Expected Credit Loss (CECL) Standard

# Strong Credit Quality

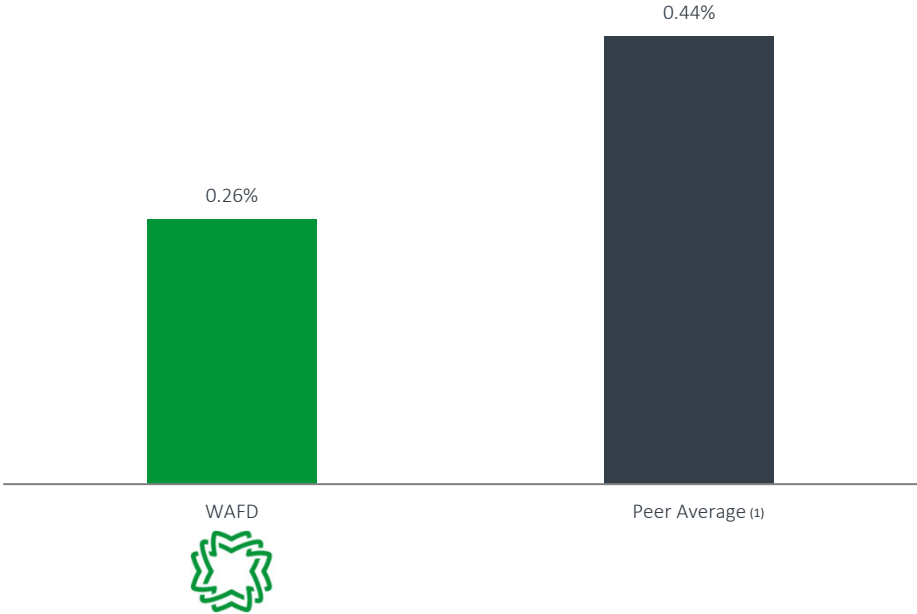
## Strong Credit Quality Characterized by Limited Charge-Offs

The Bank experienced nine consecutive years of net recoveries, fiscal 2014 through fiscal 2022, during which net recoveries totaled \$74.8 million. Although we have experienced net charge-offs in fiscal 2023, these have been the result of a two large charge-offs rather than a more widespread issue within the overall portfolio.

**Net Loan Charge-offs (Recoveries)**



**Average NCOs Per Year – Last 20 Years**



Source: SNL Financial, Company Filings  
 1 Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

# Net Loan Portfolio Average Current LTV

As of December 31, 2023

\$ In Thousands

	Net Balance	% of Loans	WTD Avg Current LTV	% Delinquent based on \$
Multifamily	\$ 3,008,665	17%	52%	0.00%
CRE - Office	763,868	4%	62%	0.00%
CRE - Other	2,539,418	14%	43%	0.99%
CRE Construction - Multifamily	1,006,022	6%	51%	0.00%
CRE Construction - Other	660,226	4%	47%	0.00%
C&I	2,304,148	13%	NA	0.31%
SFR	6,466,893	37%	36%	0.34%
SFR Custom Construction	261,377	1%	58%	0.32%
Other	573,610	3%	NA	0.45%
	\$ 17,584,226	100%		0.33%

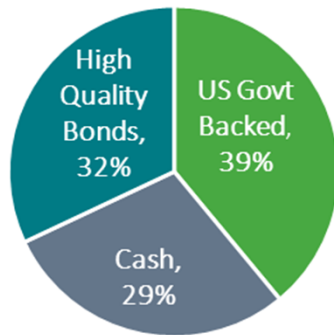


# Significant Liquidity and High-Quality Securities Portfolio

High quality, \$3.6 billion cash and investment portfolio with \$7.7 billion remaining collateral and lines as a source of additional potential liquidity

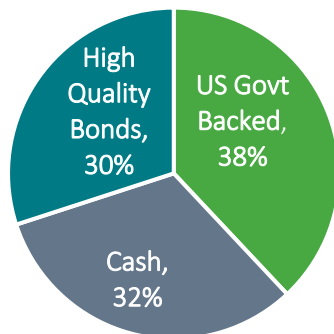
## Cash and Securities Composition

Sept 30, 2023



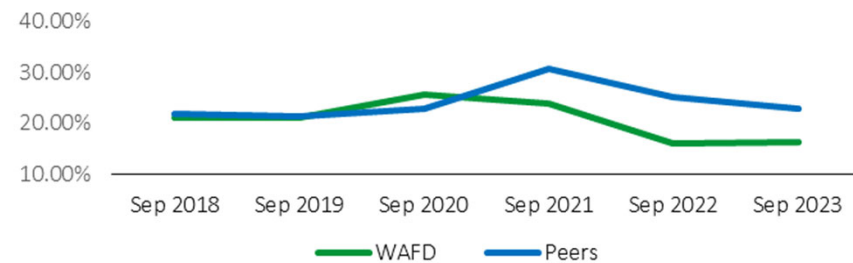
Total Cash and Securities: \$3.4Bn  
Cash and Securities / Total Assets: 15%

Dec 31, 2023



Total Cash and Securities: \$3.6Bn  
Cash and Securities / Total Assets: 16%

## Cash & Securities / Total Assets<sup>1</sup>



Source: SNL Financial, Company Filings

<sup>1</sup> Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

As of 12/31/2023, WAFD maintains over \$3.6bn of balance sheet liquidity.

- Cash and Securities is 16% of assets
- Investment Portfolio targets low credit risk / moderate duration
- 68% Cash, US Government-backed Agency Bonds and MBS <sup>2</sup>
- Yield on the Investment Portfolio is 4.36%

Liquidity is tested quarterly through utilizing various scenarios to determine their affect on available liquidity. Whether minor or extreme, these tests show strong liquidity as a result of deposits and borrowing capacity from reliable collateralized sources.

# Investment Portfolio

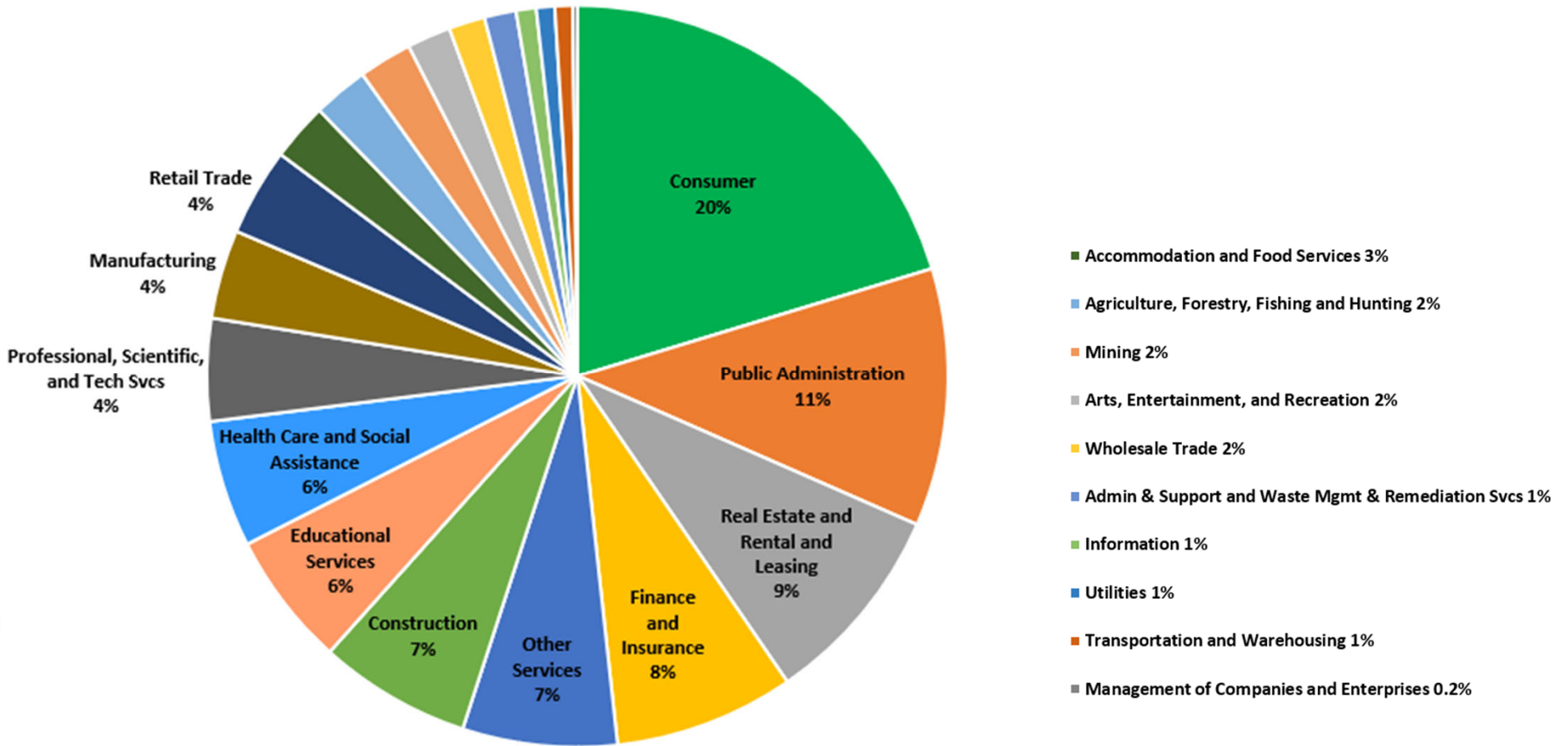
High quality, \$2.4 Billion investment portfolio with a duration of 2.9 years. Portfolio is 47% variable rate.

HTM Investments	Fair Value	Gain/Loss	WAL	Expected Yield
Agency MBS	\$ 370,942	\$ (44,164)	8.4	2.88%

AFS Investments	Fair Value	Gain/Loss	WAL	Expected Yield
Agency MBS	\$ 940,763	\$ (59,421)	5.5	3.48%
Agency and Student Loan Bonds	793,663	(6,988)	13.6	6.30%
Corporate Bonds	248,813	(16,132)	4.2	4.20%
Municipal Bonds	35,206	(328)	11.5	5.20%
	\$ 2,018,445	\$ (82,869)		

Hedges	Gain/Loss	WAL
Borrowing Cash Flow Hedges	\$ 143,846	

# Highly Diversified Deposit Base - % of Deposits by Industry

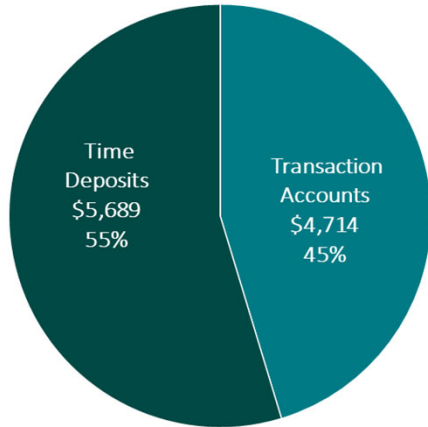


Top 20 depositors make up 11% of total deposits. 26% of total deposits are uninsured and not collateralized as of December 31, 2023.

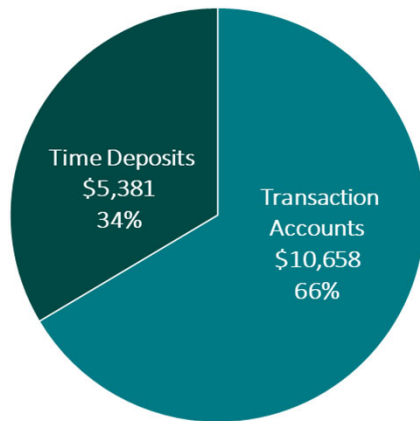
# Deposit Trends

Shifting away from time deposits in favor of transaction accounts. Checking accounts now make up 42%.

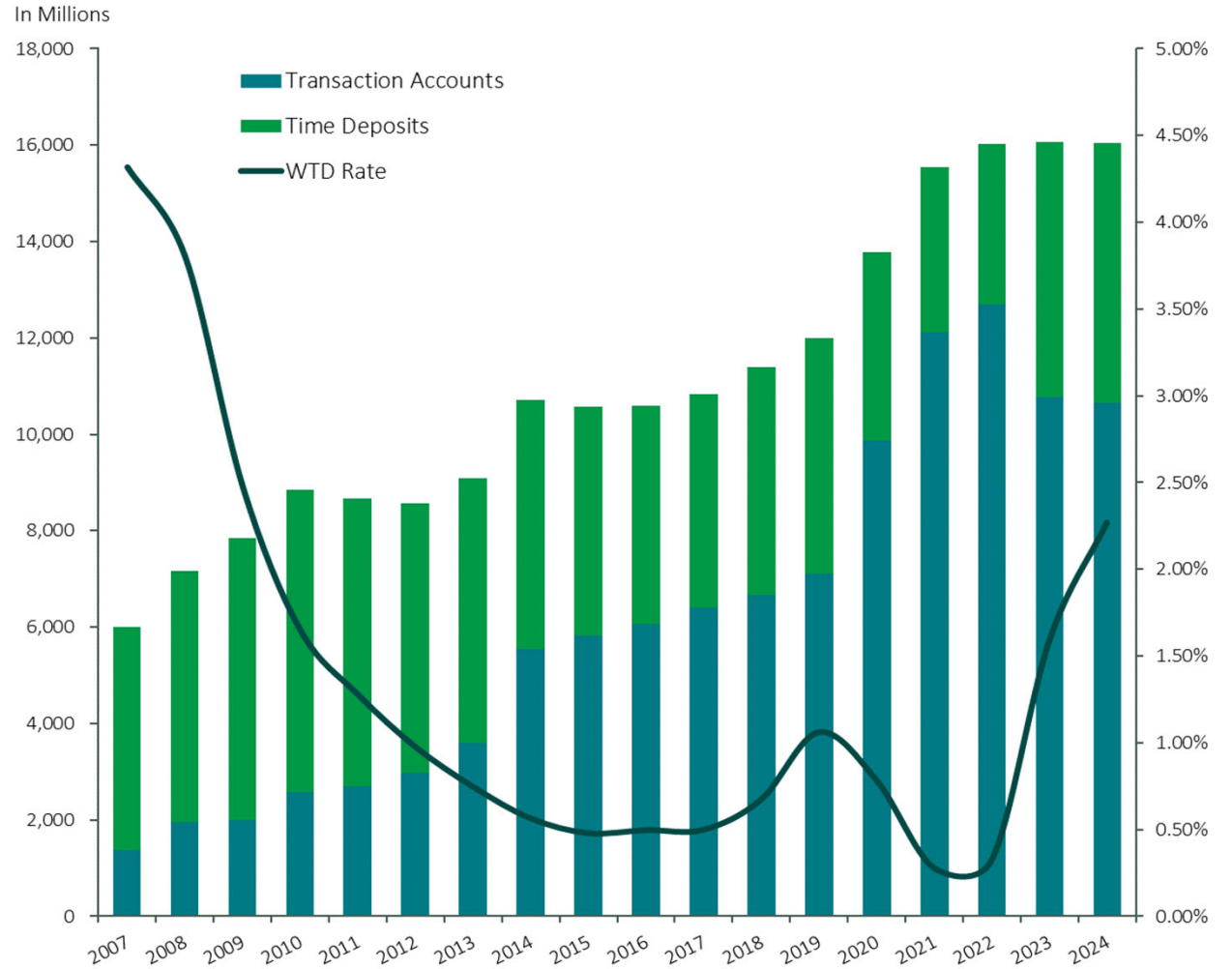
As of 12/31/2013



As of 12/31/2023



Core Deposits = 87.6% of Total



# Deposit Flows

Overall changes by quarter and balances by type

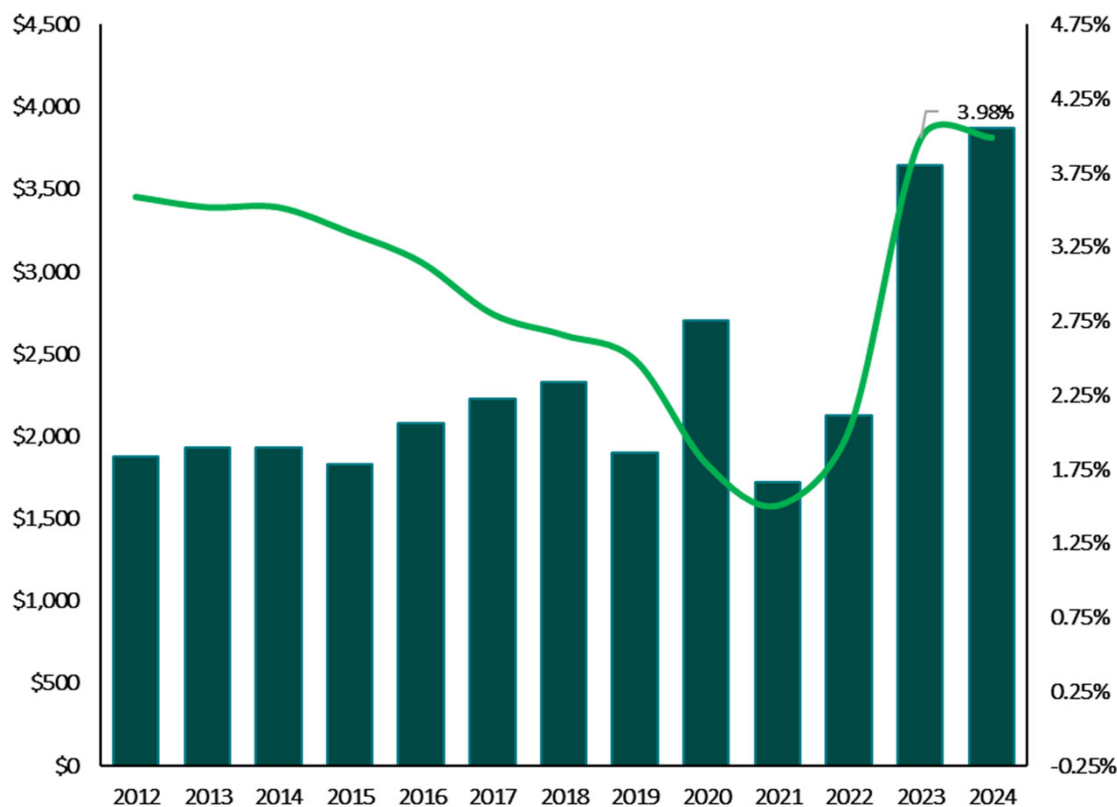
Customer Deposit Accounts	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Checking - Noninterest Bearing	3,251,603	3,269,773	3,266,734	3,070,895	2,856,165	2,729,888	2,706,448	2,604,281
Checking - Interest Bearing	3,897,185	3,472,402	3,497,795	3,971,814	4,125,554	4,124,463	3,882,715	4,084,933
Savings	1,078,147	1,069,801	1,059,093	1,002,034	943,915	874,256	817,547	777,204
Money Market	4,912,671	4,856,275	4,867,905	4,503,090	3,954,709	3,527,968	3,358,603	3,191,646
CDs	3,251,042	3,297,369	3,338,043	3,412,203	3,980,605	4,863,849	5,305,016	5,380,723
<b>Total</b>	<b>16,390,648</b>	<b>15,965,620</b>	<b>16,029,570</b>	<b>15,960,035</b>	<b>15,860,948</b>	<b>16,120,424</b>	<b>16,070,329</b>	<b>16,038,787</b>
Quarter % Change	3.1%	-2.6%	0.4%	-0.4%	-0.6%	1.6%	-0.3%	-0.5%
Quarter \$ Change	488,602	(425,028)	63,950	(69,535)	(99,087)	259,476	(50,095)	(81,637)
Uninsured & Uncollateralized Deposits	7,914,122	7,463,761	4,856,149	4,876,840	4,238,629	4,033,174	4,124,355	4,182,289
% of Total Deposits	48.3%	46.7%	30.3%	30.6%	26.7%	25.0%	25.7%	26.1%

- Deposit flows have fluctuated over the prior 2 years with the balance hovering around \$16 billion
- Negative Quarterly deposit net inflows as of 12/31/2023
- 74% of deposits are collateralized or insured

\*(Balances \$ in thousands)

# Borrowings Outstanding & Weighted Rate

Borrowings are 73% FHLB and 27% Fed's Bank Term Funding and are used in part to manage interest rate risk. Current period increase reflects increased use of short-term borrowings to fund loan growth. Rates have increased with market rates. Increase in borrowings for 2020 was from locking in \$1 billion of funding at a fixed rate of 66 bps for 10 years. More recent increases served to ensure sufficient balance sheet liquidity.

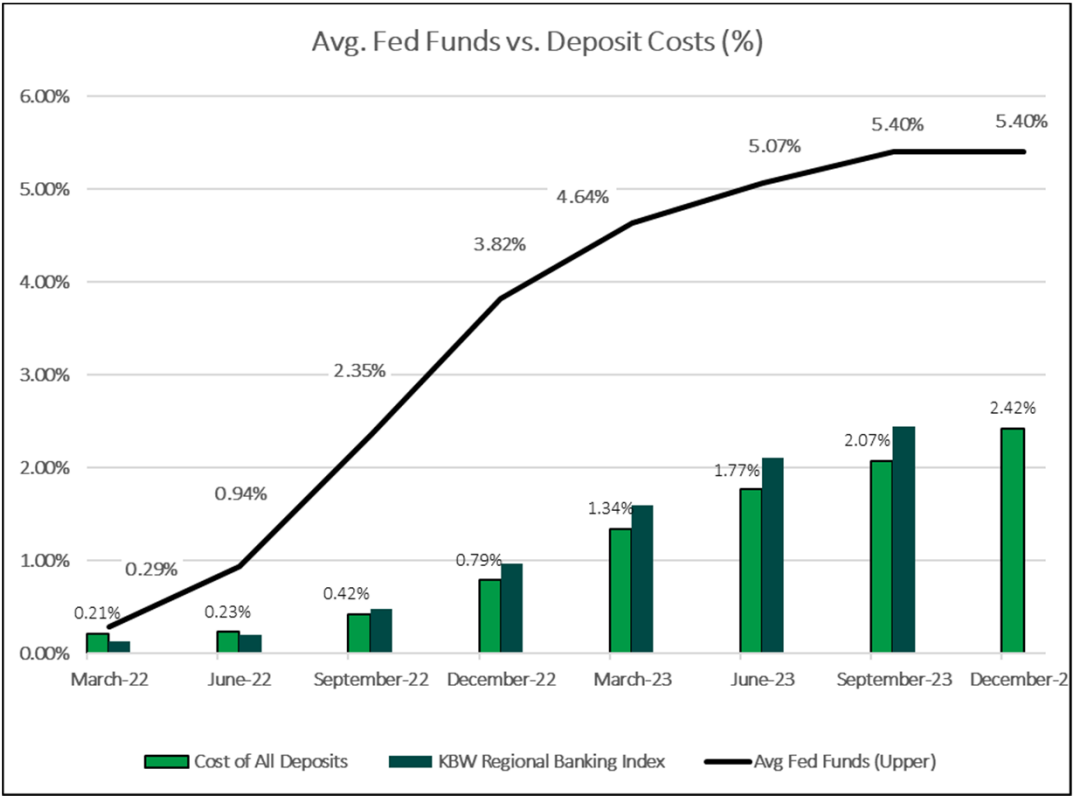


## Effective Maturity Schedule

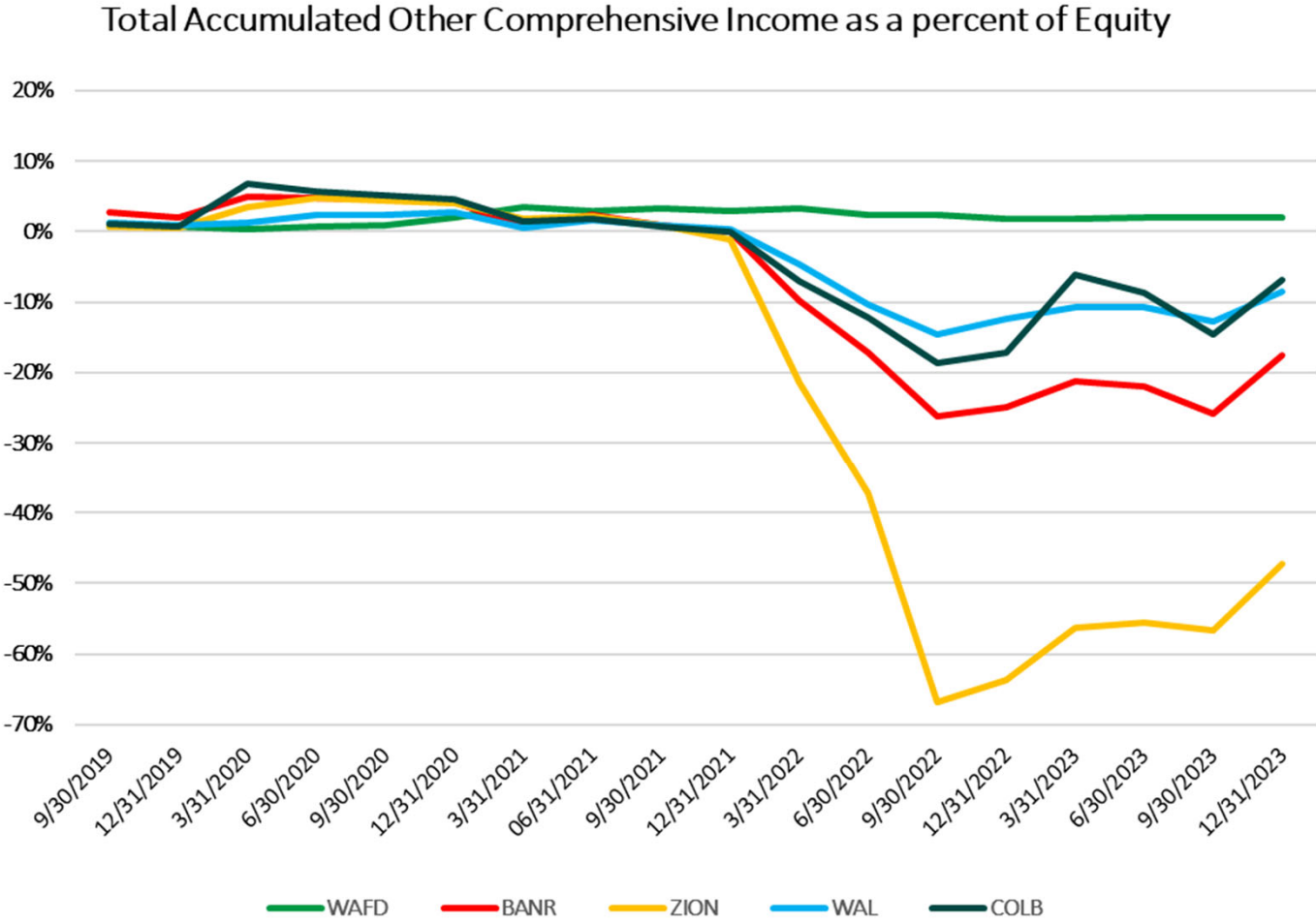
	Amount \$ million	Rate
Within 1 year:	\$2,975	4.99%
1 to 3 years:	\$ 100	1.65%
3 to 5 years:	\$ -	- %
5+ years:	\$ 800	0.58%

# Cost of Deposits in the Rising Rate Environment

	Avg Fed Funds (Upper)	Cost of Interest-bearing Deposits	Cost of All Deposits	Actual Cumulative Beta
12/31/2021	0.25%	0.27%	0.21%	--
3/31/2022	0.29%	0.26%	0.21%	--
6/30/2022	0.94%	0.29%	0.23%	3%
9/30/2022	2.35%	0.53%	0.42%	10%
12/31/2022	3.82%	1.00%	0.79%	16%
3/31/2023	4.64%	1.66%	1.34%	26%
6/30/2023	5.07%	2.16%	1.77%	32%
9/30/2023	5.40%	2.50%	2.07%	36%
12/31/2023	5.40%	2.90%	2.42%	43%



# AOCI vs our Peers





# Income Statement Comparison

*\$ In thousands*

	Three Months Ended,			
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>INTEREST INCOME</b>				
Loans.....	\$ 245,792	\$ 203,946	\$ 41,846	21%
Mortgage-backed securities.....	11,266	10,613	653	6%
Investment securities and cash equivalents.....	29,788	18,860	10,928	58%
	<u>286,846</u>	<u>233,419</u>	<u>53,427</u>	<u>23%</u>
<b>INTEREST EXPENSE</b>				
Customer accounts.....	96,671	31,646	65,025	205%
FHLB advances and other borrowings.....	37,938	18,974	18,964	100%
	<u>134,609</u>	<u>50,620</u>	<u>83,989</u>	<u>166%</u>
<b>NET INTEREST INCOME</b> .....	<b>152,237</b>	<b>182,799</b>	<b>(30,562)</b>	<b>-16.7%</b>
Provision (release) for credit losses.....	0	2,500	(2,500)	
<b>Net interest income after provision(reversal)</b> .....	<b>\$ 152,237</b>	<b>\$ 180,299</b>	<b>\$ (28,062)</b>	<b>-15.6%</b>

# Income Statement Comparison

*In thousands*

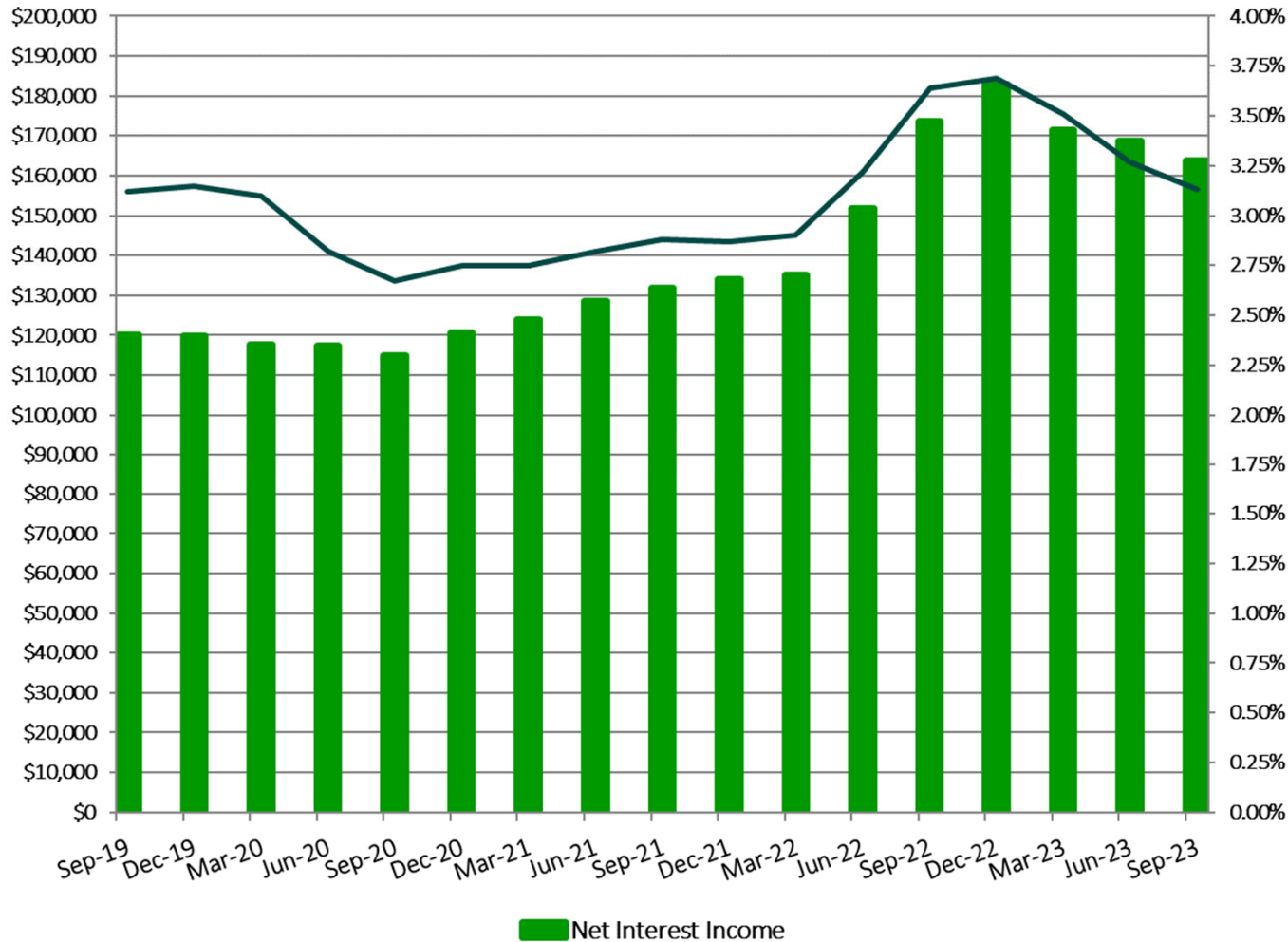
	Three Months Ended,			
	<u>12/31/2023</u>	<u>12/31/2022</u>	\$ Change	% Change
<b>OTHER INCOME</b>	\$ 14,167	\$ 14,024	\$ 143	1.0%
<b>OTHER EXPENSE</b>				
Compensation and benefits.....	49,841	49,070	771	1.6%
Occupancy.....	9,371	10,102	(731)	-7.2%
FDIC insurance.....	6,570	3,675	2,895	78.8%
Product delivery.....	6,009	4,621	1,388	30.0%
Information technology.....	12,866	12,329	537	4.4%
Other expense.....	11,883	12,481	(598)	-4.8%
	<u>96,540</u>	<u>92,278</u>	<u>4,262</u>	<u>4.6%</u>
Gain (loss) on REO.....	<u>1,826</u>	<u>(112)</u>	<u>1,938</u>	<u>-1730%</u>
Income before income taxes.....	71,690	101,933	(30,243)	-29.7%
Income taxes.....	13,237	22,424	(9,187)	-41.0%
<b>NET INCOME</b> .....	<u>\$ 58,453</u>	<u>\$ 79,509</u>	<u>\$ (21,056)</u>	<u>-26.5%</u>
Dividends on preferred stock.....	3,656	3,656	0	
<b>Net Income available to common shareholders</b> .....	<u>\$ 54,797</u>	<u>\$ 75,853</u>	<u>\$ (21,056)</u>	<u>-27.8%</u>

*Efficiency Ratio of 58.02% for YTD fiscal year 2024 up from 46.78% for the same period of the prior year.*

*Effective tax rate year to date ended December 2023 is 18.46% compared to 22.0% from the same period ended December 2022*

# Net Interest Income and Net Interest Margin

Net interest income in thousands.

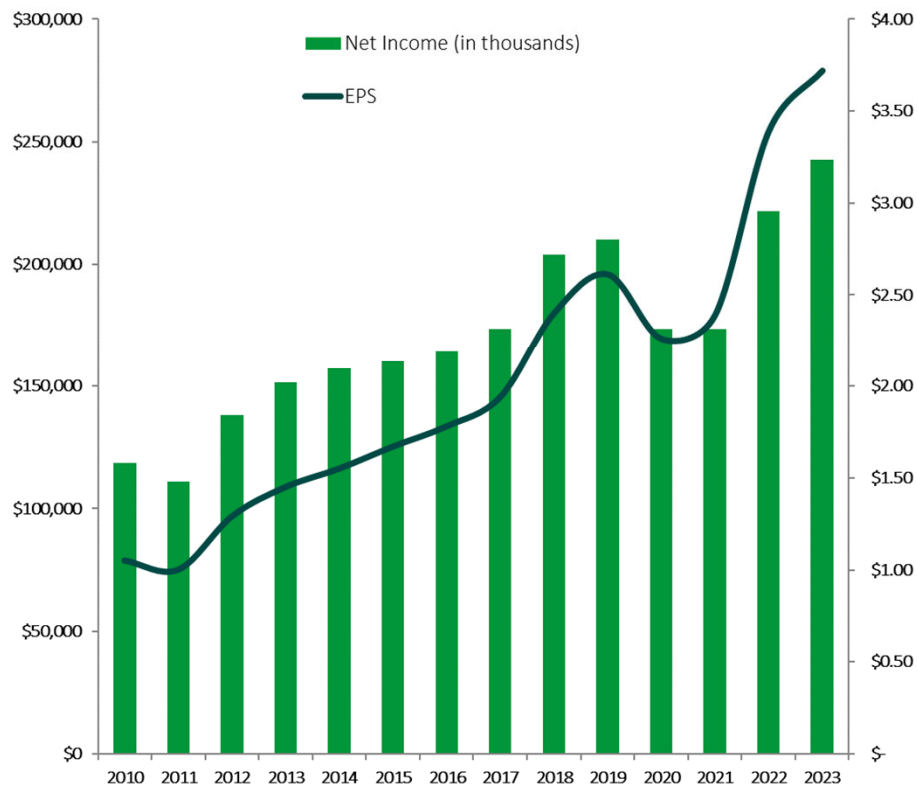


## IRR measures as of Dec 31, 2023:

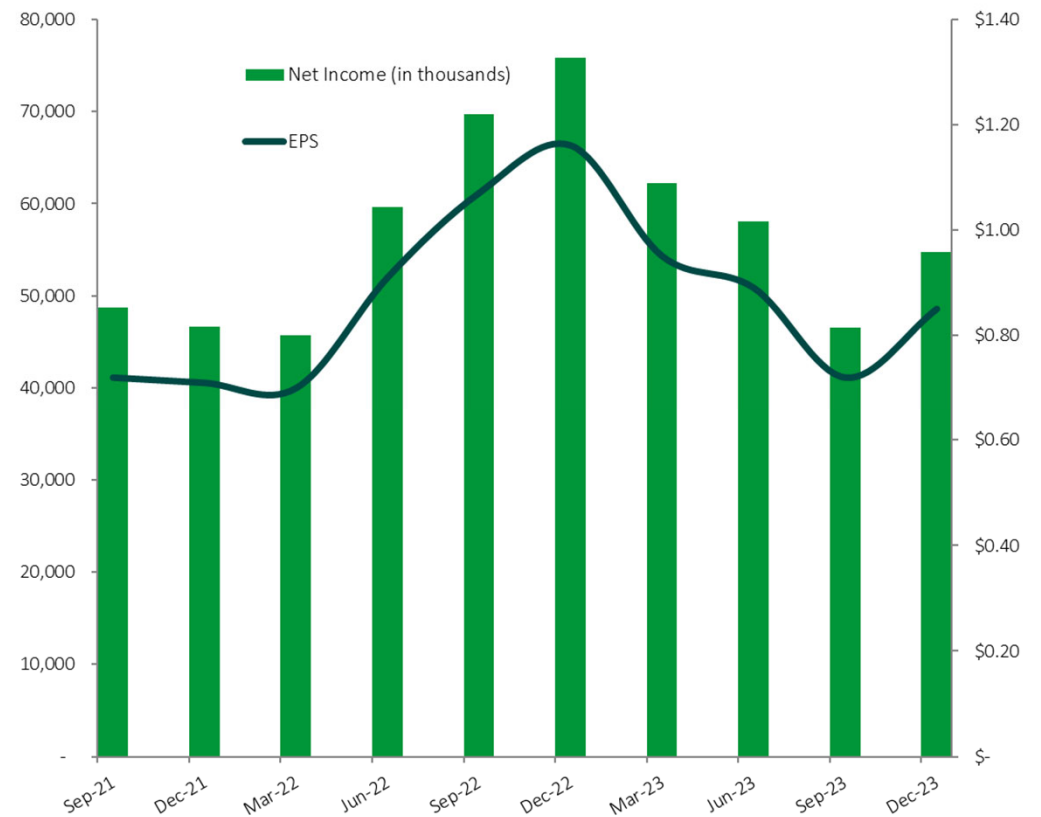
- Net Interest Income (NII) would decrease by 1.0% in +200 bps immediate and parallel shock and would increase by 3.5% in a -100 bps immediate parallel shock.
- Net Portfolio Value (NPV) after +200bps shock is 27% lower (\$678mm) and at \$1.799 billion would be 8.79% of total assets NPV after -100bps shock is 14.5% higher (\$360mm) and at \$2.837 billion would be 12.74% of total assets.

# Net Income and Common Earnings Per Share

## Annual



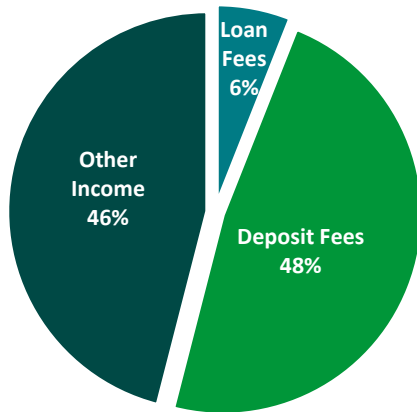
## Quarterly



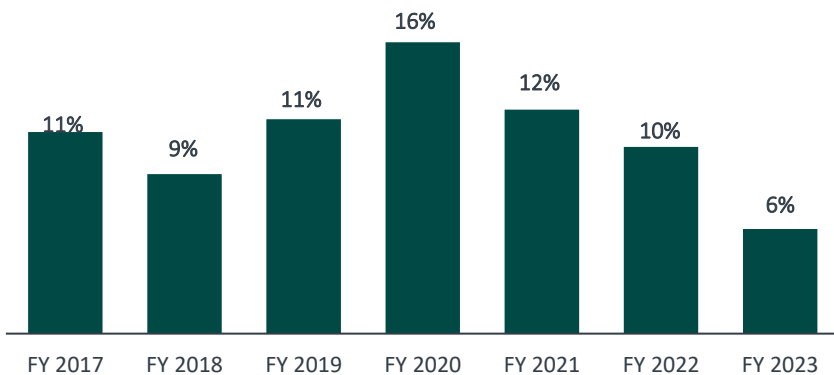
# Non-Interest Income

Diverse sources of Non-Interest Income provide steady growth and balance our revenue profile

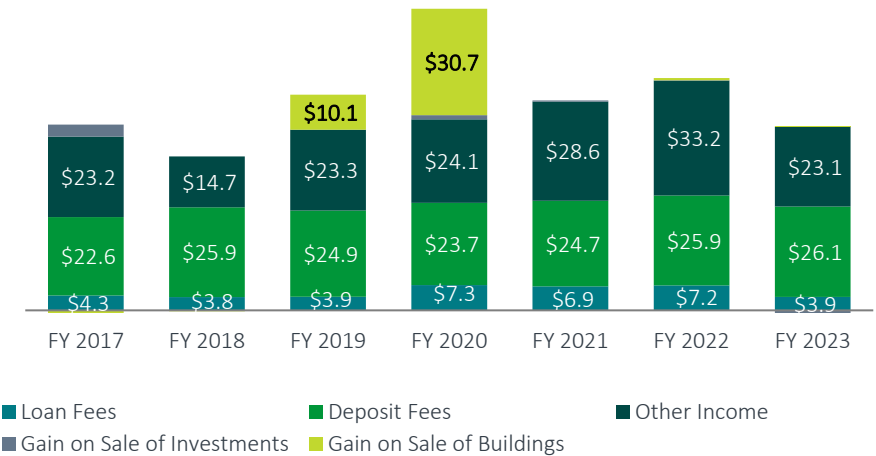
Non-Interest Income for Quarter-Ended 12/31/2023



Non-Interest Income / Total Loan Revenue



Non-Interest Income Over Time (\$MM)



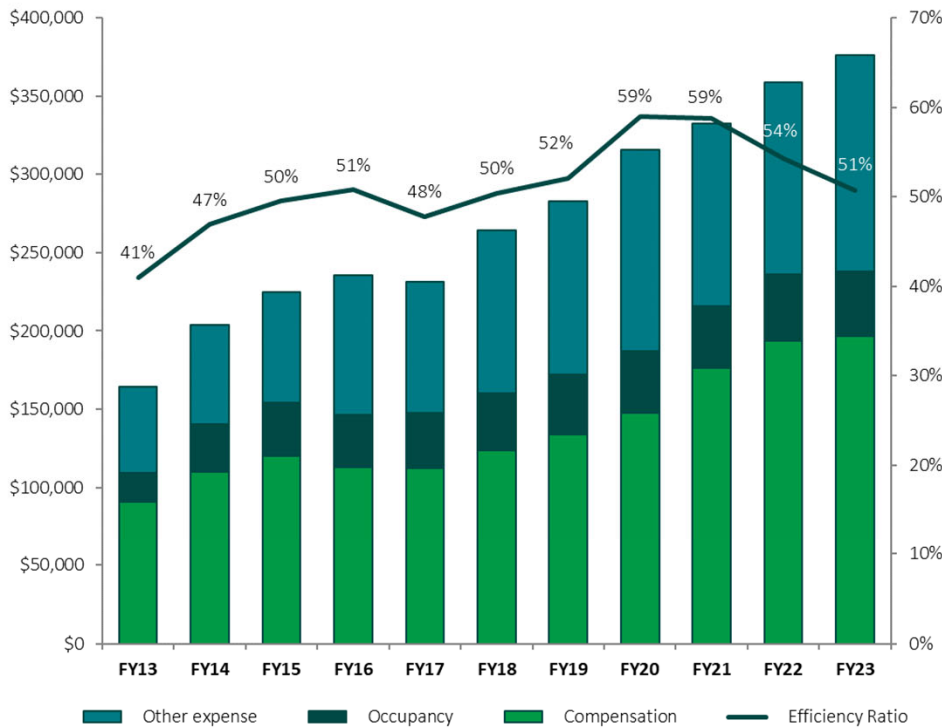
Other Income includes:

- BOLI income
- Rental income
- Gains on property sales
- WAFD Insurance Income
- Income on equity method investments

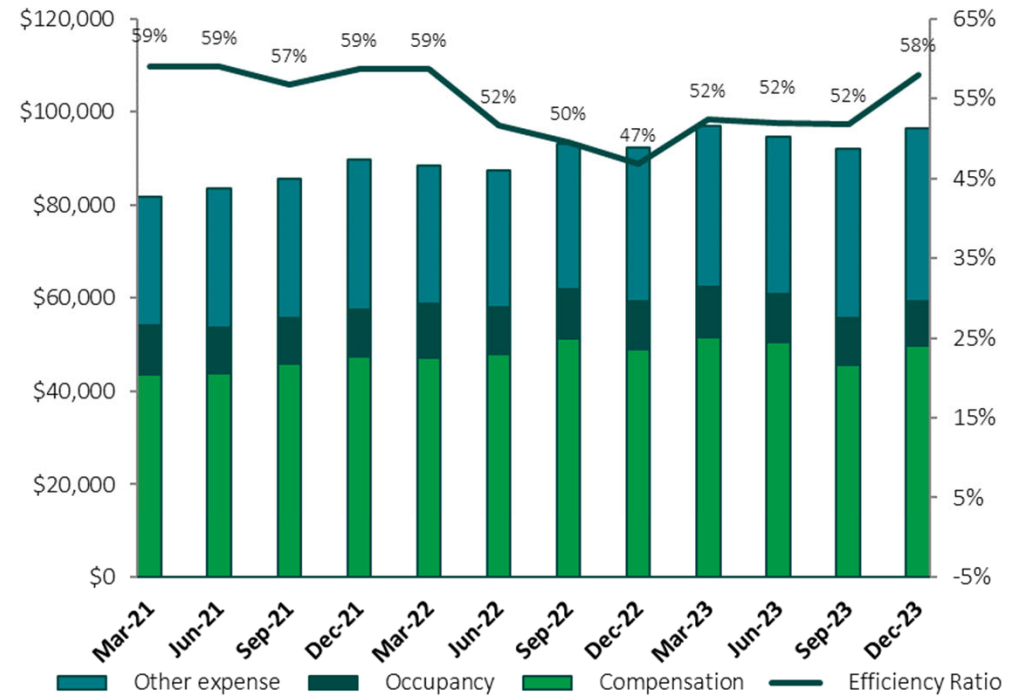
# Non-Interest Expense Over Time

Annual and Quarterly - Expenses in thousands

Annual



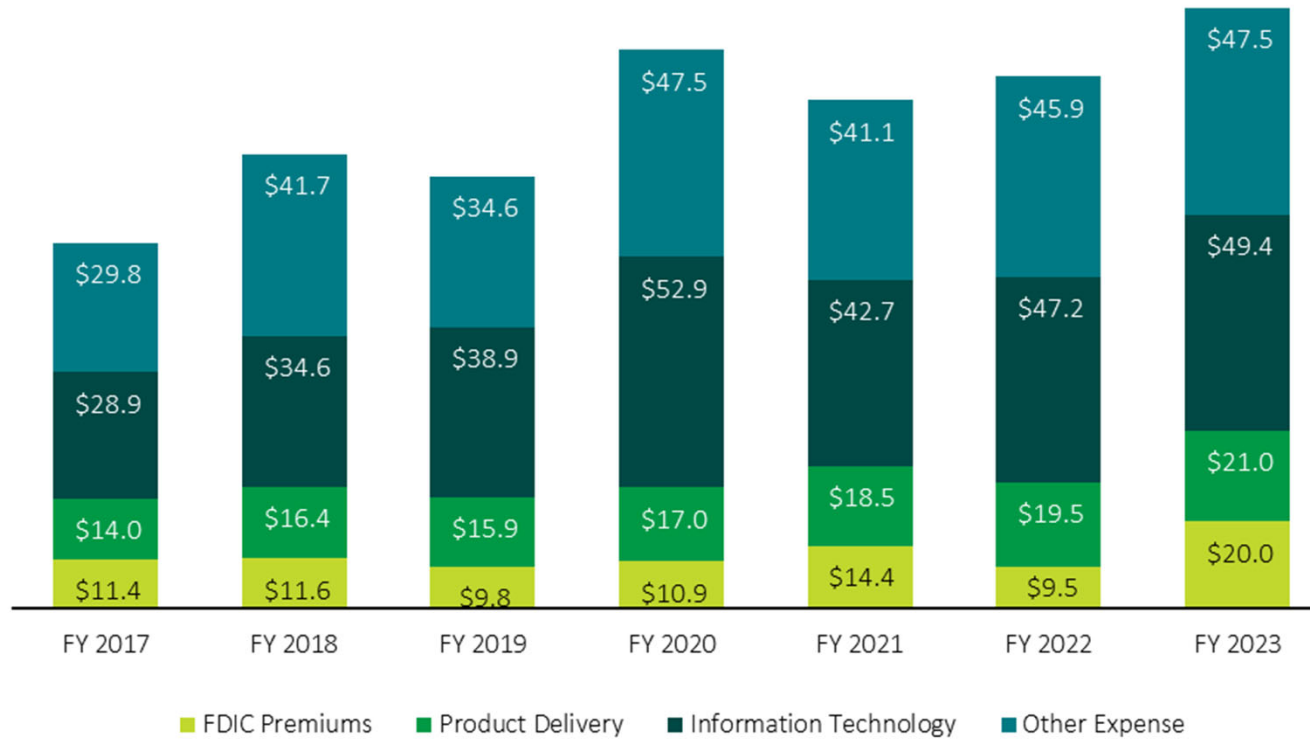
Quarterly



Other expense includes FDIC premiums, product delivery & IT related costs and other miscellaneous expenses.  
See additional details on the next page.

# Breakout of Other Expense

*Expenses in millions*

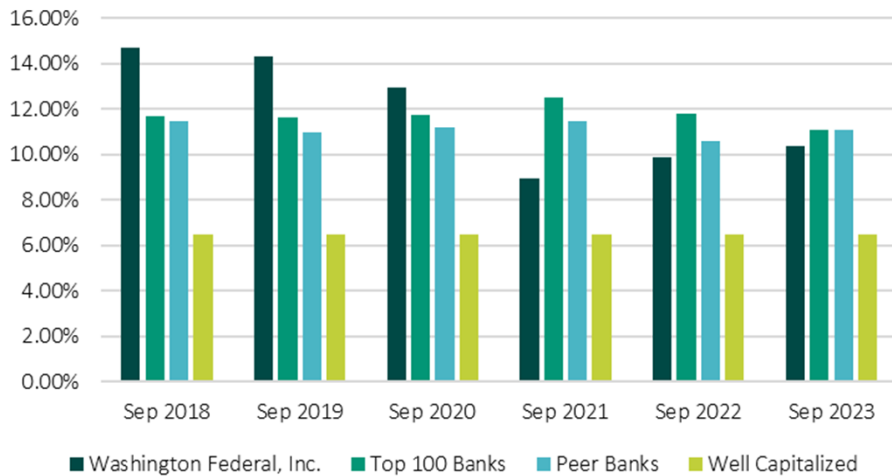


Other Expense includes:

- FDIC Premiums
- Product Delivery
- Information Technology
- Miscellaneous 'Other' line-item expenses include professional services, marketing and administrative costs.

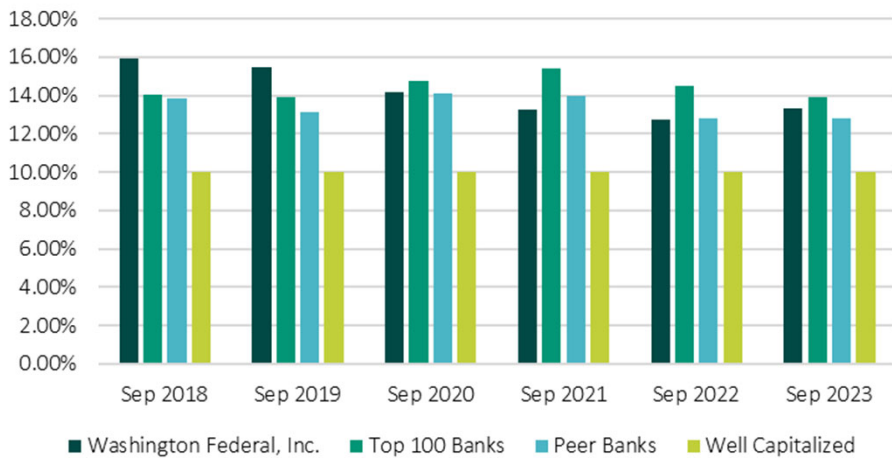
# Capital Ratios

## Common Equity Tier 1 Ratio

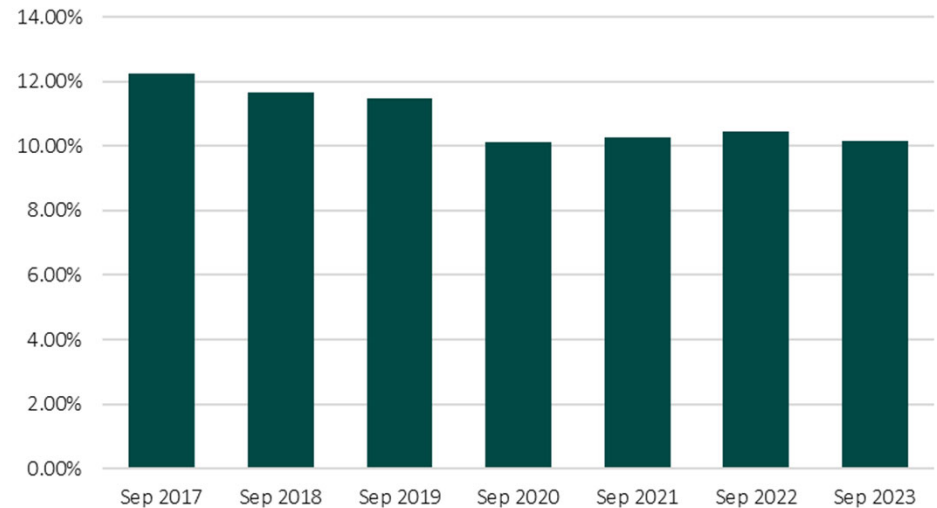


*WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.*

## Total Risk-Based Capital



## TCE+ACL/Tang Assets





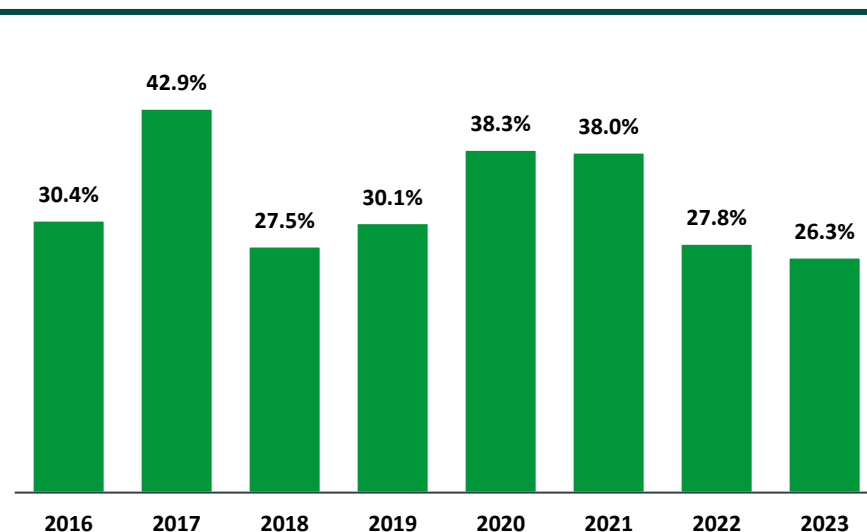
# Returning Capital to Shareholders

## Return of Income to Common Shareholders

	Net Income	Stock Buyback & Dividends	Percent of Income returned to Shareholders
2016	\$164,049	\$137,808	84%
2017	\$173,532	\$172,892	100%
2018	\$203,850	\$220,246	108%
2019	\$210,256	\$187,163	89%
2020	\$173,438	\$178,629	103%
2021	\$173,581	\$414,527	239%*
2022	\$221,705	\$64,837	29%
2023	\$242,801	\$94,255	39%

\* Preferred stock issuance proceeds were used to repurchase 8 million shares

## Common Dividend as a % of Net Income



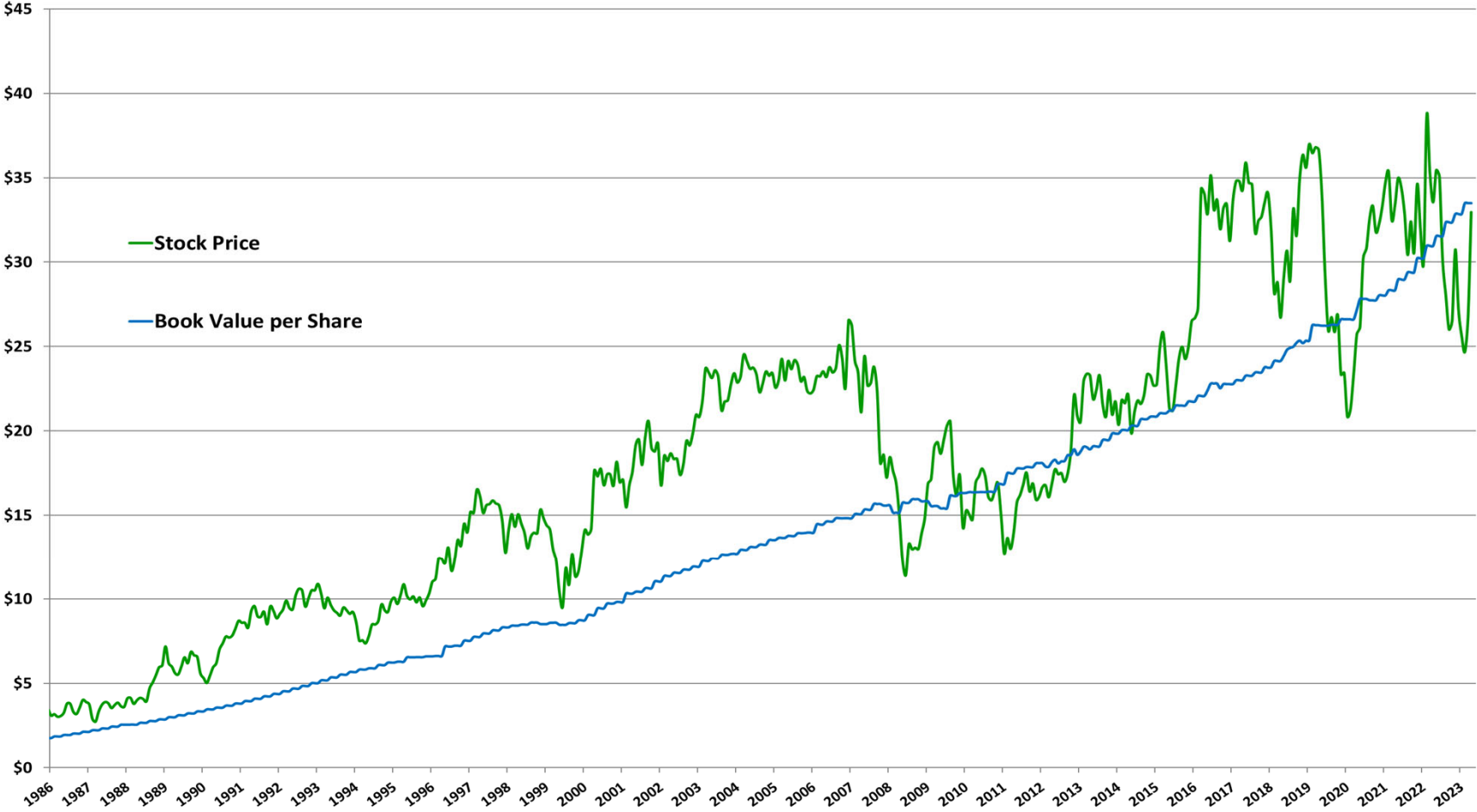
## Share Repurchases

	# of Shares	Wtd Price Paid	% Outstanding at beginning of the year
2016	3,867,563	\$22.72	4%
2017	3,137,178	\$31.36	3%
2018	4,865,357	\$33.74	6%
2019	4,065,352	\$30.46	5%
2020	3,339,530	\$33.58	4%
2021	10,810,113	\$32.25	14%
2022	92,774	\$35.14	0.1%
2023	1,165,161	\$26.14	2%

## Recent Capital Activities

- Current cash dividend of \$0.25 provides a yield of 3.53% based on the current stock price (*Feb 5th*)
- 697,893 shares were repurchased in Q1 of fiscal 2024 with a weighted price of \$24.45
- Since 2013, 49 million shares repurchased which is 46% of total outstanding shares as of 9/30/2012
- 1.8 million shares remain in buyback authorization

# Stock Price & Book Value Per Share



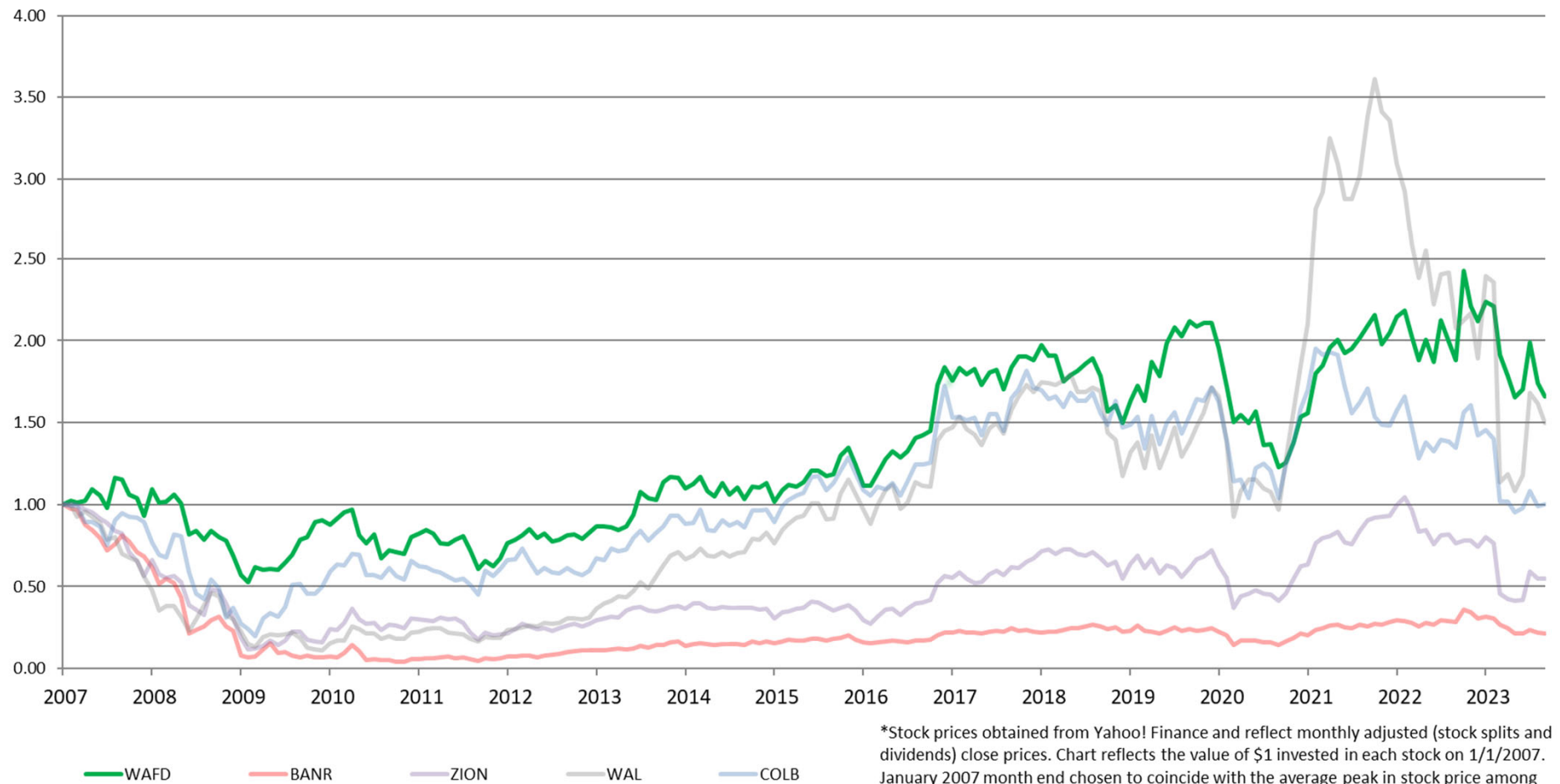
**As of 12/31/2023:**

Book Value per Share \$33.49  
 Price to BV: 0.984

Tangible Book Value per Share \$28.65  
 Price to TBV: 1.15

# Perspective through the last Credit Cycle

## Stock Performance Comparison as of 12/31/2023





PROUD BANKING PARTNER FOR SEATTLE SPORTS

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking statements in this presentation speak only as of the date of the presentation, and Washington Federal assumes no duty, and does not undertake, to update them. Actual results or future events could differ, possibly materially, from those that we anticipated in these forward-looking statements.*