

PUBLIC DISCLOSURE

March 26, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Washington Federal Bank
Certificate Number: 28088

425 Pike Street
Seattle, Washington 98101

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

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San Francisco, California 94105

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Needs to Improve**.

An institution in this group needs to improve its overall record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve	X		
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Needs to Improve.

Washington Federal's (WaFd) lending levels reflect adequate responsiveness to assessment area credit needs and a substantial majority of loans are made in the assessment areas; the geographic distribution of loans reflects poor distribution throughout the assessment area; the distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes; and the bank exhibits a poor record of serving the credit needs of the most economically disadvantaged areas of the assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices. The bank makes limited use of innovative and/or flexible lending practices to serve assessment area credit needs, and the bank made an adequate level of community development loans.

The poor Lending Test performance in Washington, Arizona, Idaho, Nevada, Utah, and the Portland Multistate MSA represents approximately 80 percent of the weighting in assessing overall Lending Test performance. The adequate Lending Test performance in Oregon, New Mexico, and Texas was not sufficient to compensate for the number of states, especially considering weighting levels, that reflected poor Lending Test performance.

The Lending Test rating resulted in the overall CRA Rating of "Needs to Improve".

The Investment Test is rated High Satisfactory.

WaFd has a significant level of qualified community development investments and grants, particularly those that are not routinely provided by private investors. The institution exhibits good responsiveness to credit and community development needs and makes occasional use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

WaFd's delivery systems are accessible to essentially all portions of the institution's assessment area. To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Services (including business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income individuals. The institution provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

WaFd is a state-chartered regional bank headquartered in Seattle, Washington. WaFd is a subsidiary of Washington Federal Inc., a one-bank holding company also headquartered in Seattle, Washington. The institution is a former thrift, which was founded as Ballard Savings and Loan Association in 1917. WaFd converted to a Washington State-chartered non-member bank in February 2022. WaFd received a “Satisfactory” rating at its previous OCC performance evaluation, dated June 2, 2020, using Interagency Large Bank CRA Evaluation procedures. On March 1, 2024, the bank completed the purchase of Luther Burbank Savings, adding 13 offices and \$7 billion in total assets to the 198 existing WaFd offices and \$22.6 billion total assets. The former Luther Burbank offices are predominately located in California, which represents a new market to WaFd. The institution’s performance regarding the legacy Luther Burbank lending activity was not included or assessed during this evaluation due to the limited time frame of the areas that were served by WaFd since the merger.

WaFd is a full-service traditional retail bank that operates 198 legacy branches throughout 8 states. The institution opened 6 branches and closed 43 since the prior evaluation. The institution is primarily a portfolio real estate lender, and it offers a variety of residential, commercial and consumer loan products. Deposit products include personal and business checking, savings and money market accounts, as well as certificates of deposit. As of December 31, 2023, WaFd reported total assets of \$22.6 billion, which includes \$17.8 billion in total loans and leases and \$2.4 billion in total securities. The following table details the institution’s loan portfolio distribution by loan category.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	2,230,043	12.6
Secured by Farmland	7,490	<0.1
Secured by 1-4 Family Residential Properties	6,844,451	38.5
Secured by Multifamily (5 or more) Residential Properties	3,022,786	17.0
Secured by Nonfarm Nonresidential Properties	3,662,643	20.6
Total Real Estate Loans	15,767,413	88.7
Commercial and Industrial Loans	1,823,570	10.3
Agricultural Production and Other Loans to Farmers	10,615	0.1
Consumer Loans	66,643	0.4
Obligations of State and Political Subdivisions in the U.S.	88,918	0.5
Other Loans	198	<0.1
Lease Financing Receivable (net of unearned income)	9,218	<0.1
Less: Unearned Income	-	-
Total Loans	17,766,575	100.0
Source: Reports of Condition and Income Percentages may not round to 100.0		

Examiners did not identify any financial, legal, or other impediments that affected the institution’s ability to meet assessment area credit and community development needs over the review period.

DESCRIPTION OF ASSESSMENT AREAS

WaFd has designated 44 assessment areas throughout 8 states and 1 multistate MSA, reflecting 9 rated areas. The following table lists the rated areas and assessment areas in the order they are presented. Refer to individual rated areas for description of any branch changes.

Description of Assessment Areas and Review Procedures		
Rated Area	Assessment Area	Evaluation Procedures
Washington	Seattle-Tacoma-Bellevue MSA Wenatchee MSA Washington Non-MSA Bellingham MSA Mt. Vernon-Anacortes MSA Bremerton-Silverdale-Port Orchard MSA Olympia-Lacey-Tumwater MSA Spokane-Spokane-Valley MSA Walla Walla MSA Yakima MSA Lewiston MSA	Full-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited Scope Limited Scope Limited Scope
Arizona	Phoenix-Mesa-Chandler MSA Tucson MSA Arizona Non-MSA Sierra Vista-Douglas MSA Yuma MSA Prescott Valley-Prescott MSA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope
Oregon	Oregon Non-MSA Bend MSA Salem MSA Eugene-Springfield MSA Medford MSA Grant's Pass MSA Corvallis MSA Albany-Lebanon MSA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope
Idaho	Boise City MSA Idaho Non-MSA Twin Falls MSA Idaho Falls MSA Pocatello MSA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope
New Mexico	New Mexico Non-MSA Albuquerque MSA Santa Fe MSA Las Cruces MSA Farmington MSA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope
Nevada	Las Vegas-Henderson-Paradise MSA Nevada Non-MSA	Full-Scope Limited Scope
Utah	Salt Lake City MSA Ogden-Clearfield MSA Logan MSA Utah non-MSA	Full-Scope Limited-Scope Limited-Scope Limited-Scope-
Portland-Vancouver-Hillsboro	Portland-Vancouver-Hillsboro Multistate MSA	Full-Scope
Texas	Dallas-Plano-Irving MSA Austin-Round Rock-Georgetown MSA	Full-Scope Limited Scope

SCOPE OF EVALUATION

General Information

Examiners evaluated WaFd's performance using Interagency Large Institution CRA Examination procedures. This evaluation covers the period of June 3, 2020 through March 26, 2024. Based on the distribution of branches, deposits, and reported loans, the institution's performance in Washington contributed the greatest weight to overall conclusions. Performance in Arizona, Oregon, Idaho and New Mexico also significantly impacted overall performance. Performance in Nevada, Utah, the Portland-Vancouver-Hillsboro multistate MSA and Texas contributed less weight to overall conclusions. Refer to the following table for details:

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Washington	3,751,362	36.1	7,486,925	45.9	71	35.9
Arizona	1,630,892	15.7	1,605,869	9.9	28	14.1
Oregon	1,183,747	11.4	2,071,192	12.7	30	15.2
Idaho	741,611	7.1	1,089,698	6.7	22	11.1
New Mexico	432,823	4.2	1,451,830	8.9	19	9.6
Nevada	432,909	4.2	496,317	3.0	8	4.0
Utah	592,344	5.7	837,694	5.1	9	4.5
Portland-Vancouver-Hillsboro Multi-State	598,363	5.8	891,275	5.5	7	3.5
Texas	1,019,618	9.8	363,461	2.2	4	2.0
Total	10,383,669	100.0	16,294,261	100.0	198	100.0
<i>Source: Loans-2020-2023 HMDA LARs and CRA LR; Deposits 6/30/2023 FDIC Summary of Deposits; Branches bank data</i> <i>Rounding may not add up to 100.0</i>						

Activities Reviewed

Considering WaFd's business strategy, loan portfolio composition, and lending activity during the evaluation period, examiners determined that the bank's primary product lines are home mortgage loans and small business loans. Small farm loans are not a primary product offering at the institution and comprise less than one percent of total loan activity since the previous evaluation. As a result, small farm loans were not presented in this evaluation. WaFd did not request that consumer loans be considered as part of this evaluation; therefore, consumer lending performance was not evaluated. For the lending test, examiners analyzed the universe of home mortgage loans and small business loans originated or purchased from January 1, 2020 through December 31, 2023, as reported pursuant to the large institution data collection requirements of the Home Mortgage Disclosure Act and Community Reinvestment Act. Refer to each rated area for additional information regarding product weighting in determining performance conclusions. Luther Burbank lending activity was not included in this analysis.

WaFd's home mortgage lending volume was largely consistent from 2020 through 2022 but declined significantly in 2023 largely due to the rising interest rate environment. Small business lending volume was relatively consistent from 2021 through 2023, but 2020 volume was significantly higher due to a large volume of SBA Paycheck Protection Program (PPP) loans.

All four years of lending activity between 2020 and 2023 was analyzed and presented to support conclusions.

Loan Products Reviewed						
Loan Category	Universe		Reviewed		Presented	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	16,267	10,292,947	16,267	10,292,947	6,134	4,444,784
Small Business	9,019	988,505	9,019	988,505	1,206	236,467

Source: 2020, 2021, 2022 and 2023 Reported Loans

Examiners compared WaFd's lending performance to the aggregate performance of other HMDA and CRA reporting lenders operating within each assessment area, as well as applicable demographic data. In addition, because WaFd is a portfolio lender, examiners also compared lending performance to other lenders excluding government loans (FHA, VA, and USDA). No difference in ratings was noted; therefore, examiners provided aggregate performance in tables presented in this evaluation. Likewise, examiners also analyzed performance separately for closed-end and open-end mortgage loans. Again, no difference in ratings were noted. Thus, all mortgage loans are combined in tables presented in this evaluation. In 2020 and 2021, demographic comparison were based on 2015 ACS Census Data; however, the 2022 and 2023, demographic comparisons were based on 2020 U.S. Census data. Demographic comparisons for small business lending are based on annual D&B survey data. Greater weight is given to lending performance compared to aggregate data rather than demographic data, as aggregate lending data is a better indicator of actual lending opportunities. While the evaluation presents the number and dollar volume of loans, in general examiners emphasize performance by number of loans. Because WaFd is a large multi-family lender, examiners analyzed performance by the dollar amount of loans made as well when performance by the number of loans indicated poor performance. The dollar amount of loans better reflects the number of housing units financed when an institution is a large multi-family lender. However, analysis by the dollar volume of loans did not alter the conclusions for rated areas.

The previous evaluation considered community development activities through December 31, 2019. This evaluation includes all qualified community development loans, investments, donations and services from January 1, 2020 through December 31, 2023. Community development loans donations and services provided by legacy Luther Burbank were not included in this evaluation, other than investments held at the prior CRA evaluation. The investment test considers both new investments made, and prior period investments held with outstanding balances as of the current evaluation date.

Examiners evaluated WaFd's community development activities quantitatively based on the institution's financial capacity, as well as qualitatively based on the impact of those activities on the

bank's assessment areas. The effect of the bank's closure of 43 branches since the previous evaluation was also assessed.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

WaFd's Lending Test performance is rated "Needs to Improve." The bank's performance in all the rated areas was consistent with this conclusion except for Oregon, New Mexico, and Texas, where performance exceeded the overall conclusion.

Lending Activity

WaFd's lending levels reflect adequate responsiveness to assessment area credit needs. Lending trends for the products reviewed were consistent across the rated areas. Home mortgage lending volumes declined slightly in 2022 and significantly in 2023 due to changes in the interest rate environment. At the beginning of the COVID-19 pandemic, the Federal Reserve set the effective federal funds rate at near zero, and started increasing rates in March 2022, thus lowering mortgage demand. Small business lending volumes were significantly higher in 2020 and 2021 than in 2022 or 2023 due to SBA PPP loan originations from April 2020 to May 2021.

Refer to the rated areas for details regarding the bank's lending activity, market share, and market ranking for the products reviewed.

Assessment Area Concentration

A substantial majority of loans are made in the institution's assessment areas as depicted in the following table:

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$ (000s)	%	
Home Mortgage										
2020	4,241	91.0	420	9.0	4,661	2,082,038	89.2	252,903	10.8	2,334,941
2021	4,968	90.8	504	9.2	5,472	3,040,535	86.6	471,687	13.4	3,512,222
2022	3,717	88.7	475	11.3	4,192	2,749,655	79.4	711,653	20.6	3,461,308
2023	1,755	90.4	187	9.6	1,942	879,521	89.3	104,955	10.7	984,476
Subtotal	14,681	90.3	1,586	9.7	16,267	8,751,749	85.0	1,541,198	15.0	10,292,947
Small Business										
2020	6,495	95.6	300	4.4	6,795	536,156	95.1	27,776	4.9	563,932
2021	961	94.4	57	5.6	1,018	173,056	92.0	15,050	8.0	188,106
2022	584	94.2	36	5.8	620	121,380	92.0	10,554	8.0	131,934
2023	546	93.2	40	6.8	586	99,314	95.0	5,219	5.0	104,533
Subtotal	8,586	95.2	433	4.8	9,019	929,906	94.1	58,599	5.9	988,505
Total	23,267	92.0	2,019	8.0	25,286	9,681,655	85.8	1,599,797	14.2	11,281,453
Source: Bank Data Due to rounding, totals may not equal 100.0% Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.										

Lending inside the assessment area this evaluation period is very similar to the prior evaluation when 91.8 percent of loans were made inside the assessment area.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout WaFd's assessment areas. The institution's performance in Washington, Idaho, Utah and the Portland-Vancouver-Hillsboro multistate MSA was consistent with this conclusion. The institution's performance in Arizona, Oregon, New Mexico, Nevada and Texas exceeded the bank-wide conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. The institution's performance in Washington, Arizona, Oregon, Nevada, Utah, the Portland-Vancouver-Hillsboro multistate MSA is consistent with this conclusion. The institution's performance in Idaho, New Mexico and Texas exceeded the rated area conclusion.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs, as reflected in the following table:

Innovative or Flexible Lending Programs										
Type of Program*	2020		2021		2022		2023		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Bank-wide										
Paycheck Protection Program	6,652	810,649	2,539	1,132,588	-	-	-	-	9,191	1,943,237
SBA 504	3	1,292	8	12,352	8	15,227	7	3,528	26	32,399
Smart Start Mortgage	-	-	-	-	-	-	7	1,206	7	1,206
Smart Start Boost	-	-	-	-	-	-	7	40	7	40
Washington Programs										
Opal Community Land Trust	-	-	1	124	1	125	1	75	3	324
Chelan Valley Housing Trust	-	-	1	160	-	-	-	-	1	160
Home Trust of Skagit	-	-	-	-	1	135	2	290	3	425
Homestead Land Trust	-	-	-	-	2	407	-	-	2	407
Washington State Housing Finance Commission	1	16,560	-	-	-	-	-	-	1	16,560
Oregon Programs										
Oregon Housing and Community Services	2	24,650	-	-	3	44,850	1	13,853	6	83,353
Central Oregon Housing Authority	1	6,630	1	6540	1	11,480	-	-	3	24,650
Arizona Programs										
Pima Community Land Trust	-	-	5	539	1	135	3	376	9	1,050
Totals	6,659	859,781	2,555	1,152,303	17	72,359	28	19,368	9,259	2,103,811
<i>Source: Bank Data; *Some programs combined for presentation purposes</i>										

The 9,259 innovative and/or flexible loans totaling \$2.1 billion originated during the review period represents a substantial increase from the previous evaluation, in which no innovative or flexible lending programs were identified. Though few lending products are considered innovative, the institution has established a proprietary down payment assistance program through which the bank offers home mortgage loans to low- and moderate-income first-time homebuyers with flexible down payment requirements. The bank made 14 such loans totaling \$1.2 million under this program.

The following are notable examples of innovative and/or flexible lending practices employed during the evaluation period:

- **SBA** – The SBA 504 loan program provide loans to small businesses with lower down payments with flexible terms. PPP loans were designed to support basic operating needs of small businesses during the COVID-19 pandemic, including rent, utilities, and payroll. PPP loans offered below-market interest rates, six-month payment deferrals, no origination fees, and no collateral requirements.

- **Smart Start Mortgage and Smart Start Boost** - The bank offers Smart Start Mortgages to first-time low- and moderate-income homebuyers with moderate credit scores. Smart Start mortgage loans offers a 3 percent down payment to borrowers, and Smart Start Boost borrowers can contribute a minimum of 1 percent down. Smart Start Boost down payment assistance loans are secured second liens.

Community Development Loans

WaFd made an adequate level of community development loans throughout its assessment areas. During the evaluation period, the bank made 369 community development loans totaling \$639 million in its designated assessment areas, representing 3.2 percent of average total assets and 4.3 percent of average total loans over the evaluation period. Community development loans increased significantly from the previous evaluation, where WaFd made \$218.8 million in community development loans. The increase in community development lending is due to several factors, including an increased volume of multi-family affordable housing loans in 2020 to 2022, a longer review period for community development activities in this evaluation compared to the prior evaluation, and a significant volume of qualified PPP loans made in 2020 and 2021.

WaFd's performance varied by rated areas. An adequate level of community development loans was made in Washington, Arizona, New Mexico, and Nevada; a relatively high level of community development loans was provided in Oregon, Utah, the Portland-Vancouver-Hillsboro multistate MSA, and Texas; and a low level of community development loans were provided in Idaho. Qualitative and as well as quantitative factors were considered in assessing performance. Examples of particularly noteworthy community development loans are provided in each full-scope area. The following table details the bank's community development lending by purpose and year.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	61	153,540	-	0	25	41,394	17	44,252	103	239,186
2021	82	138,192	1	5,050	16	39,645	3	3,573	102	186,460
2022	80	118,226	3	5,885	6	12,552	7	49,054	96	185,717
2023	53	21,395	9	1,500	3	1,945	3	2,483	68	27,323
Total	276	431,353	13	12,435	50	95,536	30	99,362	369	638,686
<i>Source: Bank Data</i>										

In addition to the community development loans noted above, WaFd provided 32 community development loans totaling \$133.9 million outside the designated assessment area during the evaluation period. These additional community development loans outside the designated assessment area were centered in 23 Affordable Housing loans totaling \$113.1 million, and included 1 Community Services loan totaling \$1.2 million, 5 Economic Development loans totaling \$8.2 million, and 3 Revitalize or Stabilize loans totaling \$11.4 million.

INVESTMENT TEST

WaFd is rated “High-Satisfactory” in the Investment Test. The institution’s performance is consistent with this conclusion in each rated area except for Idaho and the Portland-Vancouver-Hillsboro Multistate MSA assessment area, where performance was below the rated area conclusion. Refer to each respective analysis for details. When arriving at the overall Investment Test rating, the institution’s dollar volume of community development investments and donations received the most weight, but the qualitatively the impact to the community’s credit needs were a significant rating factor as well.

Investment and Grant Activity

The institution provides a significant level of qualified community development investments and donations. Community development investments, which include new and prior period investments, combined with grants and donations, total approximately \$260.2 million. WaFd invested approximately \$184.0 million in 348 new qualified investments, as well as \$3.9 million in 882 qualified grants and donations during the review period. Of the total new qualified investments, WaFd made \$74.1 million in 2020, \$43.3 million in 2021, \$34.4 million in 2022, and \$31.1 million in 2023. All current period investments are affordable housing-related except for one economic development investment totaling \$1.0 million made in 2023. The institution also maintains approximately \$72.3 million in 56 prior period qualified community development investments. Prior period community development investments also include investments held by Luther Burbank at the prior CRA evaluation.

WaFd’s qualified investments also include 17 investments that total just over \$3.9 million, which are allocated to a larger regional area that is outside the institution’s assessment areas. All 17 of these regional area investments support the provision of affordable housing outside the institution’s footprint. To avoid duplication, these regional area investments are included in the table below; however, these regional area investments are not reflected in the individual rated area community development investment tables.

Total qualified investments represent 1.3 percent of total average assets and 10.0 percent of total average securities as of the December 31, 2023, Call Report slightly higher than other comparable institutions. This current performance is above the institution’s performance at the previous evaluation when the percentages were 1.0 percent and 5.4 percent, respectively.

The following table shows a breakdown of qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Washington	100	93,143	-	-	-	-	-	-	100	93,143
Arizona	43	39,677	-	-	-	-	-	-	43	39,677
Oregon	41	26,804	-	-	-	-	-	-	41	26,804
Idaho	47	12,776	-	-	-	-	-	-	47	12,776
New Mexico	37	20,725	-	-	-	-	-	-	37	20,725
Nevada	18	19,751	-	-	-	-	-	-	18	19,751
Portland-Vancouver-Hillsboro Multistate	5	8,777	-	-	-	-	-	-	5	8,777
Utah	31	18,041	-	-	-	-	-	-	31	18,041
Texas	25	11,664	-	-	1	1,000	-	-	26	12,664
Regional Activities	17	3,914	-	-	-	-	-	-	17	3,914
Subtotal	364	255,272	-	-	1	1,000	-	-	365	256,272
Qualified Grants & Donations	140	812	698	2,854	31	196	13	39	882	3,901
Total	504	256,084	698	2,854	32	1,196	13	39	1,247	260,173
<i>Source: Bank Records</i>										

The institution's qualified investments almost exclusively address affordable housing. The type and purpose of qualified grants and donations are much more diverse. Refer to each respective full-scope section for specific examples of WaFd's investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments is indicative of a need for more affordable housing in the assessment areas, a primary need identified by community contacts.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments help support affordable housing community development needs in WaFd's assessment areas. Many investments are innovative or complex, including low-income housing tax credit, and private equity investments.

A community development financial institution investment promotes access to capital and local economic growth through its programs with direct funding injections that provide financial services, investment opportunities, loan availability, and technical assistance to distressed or underserved communities and populations. A certified community development financial institution must meet strict eligibility requirements with its primary objective to provide community development services. An equity equivalent investment is a long-term fully subordinated debt instrument. A community development financial institution can leverage this instrument with senior debt to build

its lending capacity. Only a non-profit community development financial institution can use an equity equivalent investment.

A low-income housing tax credit investment provides tax incentives to encourage individual and corporate investors to invest in the acquisition, development, and rehabilitation of affordable rental housing. The instrument provides for an indirect federal subsidy that finances low-income housing. This allows an investor to claim tax credits on their federal income tax return. To qualify for the credit, a project must meet strict requirements to qualify as a low-income project.

A private equity investment is a type of alternative investment in which the investors purchase shares in privately-held businesses. Private equity is offered to specialized investment funds and limited partnerships that take an active role in the management and structuring of certain companies to develop targeted projects, such as affordable housing units.

SERVICE TEST

WaFd's service test performance is rated "High Satisfactory". The institution's performance in each rated area is consistent with this conclusion, except for New Mexico, Nevada, the Portland-Vancouver-Hillsboro multistate MSA, and Texas, where performance was below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's assessment areas. WaFd operates a comprehensive branch structure that consists of 198 full-service branches. The bank also operates 252 ATMs, of which 248 are deposit-taking. The institution offers surcharge-free access to over 40,000 MoneyPass ATMs throughout the country. The bank offers 24-hour telephone banking, online banking and bill pay services, mobile banking, remote deposit capture, and person-to-person transfers.

The following table illustrates the percentage of the bank's branch locations by income level of geography and the percentage of the population located in each area. Overall, the bank's percentage of branches in low-income census tracts is slightly below demographic data, but not to an unreasonable degree. In moderate-income census tracts, WaFd's branch presence is above both comparators. Performance in each rated area varies. Refer to each full- and limited-scope analysis for a complete discussion on any notable differences.

Branch Distribution by Geography Income Level – Bank-wide						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	541	7.7	1,508,004	5.0	6	3.0
Moderate	1,624	23.0	7,010,702	23.4	57	28.8
Middle	2,650	37.5	12,050,644	40.2	89	45.0
Upper	2,042	28.9	9,120,248	30.4	44	22.2
NA	208	2.9	279,389	1.0	2	1.0
Total	7,065	100.0	29,968,987	100.0	198	100.0
<i>Source: 2020 U.S. Census and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s record of opening and closing of branches has generally not adversely affected accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the institution opened 6 branches: 3 in Arizona, 1 in New Mexico, 1 in the Portland-Vancouver-Hillsboro Multistate MSA, and 1 in Texas. WaFd also closed 43 branches during the review period: 9 in Washington, 6 in Arizona, 9 in Oregon, 2 in Idaho, 8 in New Mexico, 3 in Nevada, 1 in Utah, 3 in the Portland-Vancouver-Hillsboro Multistate MSA, and 2 in Texas. Refer to each assessment area analysis for complete details regarding changes in the bank’s branch locations, including the impact to low- and moderate-income areas.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. All bank branches offer the bank’s full range of business and consumer deposit and lending products; see the Description of Institution for detail. Standard business hours are Monday through Friday from 9:00 a.m. to 5:00 p.m. and extended hours on Fridays from 9:00 a.m. to 6:00 p.m. Business hours may vary slightly by branch according to assessment area needs but differences are not material. Some locations offer drive-up service, and Saturday hours. Refer to each individual analysis for details.

Community Development Services

WaFd provides a relatively high level of community development services in its assessment areas, consistent with performance at the prior evaluation. Bank personnel provided 14,926 community development service hours to organizations throughout the review period. Service hours are not presented in the prior public evaluation. However, of the 14 assessment areas presented in the prior public evaluation, services increased in 7 assessment areas, services were relatively consistent in 2 assessment areas, and services decreased in 5 assessment areas at this evaluation. Refer to each rated area analysis for details. Service hours provided by the bank are summarized by year in the following table:

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
2020	147	2,042	47	-	2,236
2021	74	3,575	26	-	3,675
2022	411	2,304	5	-	2,720
2023	527	5,703	65	-	6,295
Total	1,159	13,624	143	0	14,926
<i>Source: Bank Data</i>					

Employees also provided 429 hours of qualified community development services outside the assessment areas during the evaluation period. The vast majority was comprised of community services, with a small portion of affordable housing and economic development services.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

WaFd's compliance with laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act. Examiners did not identify any discriminatory or other illegal credit practices.

WASHINGTON

CRA RATING FOR WASHINGTON: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON

WaFd delineated eleven assessment areas in the state of Washington, as reflected in the following table:

Description of Assessment Areas – Washington		
Assessment Area	Counties in Assessment Area	# of census tracts
Seattle-Tacoma-Bellevue MSA	King, Snohomish, Pierce	863
Washington Non-MSA	Clallam, Ferry, Grant, Kittitas, Lewis, Lincoln, Pend Orielle, San Juan, Whitman	130
Bellingham MSA	Whatcom	54
Mount Vernon-Anacortes MSA	Skagit	42
Bremerton-Silverdale-Port Orchard MSA	Kitsap	60
Olympia-Lacey-Tumwater MSA	Thurston	62
Wenatchee MSA	Chelan	23
Spokane-Spokane Valley MSA	Spokane, Stevens	145
Walla Walla MSA	Walla Walla	14
Yakima MSA	Yakima	57
Lewiston MSA	Asotin	6
Source: Bank Data, 2020 U.S. Census		

No new branches were opened in Washington during the review period, and the institution's assessment area composition in Washington remains unchanged from the previous evaluation despite several branch closures. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information.

SCOPE OF EVALUATION – WASHINGTON

Based on lending activity, deposit volume, and branch distribution, the Seattle-Tacoma-Bellevue MSA assessment area was evaluated using full-scope procedures. The Wenatchee MSA assessment area was also randomly selected for evaluation using full-scope procedures, as full-scope procedures were not used regarding the Wenatchee MSA assessment area at either of the two preceding evaluations. The remaining assessment areas were evaluated using limited-scope procedures.

The Seattle-Tacoma-Bellevue MSA assessment area received the greatest consideration in determining overall conclusions for the state of Washington, followed in decreasing weight by the Washington non-MSA assessment area, Bellingham MSA assessment area, Mt. Vernon-Anacortes MSA assessment area and the Bremerton-Silverdale-Port Orchard MSA assessment area. The Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, Spokane-Spokane Valley MSA assessment area, Walla Walla MSA assessment area, Yakima MSA assessment area and Lewiston MSA assessment area contributed less weight to performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Washington						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Seattle-Tacoma-Bellevue MSA	4,978	54.1	5,343,021	71.4	36	50.1
WA Non-MSA	1,327	14.4	620,992	8.3	11	15.5
Bellingham MSA	796	8.6	427,770	5.7	5	7.0
Mt. Vernon-Anacortes MSA	513	5.6	406,831	5.4	4	5.6
Bremerton-Silverdale-Port Orchard MSA	435	4.7	86,557	1.2	3	4.2
Olympia-Lacey-Tumwater MSA	266	2.9	66,081	0.9	2	2.8
Wenatchee MSA	345	3.7	175,780	2.3	3	4.2
Spokane-Spokane Valley MSA	317	3.4	194,157	2.6	4	5.6
Walla Walla MSA	74	0.8	82,692	1.1	1	1.4
Yakima MSA	110	1.2	27,126	0.4	1	1.4
Lewiston MSA	46	0.5	55,918	0.8	1	1.4
Washington State Total	9,207	100.0	7,486,925	100.0	71	100.0
<i>Source: 2020, 2021, 2022, & 2023 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN WASHINGTON

LENDING TEST

WaFd's Lending Test performance in Washington is rated "Needs to Improve." The bank's performance in the Seattle-Tacoma-Bellevue MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, and Walla Walla MSA assessment area was consistent with this conclusion. Performance in the Washington non-MSA assessment area, Bellingham MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Spokane-Spokane Valley MSA assessment area, Yakima MSA assessment area, and Lewiston MSA assessment area exceeded the rated area conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Washington assessment areas, considering the number and dollar volume of home mortgage loans and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank's market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the Washington assessment areas. The bank's performance in the Seattle-Tacoma-Bellevue MSA assessment area, Washington non-MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, and Lewiston MSA assessment area is consistent with this conclusion. These assessment areas represent the vast majority of weight in considering state performance based on loan volume, deposits, and branches. Performance in the Bellingham MSA assessment area, Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, Spokane-Spokane Valley MSA assessment area, Walla Walla MSA assessment area, and Yakima MSA assessment area exceeded the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. The bank's performance in the Seattle-Tacoma-Bellevue MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, and Walla Walla MSA assessment area is consistent with this conclusion. These assessment areas represent over two-thirds of the weight in consideration of the state performance based on loans volume, deposits, and branches. Performance in the Washington non-MSA assessment area, Bellingham MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Spokane-Spokane Valley MSA assessment area, Yakima MSA assessment area and Lewiston MSA assessment area exceeded the rated area conclusion.

Community Development Loans

WaFd made an adequate level of community development loans in the Washington assessment areas. Though the institution's performance in the Seattle-Tacoma-Bellevue MSA assessment area exceeds that of the rated area; WaFd's performance in the Bellingham MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, Walla Walla MSA assessment area, and Lewiston MSA assessment area was below that of the rated area; as no community development loans were made in these assessment areas since the prior evaluation. The institution's performance in the Washington non-MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Spokane-Spokane Valley MSA assessment area, and Yakima MSA assessment area were consistent with the rated area conclusion. The following table details the bank's community development loans by assessment area and purpose.

Community Development Lending by Assessment Area – Washington										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Seattle-Tacoma-Bellevue MSA	20	101,089	3	3,885	14	24,030	8	27,115	45	156,119
WA Non-MSA	8	6,327	-	-	1	2,914	-	-	9	9,241
Bellingham MSA	-	-	-	-	-	-	-	-	-	-
Mt. Vernon-Anacortes MSA	-	-	-	-	-	-	1	983	1	983
Bremerton-Silverdale-Port Orchard MSA	-	-	-	-	-	-	-	-	-	-
Olympia-Lacey-Tumwater MSA	-	-	-	-	-	-	-	-	-	-
Wenatchee MSA	-	-	-	-	-	-	-	-	-	-
Spokane-Spokane Valley MSA	-	-	-	-	-	-	3	4,724	3	4,724
Walla Walla MSA	-	-	-	-	-	-	-	-	-	-
Yakima MSA	1	322	-	-	-	-	-	-	1	322
Lewiston MSA	-	-	-	-	-	-	-	-	-	-
WA Statewide	2	175	-	-	1	15,000	-	-	3	15,175
Total	31	107,913	3	3,885	16	41,944	12	32,822	62	186,564
<i>Source: Bank Data</i>										

State-wide CD lending is adequate. Strength shown in Seattle-Tacoma-Bellevue, weaker in Lewiston (Clarkston), Bremerton, Bellingham, Olympia, Walla Walla.

The bank made 62 community development loans in Washington totaling \$186.6 million. The majority of community development activities supported affordable housing initiatives, which has been identified as a significant community need in several of the Washington assessment areas, including the Seattle-Tacoma-Bellevue MSA assessment area. Washington community development lending included a \$15 million loan supporting an organization that provides small business loans to COVID impacted businesses and support post-pandemic reopening expenses and operations.

INVESTMENT TEST

WaFd is rated “High Satisfactory” in the Investment Test for the state of Washington. The institution’s performance in the Seattle-Tacoma-Bellevue MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Spokane-Spokane Valley MSA assessment area, Walla Walla MSA assessment area, and Yakima MSA assessment area was consistent with this conclusion. Performance in the Washington non-MSA assessment area, Bellingham MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Olympia-Lacey-Tumwater MSA assessment area, Wenatchee MSA assessment area, and Lewiston MSA assessment area was below the rated area conclusion.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations, occasionally in a leadership position, particularly those instruments that are not routinely provided by private investors. WaFd reported 390 qualified investments and donations that total approximately \$94.4 million in the state. This level is an increase from the prior evaluation when the institution’s qualified investments and donations totaled approximately \$69.3 million. The total amount of new CRA-qualified investments reported was approximately \$73.5 million. WaFd held approximately \$19.7 million in prior period investments and reported approximately \$1.2 million in grants and donations in the state. The institution was able to penetrate most of the assessment areas in the state with investment, grant, and donation activity.

The current dollar amount of investments and donations in the state of Washington is 36.5 percent of the institution’s total qualified community development investments and donations for all the rated areas combined. The following table illustrates the breakdown of qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area - Washington										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Seattle-Tacoma-Bellevue MSA	18	58,587	-	-	-	-	-	-	18	58,587
Washington Non-MSA	29	10,088	-	-	-	-	-	-	29	10,088
Bellingham MSA	12	6,546	-	-	-	-	-	-	12	6,546
Mount Vernon-Anacortes MSA	8	6,242	-	-	-	-	-	-	8	6,242
Bremerton-Silverdale-Port Orchard MSA	4	1,052	-	-	-	-	-	-	4	1,052
Olympia-Lacey-Tumwater MSA	4	2,138	-	-	-	-	-	-	4	2,138
Wenatchee MSA	7	1,981	-	-	-	-	-	-	7	1,981
Spokane-Spokane Valley MSA	9	3,345	-	-	-	-	-	-	9	3,345
Walla Walla MSA	4	1,134	-	-	-	-	-	-	4	1,134
Yakima MSA	5	2,030	-	-	-	-	-	-	5	2,030
Lewiston MSA	-	-	-	-	-	-	-	-	-	-
Subtotal	100	93,143	-	-	-	-	-	-	100	93,143
Qualified Grants & Donations	42	379	236	770	8	49	4	13	290	1,211
Total	142	93,522	236	770	8	49	4	13	390	94,354
<i>Source: Bank Records</i>										

All qualified investments, including 19 prior period investments totaling \$19.7 million still on the balance sheet, were directed to affordable housing projects. Refer to the full-scope assessment areas for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments in the state of Washington is reflective of a need to provide more affordable housing resources to low- and moderate-income individuals and families.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as several new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd is rated “High Satisfactory” in the service test for the state of Washington. Performance in The Seattle-Tacoma-Bellevue MSA assessment area, Bellingham MSA assessment area, Mt Vernon-Anacortes MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Wenatchee MSA assessment area and Yakima MSA assessment area is consistent with this conclusion. Performance in the Washington non-MSA assessment area, Spokane-Spokane Valley MSA assessment area, Walla Walla MSA assessment area and Lewiston MSA assessment area exceeds the rated area conclusion. Performance in the Olympia-Lacey-Tumwater MSA assessment area was below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are readily accessible to all portions of the institution’s Washington assessment areas and is above the conclusion for the institution overall. Drive- up service is provided at 53 of the 71 branches in Washington. Performance in the Seattle-Tacoma-Bellevue MSA assessment area, Olympia-Tumwater MSA assessment area, Spokane-Spokane Valley MSA assessment area, Washington Non-MSA assessment area, and Lewiston MSA assessment areas is consistent with this conclusion. Performance in the Wenatchee MSA assessment area, Bremerton-Silverdale-Port Orchard MSA assessment area, Bellingham MSA assessment area, Mount Vernon-Anacortes MSA assessment area, Yakima MSA assessment area, and Walla Walla MSA assessment area is below the overall conclusion for Washington but did not alter the overall conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Washington.

Branch Distribution by Geography Income Level - Washington						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	50	3.5	226,379	3.5	4	5.6
Moderate	326	22.4	1,442,273	22.6	21	29.6
Middle	660	45.3	2,898,335	45.3	33	46.5
Upper	392	26.9	1,766,669	27.6	13	18.3
NA	28	1.9	64,371	1.0	-	0.0
Total	1,456	100.0	6,398,027	100.0	71	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution’s record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed nine branches in the Washington assessment areas: four in the Seattle-Tacoma-Bellevue MSA assessment area, two in the Bellingham MSA assessment area, and three in the Washington Non-MSA assessment area. No branches were opened. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Washington assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent with the conclusion for the institution overall. With the exception of the Washington Non-MSA assessment area, performance was consistent throughout each of the Washington assessment areas. Performance in the Washington non-MSA assessment area exceeded the overall conclusions. Drive-up service is provided at 53 of the 71 branch locations. Branch locations have similar hours of operation that vary slightly according to assessment area needs but are not material. Refer to each assessment area for details.

Community Development Services

WaFd provides an adequate level of community development services in its Washington assessment areas. Bank personnel provided 3,460 community development services hours to organizations throughout the review period

While employees performed a volume of services targeting affordable housing, most service activities targeted community services for low- and moderate-income populations. Bank personnel provided some economic development service hours and did not engage in revitalization or stabilization service activities. The plurality of service hours was provided in the Seattle-Tacoma-Bellevue MSA assessment area, which also received the greatest weight in determining conclusions for the weighted area. The following table details the bank's community development services by assessment area and purpose. Refer to each full-and limited-scope analysis for details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Seattle-Tacoma-Bellevue MSA	176	1,213	3	-	1,392
WA Non-MSA	90	813	6	-	909
Bellingham MSA	5	142	5	-	152
Mt. Vernon-Anacortes MSA	78	78	-	-	156
Bremerton-Silverdale-Port Orchard MSA	-	72	-	-	72
Olympia-Lacey-Tumwater MSA	-	14	-	-	14
Wenatchee MSA	160	195	-	-	355
Spokane-Spokane Valley MSA	6	218	6	-	230
Walla Walla MSA	-	85	-	-	85
Yakima MSA	-	42	-	-	42
Lewiston MSA	24	29	-	-	53
Total	539	2,901	20	0	3,460
<i>Source: Bank Data</i>					

SEATTLE-TACOMA-BELLEVUE MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SEATTLE-TACOMA-BELLEVUE MSA ASSESSMENT AREA

The Seattle-Tacoma-Bellevue (Seattle) MSA assessment area generally borders the Puget Sound, and consists of the following full counties in the State of Washington that are all part of the Seattle-Tacoma-Bellevue MSA: King County and Snohomish County, which form the Seattle-Bellevue-Kent MD; and Pierce County, which forms the Tacoma-Lakewood MD.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Seattle-Tacoma-Bellevue MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	40	5.5	42	4.9
Moderate	163	22.6	187	21.7
Middle	309	42.9	353	40.9
Upper	203	28.2	264	30.6
N/A	6	0.8	17	2.0
Total	721	100.0	863	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Seattle-Tacoma-Bellevue MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Household Distribution by Income Level	1,529,875	23.1	16.8	18.7	41.4	0.0
Median Family Income MSA - 42644 Seattle- Bellevue-Kent, WA		\$116,853	Median Housing Value			\$527,562
Median Family Income MSA - 45104 Tacoma- Lakewood, WA		\$88,892	Median Gross Rent			\$1,604
Farms by Geography	10,443	3.6	18.7	44.2	32.9	0.6
Family Distribution by Income Level	963,523	20.3	17.8	21.6	40.2	0.0
Businesses by Geography	576,260	4.9	18.3	38.8	36.8	1.2
Vacant Units by Geography	87,905	5.7	22.4	41.0	29.2	1.7
Occupied Rental Units by Geography	608,723	9.2	26.5	36.0	25.6	2.7
Owner-Occupied Units by Geography	921,152	2.3	17.6	44.0	35.8	0.4
Housing Units by Geography	1,617,780	5.1	21.2	40.8	31.6	1.3

Geographies (Census Tracts)	863	4.9	21.7	40.9	30.6	2.0
Population by Geography	4,018,762	4.9	22.0	40.8	31.0	1.2
			Families Below Poverty Level			5.3%
<i>Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Based on the 2020 U.S. Census data, there are 1.6 million housing units in the assessment area. Of these, 56.9 percent are owner-occupied, 37.6 percent are occupied rental units, and 5.4 percent are vacant. The median housing value of \$527,562 indicates a high-priced housing area.

Based on 2023 D&B data, there are 586,703 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 36.6 percent; followed by non-classifiable establishments at 27.2 percent; finance, insurance and real estate at 10.7 percent; and retail trade at 8.3 percent. Additionally, 60.7 percent of the assessment area's businesses employ 4 or fewer employees, and 94.8 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include a highly trained and well-educated labor force, as well as a relatively high per capita income. Economic weaknesses include high business costs, especially compared to other emerging technology hubs. The top employers in the area are Amazon, Boeing, Microsoft, and the University of Washington.

Competition

The June 30, 2023, FDIC Deposit Market Share Report lists WaFd with the 8th most deposits of 73 depository institutions with a 3.0 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, a community contact interview was performed. Examiners conducted an interview with an advisor of a local business development association. The contact stated that aerospace and agriculture are the two major industries in the area, and underserved communities are generally comprised of minority populations. The contact noted that small businesses are still looking for additional funding through grants and most existing businesses used the Paycheck Protection Program through the Small Business Administration in 2020 and 2021. The contact indicated that the primary credit needs of the community are funding to start a business and grants to expand the business. The contact observed that having a relationship with a local banker is key, but traditional bank lending usually results in higher interest rates. The contact added that financial literacy programs are undervalued and highly productive, and financial institutions should contribute more to the delivery of these important courses.

Credit and Community Development Needs and Opportunities

Based on demographic and economic information, discussions with bank management, and the community contact interviews, the primary credit and community development need in the assessment area is affordable housing. There is also an opportunity for business development for entrepreneurs who are trying to establish and grow their businesses. Given the large homeless population, there is also a need for community services targeted to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SEATTLE-TACOMA-BELLEVUE MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the assessment area is consistent with conclusions for the Washington rated area. The relatively high level of community development loans did not offset the both the poor geographic distribution and poor borrower profile of lending in the assessment area.

Lending Activity

Aggregate HMDA reports show WaFd was the 45th most active home mortgage lender of 665 lenders with a 0.55 percent market share in the assessment area. The real estate lending market is fairly concentrated in the assessment area as the top 10 lenders represent over 40 percent of the mortgages made. CRA Aggregate Reports show WaFd was the 39th most active of 169 lenders with a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by geographic distributions of home mortgage loans, and small business loans that each reflect poor penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. As reflected in the table below, home mortgage lending in both low- and moderate-income tracts lagged aggregate lenders in all three years from 2020 to 2022 and lagged opportunities as defined by owner-occupied housing levels in all four years analyzed. The 12.2 percent of loans made in moderate-income areas in 2020 was below that achieved at the prior examination and continued to decline in 2021 through 2023. Lending levels in low- and moderate-income tracts in both high- and low-rate environments supports the poor penetration conclusion.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Seattle-Bellevue-Tacoma MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.6	2.1	14	1.5	6,565	1.2
2021	2.6	2.3	17	1.5	5,002	0.7
2022	2.3	2.3	10	1.3	3,802	0.7
2023	2.3	--	1	0.3	135	0.1
Moderate						
2020	17.8	16.5	110	12.2	45,256	8.4
2021	17.8	17.4	121	10.4	42,509	5.6
2022	17.6	17.6	72	9.5	43,704	7.5
2023	17.6	--	34	9.7	13,084	5.0
Middle						
2020	46.2	47.2	387	42.8	218,576	40.5
2021	46.2	46.7	449	38.8	233,558	30.5
2022	44.0	44.9	292	38.4	214,982	36.9
2023	44.0	--	143	40.9	88,308	33.4
Upper						
2020	33.4	34.2	394	43.5	269,664	49.9
2021	33.4	33.5	568	49.1	482,436	63.0
2022	35.8	34.8	383	50.4	318,691	54.7
2023	35.8	--	168	48.0	161,325	61.1
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	3	0.3	1,873	0.2
2022	0.4	0.4	3	0.4	1,639	0.3
2023	0.4	--	4	1.1	1,243	0.5
Totals						
2020	100.0	100.0	905	100.0	540,061	100.0
2021	100.0	100.0	1,158	100.0	765,377	100.0
2022	100.0	100.0	760	100.0	582,818	100.0
2023	100.0	--	350	100.0	264,095	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% Filter: 2020, 2021 & 2022 Peer Mortgage Data - US and PR: Loan Type is Conventional.						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. As depicted in the table below, the distribution of small business loans in low-income areas lagged both aggregate lending levels and opportunities as defined by businesses in those low-income areas. WaFd lending in moderate-income areas significantly lagged aggregate lenders in all three years 2020 to 2022 further supporting the poor penetration conclusion.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Seattle-Bellevue-Tacoma MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	5.6	6.2	69	4.8	10,746	7.6
2021	5.5	6.1	16	8.1	1,732	5.6
2022	5.0	5.2	3	3.7	1,252	6.2
2023	4.9	--	3	3.7	65	0.4
Moderate						
2020	18.6	19.4	208	14.4	18,659	13.1
2021	18.2	20.0	25	12.6	3,709	12.0
2022	18.1	19.5	12	14.8	3,067	15.3
2023	18.3	--	17	20.7	878	5.6
Middle						
2020	38.8	39.7	583	40.4	52,447	36.9
2021	39.1	40.1	78	39.4	14,394	46.7
2022	38.8	39.2	35	43.2	8,011	39.9
2023	38.8	--	30	36.6	5,225	33.3
Upper						
2020	36.6	34.3	576	39.9	60,184	42.3
2021	36.5	33.5	79	39.9	10,962	35.6
2022	36.9	35.1	29	35.8	7,728	38.5
2023	36.8	--	30	36.6	8,590	54.7
Not Available						
2020	0.4	0.4	8	0.6	151	0.1
2021	0.7	0.3	0	0.0	0	0.0
2022	1.2	1.0	2	2.5	35	0.2
2023	1.2	--	2	2.4	950	6.0
Totals						
2020	100.0	100.0	1,444	100.0	142,187	100.0
2021	100.0	100.0	198	100.0	30,797	100.0
2022	100.0	100.0	81	100.0	20,093	100.0
2023	100.0	--	82	100.0	15,708	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion is supported by a distribution of home mortgage borrowers that reflect poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects adequate penetration among business customers of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among retail customers of different income levels. As depicted in the following table, WaFd's level of lending to low-income borrowers exceeded aggregate lenders in 2020, but then declined and lagged aggregate lenders in 2021 through 2023. The bank's level of lending to moderate-income borrowers carries more weight in assessing performance since many low-income borrowers cannot afford mortgages in assessment area due to high prices. WaFd moderate-income borrower lending significantly lagged aggregate lenders and the percentage of moderate-income families in the assessment area in all years analyzed, and was significantly below levels achieved in prior years.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Seattle-Bellevue-Tacoma MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	21.2	4.2	43	4.8	11,160	2.1
2021	21.2	4.7	35	3.0	6,810	0.9
2022	20.3	5.8	34	4.5	6,687	1.1
2023	20.3	--	9	2.6	3,557	1.3
Moderate						
2020	17.6	15.4	87	9.6	26,919	5.0
2021	17.6	15.3	81	7.0	22,165	2.9
2022	17.8	15.3	75	9.9	22,658	3.9
2023	17.8	--	34	9.7	13,082	5.0
Middle						
2020	20.8	23.9	152	16.8	50,431	9.3
2021	20.8	22.8	154	13.3	51,314	6.7
2022	21.6	24.3	114	15.0	53,607	9.2
2023	21.6	--	55	15.7	22,215	8.4
Upper						
2020	40.4	44.1	520	57.5	342,503	63.4
2021	40.4	43.2	528	45.6	367,417	48.0
2022	40.2	43.1	420	55.3	317,457	54.5
2023	40.2	--	234	66.9	212,088	80.3
Not Available						
2020	0.0	12.4	103	11.4	109,048	20.2
2021	0.0	14.0	360	31.1	317,672	41.5
2022	0.0	11.5	117	15.4	182,410	31.3
2023	0.0	--	18	5.1	13,154	5.0
Totals						
2020	100.0	100.0	905	100.0	540,061	100.0
2021	100.0	100.0	1,158	100.0	765,377	100.0
2022	100.0	100.0	760	100.0	582,818	100.0
2023	100.0	--	350	100.0	264,095	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. As depicted in the following table, WaFd's level of lending to businesses with GARs of \$1 million or less exceeded aggregate lenders in 2 of 3 years with aggregate performance, including significantly exceeding aggregate lending levels in 2020. Although the trend in lending to businesses with GAR of \$1 million or less declined over the evaluation period, the higher level of lending to small businesses in 2020 and 2021 support the adequate penetration conclusion.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Seattle-Bellevue-Tacoma MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	90.2	40.7	948	65.7	34,288	24.1
2021	89.9	48.9	118	59.6	7,646	24.8
2022	92.2	54.0	40	49.4	4,369	21.7
2023	92.2	--	37	45.1	948	6.0
>\$1,000,000						
2020	3.4	--	426	29.5	106,208	74.7
2021	3.3	--	72	36.4	22,798	74.0
2022	2.5	--	37	45.7	15,269	76.0
2023	2.3	--	40	48.8	13,981	89.0
Revenue Not Available						
2020	6.4	--	70	4.8	1,691	1.2
2021	6.8	--	8	4.0	353	1.1
2022	5.3	--	4	4.9	455	2.3
2023	5.5	--	5	6.1	779	5.0
Totals						
2020	100.0	--	1,444	100.0	142,187	100.0
2021	100.0	--	198	100.0	30,797	100.0
2022	100.0	--	81	100.0	20,093	100.0
2023	100.0	--	82	100.0	15,708	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made a relatively high level of community development loans in the assessment area, comprising 45 loans totaling \$156 million. Community development lending increased from the previous evaluation, where 17 community development loans totaling \$36 million were made in the assessment area. Total community development loans include 20 affordable housing loans totaling \$101 million. As described in the Credit and Community Development Needs and Opportunities section, affordable housing was identified as a significant need in the Seattle-Tacoma-Bellevue MSA.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank provided a \$4.5 million revolving line of credit to a non-profit that develops affordable housing and support services for low- and moderate-income families. The line is used for land acquisition to increase affordable housing units in the area. The bank also provided an annual renewal to the revolving line as well.
- The bank provided a \$9.7 million loan in 2020 to construct an 82-unit multi-family dwelling in a moderate-income census tract. The property is part of a Low-Income Housing Tax Credit project that ensures all 82 units are limited to seniors earning 60 percent or less of the area's median income.
- The bank originated 9 PPP loans to companies in low- and moderate-income census tracts that supported the retention of over 1,800 jobs during the COVID-19 crisis in 2020. Most of the jobs retained were for employees with salaries below the area's median income.
- The bank provided a \$100 thousand loan to a non-profit community development financial institution. This loan allowed the community development financial institution to serve a higher-than-normal level of small businesses during the COVID-19 crisis in 2020.

INVESTMENT TEST

WaFd has a significant level of qualified community development investments and donations in the Seattle-Tacoma-Bellevue MSA, exhibits good responsiveness to credit and community development needs, and makes significant use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations in the Seattle-Tacoma-Bellevue MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$59.6 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$31.8 million. The current total includes 10 new investments of

approximately \$50.9 million, donations of \$986,000, and 8 prior period investments of approximately \$7.6 million.

All the investments and several donations helped to support affordable housing, but also community services, economic development, and revitalization or stabilization efforts were sustained by other donations in the assessment area.

The following table details the qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Seattle-Tacoma-Bellevue MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	8	7,639	-	-	-	-	-	-	8	7,639
Current Period	10	50,948	-	-	-	-	-	-	10	50,948
Subtotal	18	58,587	-	-	-	-	-	-	18	58,587
Qualified Grants & Donations	31	353	163	571	8	49	4	13	206	986
Total	49	58,940	163	571	8	49	4	13	224	59,573
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution’s community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$3.6 million investment in a low-income housing tax credit project. The funds supported an affordable housing development located in the assessment area to aid low-income persons.
- In 2020, the institution purchased a \$20.0 million investment in an affordable housing apartment building. The funds were used to develop and maintain a property in the assessment area with rental rates adjusted for low- and moderate-income families.
- From 2020 through 2022, WaFd donated a total of \$261,500 in 4 contributions to a non-profit organization to eliminate homelessness. The funds were used to develop and operate a shelter inside the assessment area for homeless and low-income households.

Responsiveness to Credit and Community Development Needs

The institution has excellent responsiveness to credit and community development needs. WaFd’s emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need in the Seattle-Tacoma-Bellevue MSA for more affordable housing options to low- and moderate-income persons.

Community Development Initiatives

WaFd makes significant use of innovative and/or complex investments to support community development initiatives. The institution's qualified investments are useful and help promote community development and are considered innovative and complex as several new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's Service Test performance in the Seattle-Tacoma-Bellevue MSA assessment area is consistent with conclusions for the state of Washington.

Accessibility of Delivery Systems

Delivery Systems are readily accessible to all portions of the institution's assessment area. In low-income census tracts the percentage of the bank's branches is nearly twice that of demographic data. In moderate-income census tracts, the bank's branch presence is also above the same comparators. See the following table:

Branch Distribution by Geography Income Level – Seattle-Tacoma-Bellevue MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	42	4.9	197,414	4.9	3	8.4
Moderate	187	21.7	884,702	22.0	8	22.2
Middle	353	40.9	1,641,378	40.8	17	47.2
Upper	264	30.6	1,246,996	31.0	8	22.2
NA	17	2.0	48,272	1.2	-	0.0
Total	863	100.0	4,018,762	100.0	36	100.0
Source: 2020 U.S. Census Data; Bank Data						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed four branches. The changes decreased the number of branches in moderate-income census tracts by one, and middle-income census tracts by three. The remaining branch closure was in an upper-income geography. No branches were opened.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Seattle-Tacoma-Bellevue MSA assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Washington and institution. Thirty-three of the 36 branch locations offer extended hours on Fridays and 25 branches located in this assessment area provide drive-up service.

Community Development Services

The institution provides an adequate level of community development services in the Seattle-Tacoma-Bellevue MSA assessment area. During the evaluation period, bank personnel provided 1,392 hours of community development services. The majority of these were community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- 141 hours were provided to assist low-income families prepare taxes.
- 71 hours were provided teaching financial literacy in the community, particularly in schools with a majority of students from low-income households.

WENATCHEE MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WENATCHEE MSA ASSESSMENT AREA

The Wenatchee assessment area is comprised of Chelan County, in central Washington.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Wenatchee MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	0	0.0	0	0.0
Moderate	1	7.1	3	13.0
Middle	10	71.4	14	60.9
Upper	3	21.4	6	26.1
N/A	0	0.0	0	0.0
Total	14	100.0	23	100.0
<i>Source: 2015 ACS, 2020 U.S. Census %s may not round to exactly 100.0</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Wenatchee MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
			Families Below Poverty Level			7.7%
			Median Gross Rent			\$921
Geographies (Census Tracts)	23	0.0	13.0	60.9	26.1	0.0
Population by Geography	79,074	0.0	15.6	58.8	25.6	0.0
Housing Units by Geography	38,193	0.0	15.1	59.8	25.1	0.0
Owner-Occupied Units by Geography	18,658	0.0	10.8	58.9	30.4	0.0
Occupied Rental Units by Geography	10,725	0.0	22.4	56.4	21.2	0.0
Vacant Units by Geography	8,810	0.0	15.3	66.0	18.7	0.0
Businesses by Geography	10,858	0.0	20.5	51.3	28.2	0.0
Family Distribution by Income Level	19,666	19.1	18.9	20.4	41.6	0.0
Farms by Geography	758	0.0	15.0	55.4	29.6	0.0
Median Family Income MSA - 48300 Wenatchee, WA MSA		\$72,924	Median Housing Value			\$330,172
Household Distribution by Income Level	29,383	23.4	17.9	18.7	40.0	0.0

*Source: 2020 U.S Census and D&B Data. Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.*

Housing values, median rents and income levels are significantly less in the Wenatchee MSA than most urban areas west of the Cascade Mountains. The business profile is also significantly different, with 62.9 percent of the assessment area's businesses employing four or fewer employees, and 93.8 percent operate from a single location. Of the 11,616 businesses and farms operating in the assessment area, service industries represent the largest portion of businesses at 31.9 percent; followed by non-classifiable establishments at 23.8 percent; finance, insurance and real estate at 11.5 percent; and retail trade at 9.3 percent. Farming, typically apples and pears, and the leisure industry are the primary job creators in the assessment area. According to Moody's Analytics as of November 2023, economic strengths of the assessment area include low business costs, especially for energy; positive net migration trends; and a relatively equal distribution of income and wealth. Economic weaknesses include a high dependence on the volatile agriculture and tourism industries, low per capita income with a dearth of skilled labor; and a below-average concentration of prime-age workers. The top employers in the area are Stemilt Growers, Inc., and Confluence Health.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 4th most deposits of 11 depository institutions with a 6.1 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an executive director of a local housing consortium. The contact stated that although the current economic conditions in the area have improved, most families still face challenges with staying ahead of their bills as wages are trending down and costs are trending up. The contact explained that the median price of homes in the area is at an all-time high and the number of home loans has slowed as the housing stock has decreased. The contact mentioned that the primary credit need in the community is small business loans, but affordable housing options continue to be a critical necessity. The contact indicated that financial institutions could partner more with other community organizations to deliver additional housing opportunities for the low- and moderate-income population.

Credit and Community Development Needs and Opportunities

Based on relevant economic and demographic information for the assessment area as well as interviews with the community contact and bank management, affordable housing and community services are the primary credit and community development needs of the assessment area and therefore the greatest area of opportunity for local institutions.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WENATCHEE MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Wenatchee MSA assessment area is consistent with that of the Washington rated area.

Lending Activity

Aggregate HMDA reports show WaFd was the 13th most active home mortgage lender of 242 lenders with a 2.37 percent market share in the assessment area. CRA Aggregate Reports show WaFd was the 24th most active of 53 lenders with a 0.5 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans that reflects good penetration throughout the assessment area, and a geographic distribution of small business loans that reflects excellent penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. As reflected in the following table, there are no low-income tracts in the Wenatchee MSA. Thus, only lending in moderate-income tracts was considered. Although WaFd's level of lending in moderate-income tracts lagged aggregate lenders in 2020 and 2021, the bank's performance in 2022 compared to aggregate lending, and 2023 compared to opportunities as defined by the percentage of owner-occupied housing units supports the conclusion of good penetration throughout the assessment area.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Wenatchee MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2020	5.0	5.4	3	3.8	459	1.4
2021	5.0	5.5	1	1.4	238	0.4
2022	10.8	13.0	14	22.6	6,964	19.8
2023	10.8	--	3	10.7	2,346	14.5
Middle						
2020	80.4	80.1	68	87.2	28,046	88.1
2021	80.4	81.6	65	87.8	62,109	94.0
2022	58.9	55.8	36	58.1	19,487	55.5
2023	58.9	--	13	46.4	4,831	29.9
Upper						
2020	14.6	14.5	7	9.0	3,343	10.5
2021	14.6	12.9	8	10.8	3,695	5.6
2022	30.4	31.2	12	19.4	8,685	24.7
2023	30.4	--	12	42.9	9,001	55.6
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	78	100.0	31,848	100.0
2021	100.0	100.0	74	100.0	66,041	100.0
2022	100.0	100.0	62	100.0	35,136	100.0
2023	100.0	--	28	100.0	16,178	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% Filter: 2020, 2021 & 2022 Peer Mortgage Data - US and PR; Loan Type is Conventional.						

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. Although 2020 performance lagged aggregate lenders, the 2021 and 2022 performance exceeded aggregate lenders and opportunities as defined by the percentage of businesses in these areas by such a degree that the overall distribution is excellent.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Wenatchee MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2020	17.3	16.3	8	11.4	306	9.9
2021	17.1	13.6	8	44.4	1,222	71.9
2022	20.6	19.0	6	60.0	1,570	94.3
2023	20.5	--	3	60.0	1,130	96.2
Middle						
2020	69.7	74.7	58	82.9	2,657	86.2
2021	69.7	76.4	9	50.0	465	27.4
2022	51.4	54.1	2	20.0	40	2.4
2023	51.3	--	0	0.0	0	0.0
Upper						
2020	13.0	8.9	4	5.7	120	3.9
2021	13.2	10.0	1	5.6	13	0.8
2022	28.0	26.9	2	20.0	55	3.3
2023	28.2	--	2	40.0	45	3.8
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	70	100.0	3,083	100.0
2021	100.0	100.0	18	100.0	1,700	100.0
2022	100.0	100.0	10	100.0	1,665	100.0
2023	100.0	--	5	100.0	1,175	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion results from a distribution of home mortgage borrowers that reflects poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects good penetration among business customers of different sizes

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among retail customers of different income levels. As depicted in the table below, WaFd's level of lending to both low- and moderate-income borrowers significantly lagged aggregate lenders in all years reviewed.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Wenatchee MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	18.5	2.3	0	0.0	0	0.0
2021	18.5	2.7	1	1.4	160	0.2
2022	19.1	3.6	0	0.0	0	0.0
2023	19.1	--	0	0.0	0	0.0
Moderate						
2020	18.1	9.2	3	3.8	798	2.5
2021	18.1	9.6	4	5.4	646	1.0
2022	18.9	9.6	3	4.8	501	1.4
2023	18.9	--	1	3.6	80	0.5
Middle						
2020	21.8	17.5	7	9.0	851	2.7
2021	21.8	19.3	5	6.8	628	1.0
2022	20.4	18.2	8	12.9	2,000	5.7
2023	20.4	--	5	17.9	855	5.3
Upper						
2020	41.6	58.6	59	75.6	27,152	85.3
2021	41.6	56.4	52	70.3	27,805	42.1
2022	41.6	59.1	46	74.2	25,801	73.4
2023	41.6	--	20	71.4	14,324	88.5
Not Available						
2020	0.0	12.3	9	11.5	3,048	9.6
2021	0.0	11.9	12	16.2	36,802	55.7
2022	0.0	9.6	5	8.1	6,835	19.5
2023	0.0	--	2	7.1	919	5.7
Totals						
2020	100.0	100.0	78	100.0	31,848	100.0
2021	100.0	100.0	74	100.0	66,041	100.0
2022	100.0	100.0	62	100.0	35,136	100.0
2023	100.0	--	28	100.0	16,178	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business borrowers reflects good penetration among business customers of different sizes. As reflected in the following table, the level of lending to businesses with GAR of \$1 million or less was high in 2020. Although lending levels to small businesses was less in 2021 to 2023, the levels across all four years in the evaluation period supports the conclusion.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Wenatchee MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	88.5	30.4	51	72.9	1,376	44.6
2021	88.2	43.2	9	50.0	111	6.5
2022	90.6	54.1	6	60.0	155	9.3
2023	90.8	--	3	60.0	75	6.4
>\$1,000,000						
2020	3.6	--	19	27.1	1,707	55.4
2021	3.4	--	7	38.9	1,557	91.6
2022	2.6	--	3	30.0	1,500	90.1
2023	2.4	--	2	40.0	1,100	93.6
Revenue Not Available						
2020	7.9	--	0	0.0	0	0.0
2021	8.4	--	2	11.1	32	1.9
2022	6.9	--	1	10.0	10	0.6
2023	6.8	--	0	0.0	0	0.0
Totals						
2020	100.0	--	70	100.0	3,083	100.0
2021	100.0	--	18	100.0	1,700	100.0
2022	100.0	--	10	100.0	1,665	100.0
2023	100.0	--	5	100.0	1,175	100.0
<i>Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

WaFd made no community development loans in the Wenatchee MSA assessment area.

INVESTMENT TEST

WaFd has an adequate level of qualified community development investments in the Wenatchee MSA, exhibits adequate responsiveness to credit and community development needs, and rarely uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments in the Wenatchee MSA. The new community development investments total approximately \$2.0 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$408,000. The current total includes 7 new investments of almost \$2.0 million, with no donations and no prior period investments. All the investments helped to support affordable housing efforts in the Wenatchee MSA.

The following table describes the breakdown of qualified investments made during the review period by period and community development category.

Qualified Investments – Wenatchee MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
Current Period	7	1,981	-	-	-	-	-	-	7	1,981
Subtotal	7	1,981	-	-	-	-	-	-	7	1,981
Qualified Grants & Donations	-	-	-	-	-	-	-	-	-	-
Total	7	1,981	-	-	-	-	-	-	7	1,981
<i>Source: Bank Records</i>										

Listed below is a notable example of the institution's community development investments in the assessment area:

- In 2023, the institution purchased a \$948,000 MBS to maintain affordable housing options for low- and moderate-income individuals and families. The borrowers or geographies were located within the boundaries of the assessment area.

Responsiveness to Credit and Community Development Needs

WaFd exhibits adequate responsiveness to credit and community development needs. The institution's emphasis on new affordable housing investments is reflective of a community need in the Wenatchee MSA to develop affordable housing units for low- and moderate-income persons.

Community Development Initiatives

WaFd rarely uses innovative and/or complex investments to support community development initiatives. The institution's qualified investments are useful and help promote community development but are not considered innovative and complex as most of the new investments are MBS investments.

SERVICE TEST

WaFd's Service Test performance in the Wenatchee MSA assessment area is consistent with conclusions for the state of Washington.

Accessibility of Delivery Systems

Delivery Systems are reasonably accessible to essentially all portions of the institution's assessment area. As there are no low-income tracts in this assessment area, analysis of delivery systems is limited to the bank's branch presence in moderate-income geographies. WaFd does not operate any branches in moderate-income tracts which is below both demographic comparators; however, one branch located in a middle-income census tract is adjacent to one of the three moderate-income tracts in the assessment area. See the following table:

Branch Distribution by Geography Income Level – Wenatchee MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0
Moderate	3	13.0	12,366	15.6	0	0.0
Middle	14	60.9	46,464	58.8	1	33.3
Upper	6	26.1	20,244	25.6	2	66.7
NA	0	0.0	0	0.0	0	0.0
Total	23	100.0	79,074	100.0	3	100.0
Source: 2020 U.S. Census Data; Bank Data						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank did not open or close any branches.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Wenatchee MSA assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Washington and institution. Each of the three branches in the assessment area offer extended hours on Fridays and provide drive-up service.

Community Development Services

The institution provides a relatively high level of community development services in the Wenatchee MSA assessment area. During the review period, bank personnel provided 355 hours of community development services. The majority of these were community services targeting low- and moderate-income populations, with the remaining services supporting affordable housing

initiatives.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- 4 different officers served on 2 local non-profits providing affordable housing to low- and moderate-income families in the AA.
- Officers spent 108 hours serving on the Board and Loan Committees of these affordable housing non-profits during the evaluation period.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Washington assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Seattle-Tacoma-Bellevue MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Washington non-MSA	Exceeds	Below	Exceeds
Bellingham MSA	Exceeds	Below	Consistent
Mount Vernon-Anacortes MSA	Exceeds	Consistent	Consistent
Bremerton-Silverdale-Port Orchard MSA	Consistent	Below	Consistent
Olympia-Lacey-Tumwater MSA	Consistent	Below	Below
Spokane-Spokane Valley MSA	Exceeds	Consistent	Exceeds
Walla Walla MSA	Consistent	Consistent	Exceeds
Yakima MSA	Exceeds	Consistent	Consistent
Lewiston MSA	Exceeds	Below	Exceeds

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Washington overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Washington Non- MSA

WaFd operates 11 full-service branches in the assessment area: 5 in moderate, 5 in middle, and one in an upper- income census tract. Five of the branches are in middle-income geographies that are designated as distressed and/or underserved. The institution's presence in moderate-income and distressed and/or underserved geographies increases accessibility to these geographies. Most branches generally operate with standard hours. Eight branches, including five located in moderate-income tracts and two located in distressed and/or underserved geographies provide drive-up service. One of the branches located in a moderate-income census tract also provides Saturday hours from 10:00 a.m. to 1:00 p.m. and is tailored to the needs of the geography. Three branches were closed since the previous evaluation; two located in middle- and one located in an upper-income census tract. No branches were opened since the previous evaluation.

Activity	#	\$ (000s)
Small Business Loans	364	14,966
Home Mortgage Loans	936	389,193
Community Development Loans	9	9,241
Investments (New)	25	4,510
Investments (Prior Period)	4	5,578
Donations	8	15
Community Development Services	909	-
<i>Source: Bank Data</i>		

Bellingham MSA

WaFd operates five full-service branches in the assessment area. One branch is located in a low-income census tract, one is located in a moderate-income census tract and the remaining three branches are in middle-income census tracts. All branches have standard operating hours and with the exception of a branch in a middle-income geography, all branches provide drive-up services. WaFd closed two branches in middle-income census tracts since the previous evaluation. No branches were opened.

Activity	#	\$
Small Business Loans	206	21,695
Home Mortgage Loans	590	241,031
Community Development Loans	-	-
Investments (New)	12	6,546
Investments (Prior Period)	-	-
Donations	25	91
Community Development Services	152	-
<i>Source: Bank Data</i>		

Mt. Vernon-Anacortes MSA

The bank operates four full-service branches in the assessment area. One is located in a moderate-income census tract and the other three are located in middle-income census tracts. Each branch has standard operating hours and drive-up service. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	101	12,090
Home Mortgage Loans	412	136,423
Community Development Loans	1	983
Investments (New)	7	5,136
Investments (Prior Period)	1	1,106
Donations	10	23
Community Development Services	156	-
<i>Source: Bank Data</i>		

Bremerton-Silverdale-Port Orchard MSA

WaFd operates three full-service branches in the assessment area. Two are in middle-income geographies and one is located in an upper-income census tract. The bank doesn't operate any branches in low- or moderate-income geographies; however, one branch location is directly adjacent to two moderate-income tracts. A second branch location is also on the border of a moderate-income tract and offers a degree of accessibility to delivery systems. One branch provides drive-up service with hours of operation that mirror the standard branch lobby hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	75	3,195
Home Mortgage Loans	360	187,156
Community Development Loans	-	-
Investments (New)	4	1,052
Investments (Prior Period)	-	-
Donations	6	11
Community Development Services	72	-
<i>Source: Bank Data</i>		

Olympia-Lacey-Tumwater MSA

WaFd operates two full-service branches in the assessment area. Both branches are located in moderate-income census tracts, provide accessibility to these geographies, and have standard operating hours. One branch provides drive-up service with hours identical to those of the branch. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	44	4,071
Home Mortgage Loans	222	108,258
Community Development Loans	-	-
Investments (New)	3	837
Investments (Prior Period)	1	1,301
Donations	8	14
Community Development Services	14	-
<i>Source: Bank Data</i>		

Spokane-Spokane Valley MSA

The institution operates four branches in the assessment area. Three, or 75.0 percent of WaFd's branches, are in moderate-income census tracts, increasing accessibility to delivery systems in these geographies. One branch is located in a middle-income census tract. Each branch provides drive-up service and has standard operating hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	123	9,264
Home Mortgage Loans	194	56,525
Community Development Loans	3	4,724
Investments (New)	8	1,576
Investments (Prior Period)	1	1,769
Donations	25	67
Community Development Services	230	-
<i>Source: Bank Data</i>		

Walla Walla MSA

WaFd operates one full-service branch located in a middle-income census tract in the assessment area. The branch borders two adjacent, moderate-income geographies and has standard operating hours and drive-up service. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	19	1,594
Home Mortgage Loans	55	15,309
Community Development Loans	-	-
Investments (New)	3	543
Investments (Prior Period)	1	591
Donations	-	-
Community Development Services	85	-
<i>Source: Bank Data</i>		

Yakima MSA

WaFd operates one full-service branch located in an upper-income census tract in the assessment area. The branch offers drive-up service and standard operating hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	73	4,765
Home Mortgage Loans	37	11,474
Community Development Loans	1	322
Investments (New)	2	347
Investments (Prior Period)	3	1,683
Donations	2	4
Community Development Services	42	-
<i>Source: Bank Data</i>		

Lewiston MSA

WaFd operates one full-service branch located in a moderate-income census tract in the assessment area. The branch provides drive-up service and has standard operating hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	15	492
Home Mortgage Loans	31	5,166
Community Development Loans	-	-
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	53	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

ARIZONA

CRA RATING FOR ARIZONA: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARIZONA

WaFd delineated six assessment areas in the state of Arizona, as reflected in the following table:

Description of Assessment Areas – Washington		
Assessment Area	Counties in Assessment Area	# of census tracts
Phoenix-Mesa-Chandler MSA	Maricopa	1,009
Tucson MSA	Pima	270
Prescott Valley-Prescott MSA	Yavapai	72
Yuma MSA	Yuma	67
Sierra Vista-Douglas MSA	Cochise	38
Arizona non-MSA	Gila, Graham, Navajo, Santa Cruz	76
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's assessment area composition in Arizona remains unchanged from the previous evaluation, despite the presence of both branch closures and openings. Three branches were closed in the Phoenix-Mesa-Chandler MSA assessment area, two branches were closed in the Tucson MSA assessment area, and one branch was closed in the Yuma MSA assessment area. Three branches were opened in the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA assessment area and Yuma MSA assessment area, respectively, as well. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information.

SCOPE OF EVALUATION – ARIZONA

Based on lending activity, deposit volume, and branch distribution, the Phoenix-Mesa-Chandler MSA assessment area was evaluated using full-scope procedures. The remaining assessment areas were evaluated using limited-scope procedures.

The Phoenix-Mesa-Chandler MSA assessment area received the greatest consideration in determining overall conclusions for the state of Arizona, followed in decreasing weight by the Tucson MSA assessment area, and the Arizona non-MSA assessment area. The Sierra Vista-Douglas MSA assessment area, Yuma MSA assessment area, and Prescott Valley-Prescott MSA assessment area contributed less weight to performance conclusions. Based on loan volume, home

mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Arizona						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Phoenix-Mesa-Chandler MSA	1,640	47.1	501,177	31.2	10	35.7
Tucson MSA	889	25.5	486,002	30.3	7	25.0
Arizona Non-MSA	446	12.8	294,478	18.3	5	17.9
Sierra Vista-Douglas MSA	177	5.1	165,136	10.3	3	10.7
Yuma MSA	204	5.9	123,709	7.7	2	7.1
Prescott Valley-Prescott MSA	129	3.7	35,367	2.2	1	3.6
Arizona State Total	3,485	100.0	100.0	100.0	28	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN ARIZONA

LENDING TEST

WaFd’s Lending Test performance in Arizona is rated “Needs to Improve.” The institution’s performance in the Phoenix MSA was particularly impactful in assessing overall state performance, both due to the MSA’s weighting, and the poor geographic distribution and very poor borrower profile in this MSA. Higher performance levels in the Non-MSA, Yuma MSA, and especially the Sierra Vista MSA were not enough to offset performance in other assessments given the bank’s distribution of loans, deposits, and branches.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Arizona assessment areas considering the number and dollar volume of home mortgage loans and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank’s market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects poor penetration in Arizona assessment areas. Performance in the Phoenix-Mesa-Chandler MSA assessment area was the biggest driver of the state rating based on the volume of loans, deposits, and branches, although the performance in the Tucson MSA and Prescott MSA contributed to the rating. Performance in the non-MSA, Yuma, and Sierra Vista MSAs exceeded the state rating but lending volumes, deposits, and branches reflected lower weightings insufficient to offset performance in the larger MSAs.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. WaFd's performance in the Phoenix-Mesa-Chandler MSA assessment area was below that of the rated area, and significantly impacted performance in Arizona. Performance in the Prescott MSA was also that of the rated area. The Tucson MSA performance equaled that of the state. While performance in the Non-MSA and Yuma exceeded that of the rated area, and performance in the Sierra Vista MSA significantly exceeded statewide performance, it was not enough to offset the performance in the Phoenix, Tucson, and Prescott MSAs.

Community Development Loans

WaFd made an adequate level of community development loans in the Arizona assessment areas. The institution's performance in the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA assessment area, and Yuma MSA assessment area is consistent with this conclusion. Performance in the Sierra Vista-Douglas MSA assessment area exceeded the rated area conclusion, while performance in the Arizona non-MSA assessment area and Prescott Valley-Prescott MSA assessment area was below the rated area conclusion. The following table details the bank's community development loans by assessment area and purpose:

Community Development Lending by Assessment Area – Arizona										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Phoenix-Mesa-Chandler MSA	27	43,127	-	-	-	-	1	1,540	28	44,667
Tucson MSA	15	15,504	-	-	-	-	1	3,844	16	19,348
AZ Non-MSA	-	-	-	-	-	-	1	1,870	1	1,870
Sierra Vista-Douglas MSA	-	-	2	8,050	-	-	-	-	2	8,050
Yuma MSA	1	2,140	-	-	-	-	-	-	1	2,140
Prescott Valley-Prescott MSA	1	24	-	-	-	-	-	-	1	24
AZ Statewide	1	12	-	-	-	-	-	-	1	12
Total	45	60,807	2	8,050	-	-	3	7,254	50	76,111
<i>Source: Bank Data</i>										

INVESTMENT TEST

WaFd is rated "High Satisfactory" in the Investment Test for the state of Arizona. The institution's performance in the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA assessment area, Arizona non-MSA assessment area, and Sierra Vista-Douglas MSA assessment area is consistent with this conclusion. Performance in the Yuma MSA assessment area and Prescott Valley-Prescott MSA assessment area is below the rated area conclusion.

Investment and Grant Activity

The institution has a good level of qualified community development investments and donations, particularly those instruments that are not routinely provided by private investors, occasionally in a leadership position. WaFd reported 139 qualified investments and donations that total approximately \$40.1 million during the evaluation period. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$20.0 million. The total amount of new CRA-qualified investments reported was approximately \$28.2 million. The institution also held approximately \$11.5 million in prior period investments and reported approximately \$440,000 in grants and donations in the state. The institution was able to penetrate all the assessment areas in the state with investment activity and most of the assessment areas in the state with grant and donation activity.

The current dollar amount of investments and donations in the state of Arizona is 15.5 percent of the institution's total qualified community development investments and donations for all the rated areas combined. The following table lists the qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area - Arizona										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Phoenix-Mesa-Chandler MSA	11	13,141	-	-	-	-	-	-	11	13,141
Tucson MSA	14	17,589	-	-	-	-	-	-	14	17,589
Arizona Non-MSA	1	4,714	-	-	-	-	-	-	1	4,714
Sierra Vista-Douglas MSA	8	2,946	-	-	-	-	-	-	8	2,946
Yuma MSA	7	990	-	-	-	-	-	-	7	990
Prescott Valley-Prescott MSA	2	297	-	-	-	-	-	-	2	297
Subtotal	43	39,677	-	-	-	-	-	-	43	39,677
Qualified Grants & Donations	13	70	79	361	3	7	1	2	96	440
Total	56	39,747	79	361	3	7	1	2	139	40,117
<i>Source: Bank Records</i>										

All \$39.7 million in qualified investments were affordable housing-related. This includes 8 prior period investments totaling \$11.5 million that are still active. Refer to the full-scope assessment area for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments is reflective of a need to plan and construct more affordable housing units in the state of Arizona.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as several new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's service test performance in Arizona is rated "High Satisfactory". The institution's performance in the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA assessment area, Arizona non-MSA assessment area, and Sierra Vista-Douglas MSA assessment area is consistent with this conclusion. Performance in the Yuma MSA assessment area and Prescott Valley-Prescott MSA assessment area is below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's Arizona assessment areas and is consistent with the institution overall. Performance in the Sierra Vista-Douglas MSA assessment area and Tucson MSA assessment area is consistent with this conclusion. Performance in the Yuma MSA assessment area exceeds the rated area conclusion, and performance in the Phoenix-Mesa-Chandler MSA assessment area, Prescott Valley-Prescott MSA assessment area, and the Arizona non-MSA assessment area is below the rated area conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Arizona.

Branch Distribution by Geography Income Level - Arizona						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	76	5.0	302,440	4.8	0	0.0
Moderate	398	26.0	1,644,501	26.2	8	28.6
Middle	525	34.3	2,153,872	34.3	12	42.8
Upper	494	32.2	2,127,985	33.9	8	28.6
NA	39	2.5	46,931	0.8	0	0.0
Total	1,532	100.0	6,275,729	100.0	28	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed a total of six branches: three in the Phoenix-Mesa-Chandler MSA assessment area, two in the Tucson MSA assessment area, and one in the Yuma MSA assessment area. Three branches were opened in each the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA

assessment area, and Yuma MSA assessment area. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Arizona assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent with the institution overall and in the Phoenix-Mesa-Chandler MSA assessment area, Tucson MSA assessment area, and Arizona non-MSA assessment areas. Performance in the Sierra Vista-Douglas MSA assessment area, Prescott Valley-Prescott MSA assessment area, and Yuma MSA assessment area is below that of the overall conclusion for the state and institution overall. Drive-up service is provided at 10 of the 28 branch locations but are not available in the Sierra Vista-Douglas MSA assessment area, Prescott Valley-Prescott MSA assessment area, and Yuma MSA assessment area. All locations have standard hours of operation. Refer to each assessment area for details.

Community Development Services

WaFd provides a relatively high level of community development services in its Arizona assessment areas. Bank personnel provided 2,018 community development services hours to organizations throughout the review period. While employees provided affordable housing and economic development services, most service activities targeted community services for low- and moderate-income populations. The plurality of service hours was provided in the Phoenix-Mesa-Chandler MSA assessment area, which also received the greatest weight in determining conclusions for the weighted area. The following table details the bank's community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Phoenix MSA	-	657	2	-	659
Tucson MSA	20	510	-	-	530
Arizona Non-MSA	5	410	18	-	433
Sierra Vista MSA	5	249	-	-	254
Yuma MSA	-	30	-	-	30
Prescott MSA	2	110	-	-	112
Total	32	1,966	20	0	2,018
<i>Source: Bank Data</i>					

PHOENIX-MESA-CHANDLER MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE PHOENIX-MESA-CHANDLER MSA ASSESSMENT AREA

The Phoenix-Mesa-Chandler MSA assessment area is comprised of Maricopa County, Arizona; and includes the Arizona cities of Phoenix, Mesa, Chandler, Scottsdale, and Glendale, among other Phoenix suburbs.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Phoenix-Mesa-Chandler MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	105	11.5	64	6.3
Moderate	206	22.5	259	25.7
Middle	286	31.2	314	31.1
Upper	306	33.4	348	34.5
N/A	13	0.8	24	2.4
Total	916	100.0	1,009	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table presents select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Phoenix-Mesa-Chandler MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,009	6.3	25.7	31.1	34.5	2.4
Population by Geography	4,420,568	5.8	25.6	32.6	35.4	0.6
Owner-Occupied Units by Geography	1,008,487	2.6	20.6	34.7	41.9	0.1
Housing Units by Geography	1,765,880	5.4	26.5	33.5	34.3	0.4
Occupied Rental Units by Geography	588,297	10.0	35.6	31.6	22.1	0.7
Vacant Units by Geography	169,096	5.6	29.3	32.5	32.0	0.6
Businesses by Geography	1,047,857	4.0	18.2	28.5	48.8	0.5
Farms by Geography	17,296	4.4	20.4	30.2	44.4	0.7
Family Distribution by Income Level	1,047,899	20.4	17.9	20.0	41.7	0.0
Household Distribution by Income Level	1,596,784	22.3	16.9	18.5	42.3	0.0

Median Family Income MSA - 38060 Phoenix- Mesa-Chandler, AZ MSA	\$78,930	Median Housing Value	\$292,183
		Median Gross Rent	\$1,221
		Families Below Poverty Level	9.1%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.			

Based on the 2020 U.S. Census data, there are 1.8 million housing units in the assessment area. Of these, 57.1 percent are owner-occupied, 33.3 percent are occupied rental units, and 9.6 percent are vacant. The median housing value of \$292,183 indicates a moderately-high priced housing area.

Based on 2023 D&B data, there are 1.1 million businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 35.4 percent; followed by non-classifiable establishments at 28.5 percent; finance, insurance and real estate at 13.7 percent; and retail trade at 7.9 percent. Additionally, 63.4 percent of the assessment area's businesses employ 3 or fewer employees, and 96.7 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include robust population growth and in-migration, and lower business costs than in California. Economic weaknesses include average wages that are well below those of the West, and high cyclicity due to dependence on investment and population inflows. The top employers in the area are Banner Health Systems, Walmart, Inc, Fry's Food Stores, and Wells Fargo.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 33rd most deposits of 73 depository institutions with a 0.3 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an outreach specialist of a local development agency. The contact stated that the area is experiencing significant growth and noted rental prices are extremely high for residential properties across the area. The contact indicated that the elevated rental rates are adversely affecting families. The contact mentioned that housing sale prices are starting to level out; however, current interest rates are much higher than in previous years. The contact observed that home mortgage and commercial lending are primary lending needs in the region. The contact explained that financing affordable housing projects as well as participating in projects to revitalize and stabilize low- and moderate-income areas are still underutilized opportunities.

Credit and Community Development Needs and Opportunities

Considering information from bank management and demographic and economic data, examiners determined that the area's primary credit needs are affordable housing and small business financing.

The significant percentage of low- and moderate-income families, and small businesses operating in this area supports this conclusion. With respect to the area's community development needs, demographic data shows that approximately one-third of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that revitalize or stabilize qualifying geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PHEONIX-MESA-CHANDLER MSA ASSESSMENT AREA

LENDING TEST

The institution's Lending Test performance in the Phoenix-Mesa-Chandler MSA assessment area is below the conclusion for the State of Arizona.

Lending Activity

Aggregate HMDA reports show WaFd was the 106th most active home mortgage lender of 977 lenders with a 0.16 percent market share in the assessment area. The real estate lending market is fairly concentrated in the assessment area. The largest lender made or purchased over 7.2 percent of the mortgages in the assessment area in 2022. CRA Aggregate Reports show WaFd was the 74th most active of 237 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by geographic distributions of home mortgage loans and small business loans that both reflect poor penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. As reflected in the following table, WaFd's level of lending in low-income geographies in 2020 was good, but performance declined each year of the evaluation period reflecting poor penetration in low-income areas. Similarly, WaFd's lending in moderate-income areas was also good, but performance in 2021 and 2022 declined to the extent that overall home mortgage lending in moderate-income areas was likewise poor.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Phoenix-Mesa-Chandler MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	4.6	2.9	11	4.2	19,775	12.4
2021	4.6	3.6	11	2.2	39,582	9.3
2022	2.6	2.2	5	1.7	9,882	3.0
2023	2.6	--	0	0.0	0	0.0
Moderate						
2020	18.8	13.0	49	18.6	51,523	32.3
2021	18.8	14.4	37	7.3	22,358	5.2
2022	20.6	18.1	37	12.4	84,954	25.4
2023	20.6	--	15	15.3	3,872	7.8
Middle						
2020	34.7	34.1	63	24.0	18,977	11.9
2021	34.7	34.9	78	15.4	106,702	25.0
2022	34.7	35.8	57	19.1	103,418	30.9
2023	34.7	--	20	20.4	4,209	8.5
Upper						
2020	41.9	49.4	140	53.2	69,340	43.4
2021	41.9	46.6	378	74.9	257,866	60.4
2022	41.9	43.9	200	66.9	136,525	40.8
2023	41.9	--	63	64.3	41,715	83.8
Not Available						
2020	0.0	0.7	0	0.0	0	0.0
2021	0.0	0.5	1	0.2	680	0.2
2022	0.1	0.1	0	0.0	0	0.0
2023	0.1	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	263	100.0	159,615	100.0
2021	100.0	100.0	505	100.0	427,188	100.0
2022	100.0	100.0	299	100.0	334,779	100.0
2023	100.0	--	98	100.0	49,796	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. As reflected in the following table, lending in low-income areas was adequate in 2020 and 2021, but declined to zero in 2022 and 2023. Compared to the percentages of businesses and aggregate lending in moderate-income areas, WaFd's lending was essentially comparative in 2020 and 2022, but significantly below that of other lenders and demographic opportunities in 2021 and 2023, supporting the conclusion of poor penetration across the assessment area.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Phoenix-Mesa-Chandler MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	7.2	6.8	23	6.5	5,077	15.1
2021	7.0	6.6	4	7.4	3,075	20.7
2022	4.0	3.6	0	0.0	0	0.0
2023	4.0	--	0	0.0	0	0.0
Moderate						
2020	15.0	16.6	50	14.2	5,162	15.4
2021	15.2	16.2	6	11.1	576	3.9
2022	18.3	17.8	6	17.6	2,260	22.8
2023	18.2	--	2	5.7	1,050	12.1
Middle						
2020	29.9	26.6	103	29.3	10,053	30.0
2021	29.5	27.7	22	40.7	7,460	50.3
2022	28.2	28.6	19	55.9	5,134	51.8
2023	28.5	--	25	71.4	7,494	86.4
Upper						
2020	47.3	49.3	173	49.1	12,688	37.8
2021	47.8	48.9	22	40.7	3,711	25.0
2022	48.9	49.3	9	26.5	2,518	25.4
2023	48.8	--	8	22.9	132	1.5
Not Available						
2020	0.6	0.7	3	0.9	547	1.6
2021	0.5	0.7	0	0.0	0	0.0
2022	0.6	0.7	0	0.0	0	0.0
2023	0.5	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	352	100.0	33,527	100.0
2021	100.0	100.0	54	100.0	14,822	100.0
2022	100.0	100.0	34	100.0	9,912	100.0
2023	100.0	--	35	100.0	8,676	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects very poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion results from a distribution of home mortgage borrowers that reflects very poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects poor penetration among business customers of different sizes.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects very poor penetration among retail customers of different sizes. As depicted in the table below, WaFd's lending to low-income borrowers in 2020 was significant, but declined a significant amount the rest of the evaluation period. The bank's level of lending in moderate-income geographies lagged aggregate lenders as well as opportunities as defined by the percentage of families considered moderate-income in the assessment area, that performance is considered very poor.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Phoenix-Mesa-Chandler MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	21.8	4.5	18	6.8	2,616	1.6
2021	21.8	5.2	7	1.4	712	0.2
2022	20.4	6.8	4	1.3	345	0.1
2023	20.4	--	3	3.1	139	0.3
Moderate						
2020	16.9	16.1	17	6.5	2,510	1.6
2021	16.9	16.0	18	3.6	2,653	0.6
2022	17.9	15.5	11	3.7	1,917	0.6
2023	17.9	--	10	10.2	1,428	2.9
Middle						
2020	19.2	20.3	28	10.6	6,190	3.9
2021	19.2	20.1	25	5.0	3,874	0.9
2022	20.0	20.5	27	9.0	7,624	2.3
2023	20.0	--	5	5.1	828	1.7
Upper						
2020	42.2	40.7	143	54.4	64,888	40.7
2021	42.2	40.2	124	24.6	58,895	13.8
2022	41.7	40.5	138	46.2	73,061	21.8
2023	41.7	--	66	67.3	37,122	74.5
Not Available						
2020	0.0	18.4	57	21.7	83,412	52.3
2021	0.0	18.5	331	65.5	361,055	84.5
2022	0.0	16.7	119	39.8	251,833	75.2
2023	0.0	--	14	14.3	10,280	20.6
Totals						
2020	100.0	100.0	263	100.0	159,615	100.0
2021	100.0	100.0	505	100.0	427,188	100.0
2022	100.0	100.0	299	100.0	334,779	100.0
2023	100.0	--	98	100.0	49,796	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business borrowers also reflects poor penetration among business customers of different sizes. The percentage of loans made to businesses with GAR of \$1 million or less was significant in 2020 but declined to a level similar to aggregate lenders in 2021 and continued to decline in 2022 and 2023 when more normalized lending levels outside of SBA PPP lending during the COVID crisis occurred. The percentage of lending in 2022 and 2023 more than offset lending in 2020 resulting in a poor penetration of loans to businesses of different sizes.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Phoenix-Mesa-Chandler MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	93.1	40.1	217	61.6	8,261	24.6
2021	92.1	48.0	25	46.3	3,022	20.4
2022	93.0	54.2	12	35.3	2,645	26.7
2023	93.8	--	10	28.6	260	3.0
>\$1,000,000						
2020	2.3	--	126	35.8	24,353	72.6
2021	1.8	--	27	50.0	11,543	77.9
2022	1.5	--	22	64.7	7,267	73.3
2023	1.4	--	22	62.9	7,502	86.5
Revenue Not Available						
2020	4.7	--	9	2.6	913	2.7
2021	6.1	--	2	3.7	257	1.7
2022	5.5	--	0	0.0	0	0.0
2023	4.8	--	3	8.6	914	10.5
Totals						
2020	100.0	--	352	100.0	33,527	100.0
2021	100.0	--	54	100.0	14,822	100.0
2022	100.0	--	34	100.0	9,912	100.0
2023	100.0	--	35	100.0	8,676	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made an adequate level of community development loans in the assessment area, comprising 28 community development loans totaling \$44.7 million. This performance level represents a decline from the previous evaluation where 26 loans totaling \$69.5 million targeted the Phoenix-Mesa-Chandler MSA assessment area. Total community development loans include 45 affordable housing loans totaling \$60.8 million. As described in the Credit and Community Development

Needs and Opportunities section, affordable housing was identified as a significant need in the Phoenix-Mesa-Chandler MSA.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank made a loan of \$2.5 million loan in 2022 to finance a 26-unit multi-family property located in a low-income census tract. Rents for this property are well less than the 30 percent household budget for moderate-income families and meet household budget requirements for low-income households given the median family income in this assessment area.
- The bank made a \$1.5 million loan to purchase an owner-occupied mixed-use warehouse/office building in a low-income census tract. The company occupying the building has average employee salaries of under \$45,000, less than 80 percent of median family income in this assessment area.

INVESTMENT TEST

WaFd has a good level of qualified community development investments and donations in the Phoenix-Mesa-Chandler MSA, exhibits good responsiveness to credit and community development needs, and makes significant use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a good level of qualified community development investments and donations in the Phoenix-Mesa-Chandler MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$13.4 million. This level is an increase from the prior evaluation when the institution's qualified investments and donations totaled approximately \$9.0 million. The current total includes 6 new investments of approximately \$6.2 million, donations of approximately \$246,000, and 5 prior period investments of approximately \$6.9 million.

All the investments and a few donations helped to support affordable housing, but also community services and economic development efforts were sustained within the Phoenix-Mesa-Chandler MSA.

The following table details the qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Phoenix-Mesa-Chandler MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	6,943	-	-	-	-	-	-	5	6,943
Current Period	6	6,198	-	-	-	-	-	-	6	6,198
Subtotal	11	13,141	-	-	-	-	-	-	11	13,141
Qualified Grants & Donations	3	29	49	214	1	3	-	-	53	246
Total	14	13,170	49	214	1	3	-	-	64	13,387
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution’s community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$3.8 million investment in affordable housing for low- and moderate-income residents. The housing project is located inside the assessment area.
- In 2021, the institution purchased a \$2.8 million investment that provided affordable housing options. The funds were invested in a 52-unit housing project with tenant earnings restricted at 60 percent area median income.
- In 2020, WaFd donated \$40,000 to a non-profit organization to help with community service resources. The entity provides shelter services to homeless families and individuals in the assessment area.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs. WaFd’s emphasis on affordable housing investments during the review period and from the prior period is reflective of a need for more development of affordable housing options for low- and moderate-income persons in the Phoenix-Mesa-Chandler MSA.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd’s qualified investments are useful and help promote community development and are considered innovative and complex as multiple investments held and purchased by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd’s Service Test performance in the Phoenix-Mesa-Chandler MSA assessment area is consistent with conclusions for the state of Arizona.

Accessibility of Delivery Systems

Delivery Systems are reasonably accessible to essentially all portions of the institution's assessment area. WaFd does not operate any branches in low-income geographies and is below the demographic comparators for this assessment area. The institution's presence in moderate-income tracts is below demographic data, but not by an unreasonable amount. See the following table:

Branch Distribution by Geography Income Level – Phoenix-Mesa-Chandler MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	64	6.3	256,201	5.8	0	0.0
Moderate	259	25.7	1,130,982	25.6	2	20.0
Middle	314	31.1	1,440,075	32.6	4	40.0
Upper	348	34.5	1,565,794	35.4	4	40.0
NA	2	2.4	27,516	0.6	0	0.0
Total	1,009	100.0	4,420,568	100.0	10	100.0
Source: 2020 U.S. Census Data; Bank Data						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed three branches: two in middle-income census tracts and one in an upper-income census tract. WaFd also opened one branch, which is in a middle-income census tract.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Arizona and institution. Four of the 10 branches in the assessment area offer extended hours on Fridays and provide drive-up service.

Community Development Services

The institution provides a relatively high level of community development services in the Phoenix-Mesa-Chandler MSA assessment area. During the evaluation period, bank personnel provided 659 hours of community development services. Service hours increased from the prior evaluation, when WaFd employees provided 400 hours to the assessment area. Most community development service activities were directed toward community services targeting low- and moderate-income populations. The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- Bank officers provided 109 hours teaching financial literacy to students at schools in low- and moderate-income areas as evidenced by the percentage of students received free or

reduced lunches. Bank officers provide 32 hours in schools with between 50 and 74.9 percent of students with free or reduced lunches and 77 hours in schools with 75 percent or more of students with free or reduced lunches, indicating officers supported some of the area's poorest schools.

- Bank officers provided 98 hours of volunteer tax preparation for low-income families during the evaluation period.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Washington assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Phoenix-Mesa-Chandler MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures impacted the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Tucson MSA	Consistent	Consistent	Consistent
Arizona non-MSA	Exceeds	Consistent	Consistent
Sierra Vista-Douglas MSA	Exceeds	Consistent	Consistent
Yuma MSA	Exceeds	Below	Below
Prescott Valley-Prescott MSA	Consistent	Below	Below

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Arizona overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Tucson MSA

The bank operates seven full-services branches in the assessment area; two in moderate- (28.6 percent), three in middle-, and two in upper-income census tracts. All branches have standard hours with five offering drive up service. Two of the branches offering drive-up service are located in moderate-income geographies, which is comparable to demographic data which shows 30.4 percent of geographies are moderate-income, with 32.5 percent of the population residing in these areas. WaFd closed two branches in middle-income census tracts and opened one branch in an upper-

income census tract since the previous evaluation.

Activity	#	\$
Small Business Loans	385	58,239
Home Mortgage Loans	502	266,214
Community Development Loans	16	19,348
Investments (New)	12	15,039
Investments (Prior Period)	2	2,550
Donations	31	165
Community Development Services	530	-

Arizona Non-MSA

WaFd operates five full-service branches in the assessment area: three in middle- and two in upper-income census tracts. Each of the three branches located in middle-income census tracts are in geographies designated as distressed and provide additional accessibility to assessment areas in need. All branches have standard hours of operation. One branch in an upper-income census tract provides drive-up service that mirrors the standard lobby hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	155	8,672
Home Mortgage Loans	291	92,958
Community Development Loans	1	1,870
Investments (New)	1	4,714
Investments (Prior Period)	-	-
Donations	6	17
Community Development Services	433	-

Source: Bank Data

Sierra Vista-Douglas MSA

The bank operates three full-services branches in the assessment area. Two or 66.6 percent, are in moderate-income census tracts and the third is located in a middle-income census tract. There are no low-income census tracts in the assessment area; however, the institution's presence in moderate-income geographies is well above demographic data, which shows 21.1 percent of census tracts are moderate-income and 19.6 percent of the population is located in these geographies. No branches were opened or closed since the previous evaluation. The branch has standard hours of operation.

Activity	#	\$
Small Business Loans	105	4,721
Home Mortgage Loans	72	34,613
Community Development Loans	2	8,050
Investments (New)	7	978
Investments (Prior Period)	1	1,968
Donations	4	8
community development Services	254	-

Source: Bank Data

Yuma MSA

The bank operates two full-services branches in the assessment area, both of which are located in moderate-income geographies, increasing accessibility to delivery systems. Both branches have standard hours of operation. The institution opened one branch and closed one branch since the previous evaluation. Both branches were located in moderate-income census tracts.

Activity	#	\$
Small Business Loans	85	3,388
Home Mortgage Loans	119	76,072
Community Development Loans	1	2,140
Investments (New)	7	990
Investments (Prior Period)	-	-
Donations	2	4
community development Services	30	-
Source: Bank Data		

Prescott Valley-Prescott MSA

The bank operates one full-service branch located in a middle-income census tract in the assessment area. The branch is located directly adjacent to a moderate-income census tract and provides a degree of accessibility to the geography. No branches were opened or closed since the previous evaluation. The branch has standard hours of operation.

Activity	#	\$
Small Business Loans	13	423
Home Mortgage Loans	116	53,280
Community Development Loans	1	24
Investments (New)	2	297
Investments (Prior Period)	-	-
Donations	-	-
community development Services	112	-
Source: Bank Data		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

OREGON

CRA RATING FOR OREGON: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OREGON

WaFd delineated eight assessment areas in the state of Oregon, as reflected in the following table:

Description of Assessment Areas – Washington		
Assessment Area	Counties in Assessment Area	# of census tracts
OR Non-MSA	Crook, Klamath, Lake, Lincoln, Malheur, Umatilla, Union, Wasco	98
Bend MSA	Deschutes	45
Salem MSA	Marion, Polk	81
Eugene-Springfield MSA	Lane	93
Medford MSA	Jackson	52
Grant's Pass MSA	Josephine	22
Corvallis MSA	Benton	22
Albany-Lebanon MSA	Linn	28
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's assessment area composition in Oregon remains unchanged from the previous evaluation, despite several branch closures. No new branches were opened in Oregon during the review period. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information.

SCOPE OF EVALUATION – OREGON

Based on lending activity, deposit volume and branch distribution, the Oregon non-MSA assessment area was evaluated using full-scope procedures. The remaining assessment areas were evaluated using limited-scope procedures.

The Oregon non-MSA assessment area received the greatest consideration in determining overall conclusions for the state of Oregon, followed in decreasing weight by the Bend MSA assessment area, Salem MSA assessment area, Eugene-Springfield MSA assessment area and Medford MSA assessment area. The Grants Pass MSA assessment area, Corvallis MSA assessment area, and Albany-Lebanon MSA assessment area contributed less weight to overall performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Oregon						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
OR Non-MSA	935	27.1	733,382	32.8	13	43.3
Bend MSA	815	23.7	574,707	25.7	4	13.3
Salem MSA	449	13.0	229,348	10.3	3	10.0
Eugene-Springfield MSA	379	11.0	98,010	4.4	2	6.7
Medford MSA	367	10.7	309,963	13.9	3	10.0
Grant's Pass MSA	208	6.0	165,146	7.4	3	10.0
Corvallis MSA	156	4.5	81,970	3.7	1	3.3
Albany-Lebanon MSA	135	3.9	44,181	2.0	1	3.3
Oregon State Total	3,444	100.0	100.0	100.0	30	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN OREGON

LENDING TEST

WaFd's Lending Test performance in Oregon is rated "Low-Satisfactory." The institution's performance in the Oregon non-MSA assessment area, Salem MSA assessment area, Eugene-Springfield MSA assessment area, Medford MSA assessment area, and the Albany assessment area is consistent with this conclusion. Performance in the Grant's Pass MSA assessment area exceeded the rated area conclusion, while performance in the Bend MSA assessment area and Corvallis MSA assessment area was below the rated area conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Oregon assessment areas, considering the number and dollar volume of home mortgage loans, small business loans, and HELOCs originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank's market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Oregon assessment areas. The institution's performance in the Oregon non-MSA assessment area is consistent with this conclusion. Performance in the Bend MSA assessment area, Salem MSA assessment area, Eugene-Springfield MSA assessment area, and Corvallis MSA assessment area is below the rated area conclusion. Performance in the Medford MSA assessment area, Grant's Pass MSA assessment area, and Albany MSA assessment area exceed the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. The institution's performance in the Bend MSA assessment area, Eugene-Springfield MSA assessment area, Medford MSA assessment area, Corvallis MSA assessment area and Albany MSA assessment area is consistent with this conclusion. Performance in the Oregon non-MSA assessment area, Salem MSA assessment area and Grant's Pass MSA assessment area exceeded the rated area conclusion.

Community Development Loans

WaFd made a relatively high level of community development loans in the Oregon assessment areas. The institution's performance in the Oregon non-MSA assessment area, Medford MSA assessment area, Grant's Pass MSA assessment area, and Corvallis MSA assessment area is below this conclusion; but performance in the Salem MSA assessment area and Eugene-Springfield MSA assessment area exceed the rated area conclusion. Performance in the Bend MSA assessment area and Albany-Lebanon MSA assessment area was consistent the rated area Conclusion. As presented in the following table, the institution had a community development presence in each of its Oregon assessment areas.

Community Development Lending by Assessment Area – Oregon										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
OR Non-MSA	9	26,811	-	-	3	435	-	-	12	27,246
Bend MSA	13	23,008	-	-	-	-	2	500	15	23,508
Salem MSA	8	26,851	-	-	1	1,000	-	-	9	27,851
Eugene-Springfield MSA	7	17,600	-	-	4	4,695	1	319	12	22,614
Medford MSA	10	3,404	-	-	-	-	2	4,150	12	7,554
Grant's Pass MSA	2	88	-	-	2	5,591	-	-	4	5,679
Corvallis MSA	2	3,250	-	-	1	1,254	-	-	3	4,504
Albany-Lebanon MSA	1	63	-	-	2	7,210	-	-	3	7,273
OR Statewide	4	147	-	-	-	-	-	-	4	147
Total	56	101,222	-	-	13	20,185	5	4,969	74	126,376
<i>Source: Bank Data</i>										

The bank made 74 community development loans in Oregon totaling \$126.4 million. Most community development activities supported affordable housing initiatives, and housing availability has been identified as a significant community need in the Oregon assessment areas, including the Oregon non-MSA assessment area.

INVESTMENT TEST

WaFd is rated “High Satisfactory” in the Investment Test for the state of Oregon. The institution’s performance in the Oregon non-MSA assessment area, Bend MSA assessment area, Salem MSA assessment area, and Corvallis MSA assessment area is consistent with this conclusion.

Performance in the Eugene-Springfield MSA assessment area, Medford MSA assessment area, Grant’s Pass MSA assessment area, and Albany-Lebanon MSA assessment area is below the rated area conclusion.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations, occasionally in a leadership position, particularly those instruments that are not routinely provided by private investors. WaFd reported 157 qualified investments and donations that total approximately \$27.3 million in the state. This level is an increase from the prior evaluation when the institution’s qualified investments and donations totaled approximately \$16.0 million. The total amount of new CRA-qualified investments reported was approximately \$23.7 million. WaFd held approximately \$3.1 million in prior period investments and reported approximately \$455,000 in grants and donations in the state. The institution was able to penetrate all of the assessment areas in the state with investment activity and most of the assessment areas in the state with grant and donation activity.

The current dollar amount of investments and donations in the state of Oregon is 10.6 percent of the institution’s total qualified community development investments and donations for all the rated areas combined. The following table illustrates the breakdown of qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area - Oregon										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Oregon Non-MSA	3	8,426	-	-	-	-	-	-	3	8,426
Bend MSA	7	6,387	-	-	-	-	-	-	7	6,387
Salem MSA	3	4,059	-	-	-	-	-	-	3	4,059
Eugene-Springfield MSA	8	1,394	-	-	-	-	-	-	8	1,394
Medford MSA	3	2,454	-	-	-	-	-	-	3	2,454
Grant’s Pass MSA	8	1,567	-	-	-	-	-	-	8	1,567
Corvallis MSA	5	1,912	-	-	-	-	-	-	5	1,912
Albany-Lebanon MSA	4	605	-	-	-	-	-	-	4	605
Subtotal	41	26,804	-	-	-	-	-	-	41	26,804
Qualified Grants & Donations	25	114	88	332	-	-	3	9	116	455
Total	66	26,918	88	332	-	-	3	9	157	27,259
<i>Source: Bank Records</i>										

Affordable housing received all the qualified investments with approximately \$26.8 million, which includes 6 prior period investments for approximately \$3.1 million that are still active. Refer to the full-scope assessment area for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments in the state of Oregon is reflective of a need to provide more affordable housing resources to low- and moderate-income individuals and families.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as a few new investments and those held by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's service test performance in Oregon is rated "High Satisfactory". The institution's performance in the Oregon non-MSA assessment area, Salem MSA assessment area, Grant's Pass MSA assessment area, Corvallis MSA assessment area and Albany MSA assessment area is consistent with this conclusion. Performance in the Bend MSA assessment area, Eugene-Springfield MSA assessment area, and Medford MSA assessment area is below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's Oregon assessment areas and is consistent with the institution overall. Performance in the Oregon Non-MSA, Eugene-Springfield MSA, and Bend MSA is consistent with this conclusion, while performance in the Salem, Albany-Lebanon, and Grant's Pass MSAs was above the overall conclusion. Performance in the Corvallis and Medford assessment areas was below the overall conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Oregon.

Branch Distribution by Geography Income Level - Oregon						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	8	1.8	30,103	1.6	-	0.0
Moderate	79	17.9	330,157	17.5	14	46.7
Middle	245	55.6	1,084,139	57.3	12	40.0
Upper	102	23.1	433,794	22.9	4	13.3
NA	7	1.6	12,722	0.7	-	0.0
Total	441	100.0	1,890,915	100.0	30	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed nine branches throughout the Oregon assessment areas: two in the Salem MSA, one in the Eugene MSA, one in the Bend MSA, two in the Medford MSA, two in the Non-MSA and one in the Grant's Pass MSA. No branches were opened. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Oregon assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent with the institution overall and throughout the Oregon assessment areas. Drive-up service is provided at 26 of the 30 branch locations. Most locations have standard hours of operation. Refer to each assessment area for details.

Community Development Services

WaFd provides a relatively high level of community development services in its Oregon assessment areas. Bank personnel provided 3,631 community development service hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, most community service activities were directed toward providing community services to low- and moderate-income populations. A plurality of service hours was provided in the Oregon non-MSA assessment area, which also received the greatest weight in determining overall conclusions for the rated area. The following table details the bank's community development services by assessment area and purpose. Refer to each full-and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Oregon Non-MSA	51	1,692	-	-	1,743
Bend MSA	9	367	-	-	376
Salem MSA	38	488	-	-	526
Eugene MSA	31	138	2	-	171
Medford MSA	45	195	-	-	240
Grant's Pass MSA	59	250	2	-	311
Corvallis MSA	44	97	-	-	141
Albany MSA	34	89	-	-	123
Total	311	3,316	4	0	3,631
<i>Source: Bank Data</i>					

NON-MSA OREGON – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-MSA OREGON ASSESSMENT AREA

The Oregon non-MSA assessment area is comprised of the full counties in the state of Oregon, which are not included as a part of any MSA, where the institution has a branch presence:

- Crook County
- Klamath County
- Lake County
- Lincoln County
- Malheur County
- Umatilla County
- Union County
- Wasco County

Apart from Lake County and Klamath County, which share a border; as well as Union County and Umatilla County, which also share a border, the Oregon non-MSA assessment area is not contiguous.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Non-MSA Oregon AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	1	1.2	2	2.0
Moderate	8	9.6	14	14.3
Middle	57	68.7	62	63.3
Upper	15	18.1	18	18.4
N/A	2	2.4	2	2.0
Total	83	100.0	98	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Oregon non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Median Family Income Non-MSAs - OR		\$63,625	Median Housing Value			\$222,999
Household Distribution by Income Level	130,640	23.7	15.7	18.4	42.2	0.0
Family Distribution by Income Level	84,754	20.1	18.0	21.8	40.1	0.0
Farms by Geography	3,697	1.6	10.0	66.1	22.3	0.0
Businesses by Geography	41,936	1.7	15.4	63.4	19.5	0.0
Vacant Units by Geography	26,645	1.7	15.0	71.6	11.7	0.0
Occupied Rental Units by Geography	44,795	1.8	20.6	65.3	12.2	0.0
Housing Units by Geography	157,285	1.6	14.5	68.2	15.7	0.0
Owner-Occupied Units by Geography	85,845	1.5	11.2	68.7	18.7	0.0
Population by Geography	341,195	1.5	13.3	67.6	17.6	0.0
Geographies (Census Tracts)	98	2.0	14.3	63.3	18.4	2.0
			Families Below Poverty Level			10.2%
			Median Gross Rent			\$834
Source: 2020 U.S. Census and D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on the 2020 U.S. Census data, there are 157,285 housing units in the assessment area. Of these, 54.6 percent are owner-occupied, 28.5 percent are occupied rental units, and 16.9 percent are vacant. The median housing value of \$222,999 indicates a relatively high-priced housing area.

Based on 2023 D&B data, there are 45,633 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 31.5 percent; followed by non-classifiable establishments at 22.3 percent; retail trade at 10.9 percent; and agriculture, forestry and fishing at 8.1 percent. Additionally, 64.0 percent of the assessment area's businesses employ 4 or fewer employees, and 92.9 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include a diverse economy with an export focus and low energy costs courtesy of a network of hydroelectric plants. Economic weaknesses include a strict regulatory environment that raise business costs, above-average employment volatility and low housing affordability. The top employers in the state are Intel Corp., Providence Health systems, Oregon Health and Science University, and Fred Meyer Stores.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 3rd most deposits of 16 depository institutions with an 11.0 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an executive director of a local housing assistance entity. The contact proposed that most housing affordability issues in the area are due to cost of living increases. The contact explained that the region has lost multiple entry-to-middle-income housing units to investment properties and Airbnb rentals, and the local area has a large blue-collar workforce that cannot keep up with the escalating prices. The contact noted an increase in homelessness, more instances of domestic violence, and childhood poverty. The contact indicated that these trends were worsened by the recent pandemic; however, these disruptions are a continuation from the 2008 recession. The contact stated that the primary need in the area is for affordable housing and that current housing prices are very high, despite an older housing stock. The contact mentioned the difficulty to procure financing for affordable housing projects, and the local community and regional banks do not seem to have the experience or willingness to structure loans for larger affordable housing developments.

Credit and Community Development Needs and Opportunities

Based on information obtained from the community contacts, bank management, and demographic and economic data, housing in general is the primary community development credit need in the assessment area. Due to the rural nature of the area, community services represent a secondary community development need in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NON-MSA OREGON ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Oregon non-MSA assessment area is consistent with conclusions for the Oregon rated area

Lending Activity

Aggregate HMDA reports show WaFd was the 21st most active home mortgage lender of 382 lenders with a 1.31 percent market share in the assessment area. The real estate lending market is fairly concentrated in the assessment area. CRA Aggregate Reports show WaFd was the 24th most active of 82 lenders with a 0.5 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans that reflects adequate penetration throughout the assessment area and a geographic distribution of small business loans that reflects excellent penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. As reflected in the following table, the bank's performance was very similar to aggregate lenders and demand as defined by the percentage of owner-occupied homes in the assessment area across the entire evaluation period.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Oregon non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.7	0.5	0	0.0	0	0.0
2021	0.7	0.6	2	1.5	2,529	6.9
2022	1.5	1.4	1	0.7	30	0.1
2023	1.5	--	1	1.3	75	0.4
Moderate						
2020	6.8	5.6	10	7.0	2,089	6.6
2021	6.8	6.0	6	4.4	2,210	6.0
2022	11.2	11.7	12	8.9	2,309	5.8
2023	11.2	--	10	12.7	1,297	7.0
Middle						
2020	74.6	74.2	113	79.0	26,175	82.6
2021	74.6	73.9	104	76.5	26,665	72.8
2022	68.7	69.3	95	70.4	25,900	65.6
2023	68.7	--	51	60.6	10,190	54.8
Upper						
2020	17.9	19.6	20	14.0	3,438	10.8
2021	17.9	19.5	24	17.6	5,243	14.3
2022	18.7	17.5	27	20.0	11,260	28.5
2023	18.7	--	17	21.5	7,020	37.8
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	143	100.0	31,701	100.0
2021	100.0	100.0	136	100.0	36,647	100.0
2022	100.0	100.0	135	100.0	39,499	100.0
2023	100.0	--	79	100.0	18,581	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. As depicted in the table below, the distribution of loan in both low- and moderate-income geographies exceeded aggregate lending levels and demand as defined by the number of businesses in these geographies across all years, sometimes to a significant extent. WaFd's level of lending at twice the level of aggregate levels across several years supports the excellent penetration conclusion.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Oregon Non MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	1.0	0.9	11	3.6	702	3.7
2021	1.0	0.9	1	2.0	70	1.7
2022	1.7	1.4	1	3.4	10	0.3
2023	1.7	--	0	0.0	0	0.0
Moderate						
2020	11.0	11.4	62	20.4	6,137	32.3
2021	10.7	9.9	11	22.0	455	11.3
2022	15.5	15.5	8	27.6	466	14.8
2023	15.4	--	8	25.8	1,277	57.3
Middle						
2020	67.3	68.5	194	63.8	10,138	53.3
2021	67.5	68.9	36	72.0	3,444	85.4
2022	63.5	64.0	18	62.1	1,861	59.2
2023	63.4	--	20	64.5	795	35.7
Upper						
2020	20.6	19.3	37	12.2	2,028	10.7
2021	20.9	20.3	2	4.0	63	1.6
2022	19.3	19.2	2	6.9	809	25.7
2023	19.5	--	3	9.7	155	7.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	304	100.0	19,005	100.0
2021	100.0	100.0	50	100.0	4,032	100.0
2022	100.0	100.0	29	100.0	3,146	100.0
2023	100.0	--	31	100.0	2,227	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects adequate penetration among retail customers of different income levels and a distribution of small business borrowers that reflects good penetration among business customers of different sizes.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects adequate penetration among retail customers of different income levels, primarily due to the bank's level of lending to low-income families in the assessment area. As reflected in the following table, bank lending levels to moderate-income families are relatively low, except for 2023. But lending to low-income families offsets the level of lending to moderate-income families.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Oregon non-MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.9	3.3	3	2.1	232	0.7
2021	20.9	4.1	9	6.6	555	1.5
2022	20.1	5.3	12	8.9	942	2.4
2023	20.1	--	6	7.6	195	1.0
Moderate						
2020	17.9	12.5	11	7.7	1,105	3.5
2021	17.9	15.3	10	7.4	1,310	3.6
2022	18.0	15.1	17	12.6	1,864	4.7
2023	18.0	--	16	20.3	1,509	8.1
Middle						
2020	20.1	20.0	30	21.0	4,425	14.0
2021	20.1	22.5	30	22.1	4,706	12.8
2022	21.8	23.4	18	13.3	2,590	6.6
2023	21.8	--	14	17.7	2,008	10.8
Upper						
2020	41.2	44.1	80	55.9	21,599	68.1
2021	41.2	40.4	64	47.1	18,622	50.8
2022	40.1	43.5	78	57.8	29,880	75.6
2023	40.1	--	32	40.5	11,747	63.2
Not Available						
2020	0.0	20.2	19	13.3	4,340	13.7
2021	0.0	17.7	23	16.9	11,455	31.3
2022	0.0	12.7	10	7.4	4,223	10.7
2023	0.0	--	11	13.9	3,123	16.8
Totals						
2020	100.0	100.0	143	100.0	31,701	100.0
2021	100.0	100.0	136	100.0	36,647	100.0
2022	100.0	100.0	135	100.0	39,499	100.0
2023	100.0	--	79	100.0	18,581	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business borrowers reflects good penetration among business customers of different sizes. As reflected in the table below, WaFd's level of lending to businesses with GAR of \$1 million or less exceeded aggregate performance in all three years from 2020 to 2022, including significantly exceeding aggregate performance in 2020 and 2021.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Oregon Non MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	86.3	45.6	205	67.4	6,649	35.0
2021	87.6	55.1	33	66.0	2,243	55.6
2022	89.2	57.1	17	58.6	254	8.1
2023	90.1	--	19	61.3	515	23.1
>\$1,000,000						
2020	3.5	--	86	28.3	11,459	60.3
2021	3.0	--	13	26.0	1,753	43.5
2022	2.5	--	11	37.9	2,882	91.6
2023	2.2	--	12	38.7	1,712	76.9
Revenue Not Available						
2020	10.2	--	13	4.3	897	4.7
2021	9.4	--	4	8.0	36	0.9
2022	8.3	--	1	3.4	10	0.3
2023	7.7	--	0	0.0	0	0.0
Totals						
2020	100.0	--	304	100.0	19,005	100.0
2021	100.0	--	50	100.0	4,032	100.0
2022	100.0	--	29	100.0	3,146	100.0
2023	100.0	--	31	100.0	2,227	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made an adequate level of community development loans in the assessment area, comprising 12 loans totaling \$27.2 million. Community development lending increased from the previous evaluation, where 7 community development loans totaling \$5.3 million targeted the Oregon non-MSA assessment area. Total community development loans include 9 affordable housing loans totaling \$26.8 million. As described in the Credit and Community Development Needs and Opportunities section, housing availability was identified as a significant need in the Oregon non-MSA assessment area.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank made a loan of \$19.7 million in in 2022 to construct an 82-unit affordable housing project. The units are part of a Low-Income Housing Tax Credit with 45 units reserved for vouchers through HUD Section 8 and other programs and 37 units restricted to those earning 60 percent or less of area median income.
- The bank made a loan and several renewals of \$145 thousand to a non-profit that provides work, training, and rehabilitation to individuals with disabilities and low-income individuals with limited job skills.
- In 2021 the bank made a loan of \$4.0 million to finance 44 units of multi-family housing. The property is part of a Low-Income Housing Tax Credit and 100 percent of the units are income restricted to families within 30 to 60 percent of the area's median family income.

INVESTMENT TEST

WaFd has a significant level of qualified community development investments and donations in the Oregon Non-MSA, exhibits good responsiveness to credit and community development needs, and makes significant use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations in the Oregon Non-MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$8.5 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$5.0 million. The current total includes 2 new investments of approximately \$8.2 million, donations of \$100,000, and 1 prior period investment of approximately \$270,000.

All the investments and a few donations helped to support affordable housing, but community services and revitalization or stabilization efforts were also sustained within the Oregon Non-MSA.

The following table details the qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Oregon Non-MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	270	-	-	-	-	-	-	1	270
Current Period	2	8,156	-	-	-	-	-	-	2	8,156
Subtotal	3	8,426	-	-	-	-	-	-	3	8,426
Qualified Grants & Donations	1	2	23	89	-	-	3	9	27	100
Total	4	8,428	23	89	-	-	3	9	30	8,526
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution's community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$270,000 investment in an affordable housing fund. The resources were used to develop and maintain housing units located in the assessment area for low- and moderate-income families in need.
- In 2021, the institution purchased a \$6.0 million investment in a 52-unit property with income restrictions. This affordable housing development targets low-income families and persons with rehabilitation needs.
- In 2022, WaFd donated \$10,000 to a non-profit organization that provides essential assistance to low-income individuals. The organization delivers critical community resources, such as food and shelter, to persons living on the streets.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs. WaFd's emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need in the Oregon Non-MSA for more affordable housing options to low- and moderate-income persons.

Community Development Initiatives

WaFd makes occasional use of innovative and/or complex investments to support community development initiatives. The institution's qualified investments are useful and help promote community development and are considered innovative and complex as most of the new investments and those held by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's Service Test performance in the Oregon non-MSA assessment area is consistent with conclusions for the state of Oregon.

Accessibility of Delivery Systems

Delivery Systems are accessible to essentially all portions of the institution's assessment area. WaFd does not operate any branches in low-income tracts in this assessment area; however, demographic data shows there are only two low-income census tracts and a very limited percentage of the population residing in these geographies. The bank's presence in moderate-income census tracts is more than twice that of both demographic comparators, indicating accessibility to these areas and individuals. One branch is also located in a middle-income census tract that is designated as distressed and underserved. See following table:

Branch Distribution by Geography Income Level – Oregon Non-MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	2	2.0	5,243	1.5	0	0.0
Moderate	14	14.3	45,236	13.3	5	38.4
Middle	62	63.3	230,607	67.6	7	53.9
Upper	18	18.4	60,109	17.6	1	7.7
NA	2	2.0	0	0.0	0	0.0
Total	98	100.0	341,195	100.0	13	100.0
Source: 2020 U.S. Census Data; Bank Data						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed two branches; one in a middle-income geography which is designated as underserved, and one in an upper-income geography. WaFd did not open any branches in this assessment area since the previous evaluation.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Oregon and institution. Eleven of the 13 branches in the assessment area provide drive-up service. Except for two branches that are open until 5:00 p.m. on Fridays, each branch offers extended hours on Fridays.

Community Development Services

The institution provides a relatively high level of community development services in the Oregon non-MSA assessment area. During the evaluation period, bank personnel provided 1,743 hours of community development services. This performance level represents an increase from the prior evaluation, when WaFd employees provided 869 hours to the assessment area. The significant majority of these were community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- A bank officer provided 30 hours of personal financial budgeting as part of community service non-profit that provides essential services such as food, financial assistance, and training to low-income families in Umatilla County.
- Bank officers provided 79 hours serving as Board members of non-profits dedicated to providing affordable housing for low- and moderate-income families in Wasco County and Lincoln County.
- Bank officers provided 142 hours of teaching Money Smart and other financial literacy courses to students at majority free or reduced lunch schools in Klamath County.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Oregon assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Oregon non-MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Bend	Below	Consistent	Below
Salem	Consistent	Consistent	Consistent
Eugene-Springfield MSA	Consistent	Below	Below
Medford	Consistent	Below	Below
Grants Pass	Exceeds	Below	Consistent
Corvallis	Below	Consistent	Consistent
Albany	Consistent	Below	Consistent

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Oregon overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Bend MSA

WaFd operates four full-service branches in the assessment area: one in a moderate, two in middle- and one in an upper-income census tract. The assessment area does not contain any low-income census tracts. The bank's branch presence in moderate-income tracts (25.0 percent) is above the percentage of census tracts and population residing in the areas, which are 17.8 and 18.1 percent respectively. Each branch provides drive-up service and generally has standard hours of operation. The bank closed one branch in a moderate-income geography since the previous evaluation. No branches were opened.

Activity	#	\$
Small Business Loans	328	41,562
Home Mortgage Loans	487	316,983
Community Development Loans	15	23,508
Investments (New)	3	4,686
Investments (Prior Period)	4	1,701
Donations	37	142
Community Development Services	376	-
<i>Source: Bank Data</i>		

Salem MSA

WaFd operates three full-service branches in the assessment area, all of which are in moderate-income geographies. All branches provide drive-up service and have standard hours of operation. Two branches were closed since the previous evaluation: one in a low-income and one in a middle-income census tract. No branches were opened.

Activity	#	\$
Small Business Loans	164	10,218
Home Mortgage Loans	285	199,174
Community Development Loans	9	27,851
Investments (New)	3	4,059
Investments (Prior Period)	-	-
Donations	4	24
Community Development Services	526	-
<i>Source: Bank Data</i>		

Eugene-Springfield MSA

WaFd operates two full-service branches in the assessment area. One is in a moderate-income census tract and is open Monday through Friday, from 9:00 a.m. to 5:00 p.m. The other branch is in a middle-income census tract, has standard hours of operation, and provides drive-up service with hours that mirror those of the lobby. There are no low-income geographies in the assessment area and WaFd's presence in moderate-income tracts is more than twice the percentage of moderate-income geographies and the population residing in these areas. The bank closed one branch in an upper-income geography since the previous evaluation. No branches were opened.

Activity	#	\$
Small Business Loans	187	28,749
Home Mortgage Loans	192	166,967
Community Development Loans	12	22,614
Investments (New)	8	1,394
Investments (Prior Period)	-	-
Donations	19	71
Community Development Services	171	-
<i>Source: Bank Data</i>		

Medford MSA

The bank operates three full-service branches in the assessment area. The branches are in a moderate-, a middle-, and an upper-income census tract respectively. WaFd does not operate any branches in the sole low-income tract in the assessment area. The institution's branch presence in moderate-income geographies (33.3 percent) is above demographic data which shows the assessment area is comprised of 19.2 percent moderate-income census tracts, with 20.8 percent of the population residing in these geographies. Apart from the branch located in the upper-income geography, each branch provides drive-up service. Branches have generally standard hours of operation. The bank closed two branches: one in a middle- and one in an upper-income census tract. No branches were opened.

Activity	#	\$
Small Business Loans	251	55,377
Home Mortgage Loans	116	79,144
Community Development Loans	12	7,554
Investments (New)	3	2,454
Investments (Prior Period)	-	-
Donations	17	94
Community Development Services	240	-
<i>Source: Bank Data</i>		

Grants Pass MSA

WaFd operates three full-service branches in the assessment area; two are located in moderate-income census tracts and one is located in a middle-income census tract. The assessment area does not contain any low-income tracts. Each branch provides drive-up service and generally standard hours of operation. The institution closed one branch in a middle-income geography since the prior evaluation. No branches were opened.

Activity	#	\$
Small Business Loans	124	9,265
Home Mortgage Loans	84	17,235
Community Development Loans	4	5,679
Investments (New)	8	1,567
Investments (Prior Period)	-	-
Donations	2	11
Community Development Services	311	-
<i>Source: Bank Data</i>		

Corvallis MSA

WaFd operates one full-service branch in an upper-income census tract in the assessment area; however, the branch is located on the border of two moderate-income tracts. The branch is open Monday through Friday, from 9:00 a.m. to 5:00 p.m. The branch provides drive-up service with hours that mirror those of the lobby. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	42	3,510
Home Mortgage Loans	114	57,165
Community Development Loans	3	4,504
Investments (New)	4	768
Investments (Prior Period)	1	1,144
Donations	10	13
Community Development Services	141	-
<i>Source: Bank Data</i>		

Albany-Lebanon MSA

The bank operates one full-service branch located in a moderate-income geography. The branch provides drive-up service with hours that mirror the lobby from 9:00 a.m. to 5:00 p.m., Monday through Friday. WaFd did not open or close any branches since the prior evaluation.

Activity	#	\$
Small Business Loans	53	4,510
Home Mortgage Loans	82	32,763
Community Development Loans	3	7,273
Investments (New)	4	605
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	123	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

IDAHO

CRA RATING FOR IDAHO: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN IDAHO

WaFd delineated five assessment areas in the state of Idaho, as reflected in the following table:

Description of Assessment Areas – Washington		
Assessment Area	Counties in Assessment Area	# of census tracts
Boise City MSA	Ada, Canyon	183
ID Non-MSA	Bingham, Blaine, Gooding, Madison, Payette, Shoshone, Valley	61
Twin Falls MSA	Jerome, Twin Falls	23
Idaho Falls MSA	Bonneville	24
Pocatello MSA	Bannock	24
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's Idaho assessment area composition remains unchanged from the previous evaluation despite two branch closures in the Idaho non-MSA assessment area. No new branches were opened in Idaho during the review period. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic considerations.

SCOPE OF EVALUATION – IDAHO

Based on lending activity, deposit volume, and branch distribution, the Boise City MSA assessment area was evaluated using full-scope procedures. The remaining assessment areas were evaluated using limited-scope procedures.

The Boise City MSA assessment area received the greatest consideration in determining overall conclusions for the state of Idaho, followed by the Idaho non-MSA assessment area. The Twin Falls MSA assessment area, Idaho Falls MSA assessment area and Pocatello MSA assessment area contributed less weight to performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Idaho						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Boise City MSA	885	44.5	718,289	65.9	10	45.5
ID Non-MSA	592	29.7	230,907	21.2	8	36.4
Twin Falls MSA	118	5.9	88,122	8.1	2	9.1
Idaho Falls MSA	342	17.2	29,596	2.7	1	4.5
Pocatello MSA	53	2.7	22,784	2.1	1	4.5
Idaho State Total	1,990	100.0	100.0	100.0	22	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN IDAHO

LENDING TEST

WaFd’s Lending Test performance in Idaho is rated “Needs to Improve”. The institution’s performance in the Boise City MSA assessment area, Idaho non-MSA assessment area, and Idaho Falls MSA assessment area is consistent with this conclusion. Performance in the Twin Falls MSA assessment area and Pocatello MSA assessment area exceed the rated area conclusion.

Lending Activity

Lending Levels reflect adequate responsiveness to the credit needs in the Idaho assessment areas, considering the number and dollar volume of home mortgage and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank’s market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the Idaho assessment areas. The institution’s performance in the Boise City MSA assessment area, Idaho non-MSA assessment area, and Idaho Falls MSA assessment area is consistent with this conclusion. Performance in the Twin Falls MSA assessment area and Pocatello MSA assessment area exceed the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. The institution’s performance in the Boise City MSA assessment area and the Idaho Falls MSA assessment area is below this conclusion, performance in the Idaho non-MSA assessment area is consistent with this conclusion, while performance in the Twin Falls MSA assessment area, and Pocatello MSA assessment area exceed the rated area conclusion.

Community Development Loans

WaFd made a low level of community development loans in the Idaho assessment areas. The institution's performance in each of the Idaho assessment areas was consistent with this conclusion except for community development lending performance in the Pocatello MSA assessment area, which exceeded the conclusion for the rated area. The following table details the bank's community development loans by assessment area and purpose.

Community Development Lending by Assessment Area – Idaho										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boise City MSA	5	146	-	-	2	2,953	-	-	7	3,099
ID Non-MSA	-	-	-	-	-	-	-	-	-	-
Twin Falls MSA	2	46	-	-	-	-	-	-	2	46
Idaho Falls MSA	1	29	-	-	-	-	-	-	1	29
Pocatello MSA	1	3,155	-	-			-	-	1	3,155
Total	9	3,376	-	-	2	2,953	-	-	11	6,329
<i>Source: Bank Data</i>										

The bank made 11 community development loans in Idaho totaling \$6.3 million. Most of these supported affordable housing initiatives. The delivery of housing services to low- and moderate-income families was identified as community need in the Idaho assessment areas, including the Boise City MSA assessment area.

INVESTMENT TEST

WaFd is rated “Low Satisfactory” in the Investment Test for the state of Idaho. Though the institution's performance in the Boise City MSA assessment area exceeds this conclusion, performance in each of the other assessment areas was below the rated area conclusion.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and donations, particularly those instruments that are not routinely provided by private investors, though rarely in a leadership position. WaFd reported 126 qualified investments and donations that total approximately \$13.1 million during the evaluation period. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$8.0 million. The total amount of new CRA-qualified investments reported was approximately \$8.1 million. The institution also held approximately \$4.7 million in prior period investments and reported approximately \$333,000 in grants and donations in the state. The institution was able to penetrate all of the assessment areas in the state with investment activity and most of the assessment areas in the state with grant and donation activity.

The current dollar amount of investments and donations in the state of Idaho is 5.1 percent of the institution's total qualified community development investments and donations for all the rated

areas combined. The following table lists the qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area – Idaho										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boise City MSA	22	8,068	-	-	-	-	-	-	22	8,068
Idaho Non-MSA	12	2,913	-	-	-	-	-	-	12	2,913
Twin Falls MSA	5	676	-	-	-	-	-	-	5	676
Idaho Falls MSA	4	589	-	-	-	-	-	-	4	589
Pocatello MSA	4	530	-	-	-	-	-	-	4	530
Subtotal	47	12,776	-	-	-	-	-	-	47	12,776
Qualified Grants & Donations	26	104	51	216	1	10	1	3	79	333
Total	73	12,880	51	216	1	10	1	3	126	13,109
<i>Source: Bank Records</i>										

Affordable housing received all of the qualified investments with approximately \$12.8 million, which includes 5 prior period investments for approximately \$4.7 million that are still active. Refer to the full-scope assessment area for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits adequate responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments is reflective of a need to increase the opportunities for affordable housing units in the communities in the state of Idaho.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as a few new investments and those held by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's service test performance in Idaho is rated "High Satisfactory". The institution's performance in the Boise City MSA assessment area is consistent with this conclusion. Performance in the Idaho non-MSA assessment area, Twin Falls MSA assessment area, and Idaho Falls MSA assessment area is below the rated area conclusion, while performance in the Pocatello MSA assessment area exceeds the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's Idaho assessment areas and is consistent with the institution overall. Performance in the Boise City MSA is consistent with this conclusion, while performance in the Pocatello MSA was above the overall conclusion. Performance in the Idaho Falls, Twin Falls, and Non-MSAs was below the overall conclusion. Refer to each full- or limited-scope analysis for details. The following table depicts performance for the State of Idaho.

Branch Distribution by Geography Income Level – Idaho						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	183	58.1	26,360	2.0	1	4.5
Moderate	24	7.6	245,291	19.0	5	22.7
Middle	24	7.6	679,385	52.6	12	54.6
Upper	23	7.3	334,854	25.9	4	18.2
NA	61	19.4	3,633	0.5	-	0.0
Total	315	100.0	1,289,523	100.0	22	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed two branches in the Non-MSA assessment area. No branches were opened. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Idaho assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent with the institution overall and throughout the Idaho assessment areas. Drive-up service is provided at 20 of the 22 branch locations. Differences in branch hours are not material. Except for four branches, each location has standard hours of operation with extended Friday hours. Refer to each assessment area for details.

Community Development Services

WaFd provides a relatively high level of community development services in its Idaho assessment areas. Bank personnel provided 1,630 community development service hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, the significant majority of community service activities were directed toward providing community services to low- and moderate-income populations. The majority of service hours were provided in the Boise City MSA assessment area, which also received the greatest weight in determining overall conclusions for the rated area. The

following table details the bank's community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Boise MSA	15	780	30	-	825
Idaho Non-MSA	-	385	1	-	386
Twin Falls MSA	13	91	-	-	104
Idaho Falls MSA	-	51	-	-	51
Pocatello MSA	36	226	2	-	264
Total	64	1,533	33	0	1,630
<i>Source: Bank Data</i>					

BOISE CITY MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BOISE CITY MSA ASSESSMENT AREA

The Boise City MSA assessment area represents a portion of the Boise City MSA and is comprised of Ada and Canyon counties, and includes the Idaho cities of Nampa, and Meridian, in addition to Boise.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Boise City MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	6	6.8	4	2.2
Moderate	25	28.4	33	18.0
Middle	33	37.5	88	48.1
Upper	24	27.3	57	31.1
N/A	0	0.0	1	0.5
Total	88	100.0	183	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Boise City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	183	2.2	18.0	48.1	31.1	0.5
Population by Geography	726,072	2.3	18.0	49.0	30.5	0.3
Housing Units by Geography	265,439	2.1	18.7	48.9	30.0	0.4
Owner-Occupied Units by Geography	180,553	0.6	15.0	51.0	33.3	0.0
Vacant Units by Geography	10,237	4.1	21.8	44.6	29.2	0.4
Occupied Rental Units by Geography	74,649	5.4	27.0	44.2	22.2	1.2
Businesses by Geography	123,417	1.6	16.4	46.6	35.4	0.1
Farms by Geography	4,198	0.9	16.6	47.6	34.9	0.0
Family Distribution by Income Level	170,224	16.8	19.0	22.9	41.3	0.0
Household Distribution by Income Level	255,202	21.0	17.0	21.1	41.0	0.0
Median Family Income MSA - 14260 Boise City, ID MSA		\$77,090	Median Housing Value		\$279,993	
			Families Below Poverty Level		6.5%	

	Median Gross Rent	\$999
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.		

Based on the 2020 U.S. Census data, there are 265,439 housing units in the assessment area. Of these, 68.0 percent are owner-occupied, 28.5 percent are occupied rental units, and 3.9 percent are vacant. The median housing value of \$279,993 indicates a relatively high-priced housing area.

Based on 2023 D&B data, there are 127,615 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 32.8 percent; followed by non-classifiable establishments at 28.3 percent; finance, insurance and real estate at 10.5 percent; and retail trade at 8.2 percent. Additionally, 62.4 percent of the assessment area's businesses employ 4 or fewer employees, and 95.6 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include above-average population growth and favorable migration inflows, cheaper living costs than in other large west coast metro areas, and below-average business costs. Economic weaknesses include above-average volatility tied to the cyclical semiconductor industry and a lack of high-wage jobs outside of tech and manufacturing. The top employers in the area are St. Luke's Health System; Micron Technology, Inc.; and St. Alphonsus Regional Medical Center.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 8th most deposits of 29 depository institutions with a 3.9 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an administrator of a local housing enterprise. The contact stated that the current economic conditions in the area are generally positive, noting that homelessness has not been an issue in nearby communities. The contact mentioned that the general banking and credit needs of the area are agricultural and small business lending, as well as personal banking services. The contact indicated that banks seem to be sufficiently involved in their communities, including teaching financial literacy classes at local schools. The contact observed that the delivery of housing services to low-income families is a critical need in the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing, as well as small business loans and financial literacy education represent credit needs and opportunities for the Boise City assessment area

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BOISE CITY MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Boise City MSA assessment area is consistent with conclusions for the Idaho rated area.

Lending Activity

Aggregate HMDA reports show WaFd was the 269th most active home mortgage lender of 964 lenders with a 0.04 percent market share in the assessment area. CRA Aggregate Reports show WaFd was the 37th most active of 114 lenders with less a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans that reflects adequate penetration throughout the assessment area, and a geographic distribution small business loans that reflects good penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. As depicted in the following table, lending in low-income geographies slightly exceeded peer in 2022. While no loans were made in the assessment area's low-income geographies in 2023, this market segment is particularly difficult to penetrate, as evidenced by the extremely limited owner-occupied housing stock and peer lending performance. Lending in moderate-income areas exceeded aggregate lender levels in 2020 and 2021. However, 2022 lending in moderate-income geographies trailed the aggregate in 2022 and declined significantly in 2023, resulting in a poor distribution of borrowers among home mortgage loans.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Boise City MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.5	1.3	2	1.1	2,360	3.4
2021	1.5	1.5	2	1.1	465	0.3
2022	0.6	0.9	3	2.0	711	0.4
2023	0.6	--	0	0.0	0	0.0
Moderate						
2020	22.2	17.5	33	18.0	8,757	12.5
2021	22.2	19.0	39	21.3	11,062	8.0
2022	15.0	15.7	20	13.2	22,668	13.3
2023	15.0	--	5	6.0	848	2.6
Middle						
2020	46.4	47.4	78	42.6	28,249	40.5
2021	46.4	48.1	75	41.0	87,210	63.4
2022	51.0	50.7	64	42.4	100,711	59.3
2023	51.0	--	44	52.4	14,206	43.1
Upper						
2020	29.9	33.7	70	38.3	30,466	43.6
2021	29.9	31.4	67	36.6	38,844	28.2
2022	33.3	32.7	64	42.4	45,840	27.0
2023	33.3	--	35	41.7	17,921	54.3
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	183	100.0	69,832	100.0
2021	100.0	100.0	183	100.0	137,582	100.0
2022	100.0	100.0	151	100.0	169,930	100.0
2023	100.0	--	84	100.0	32,975	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. As reflected in the following table, lending in low-income geographies exceeded aggregate lender levels in 2 of 3 years. In addition, lending in moderate-income geographies exceeded aggregate lender levels, and to a significant extent in 2021. The consistent performance, combined with several years performance significantly exceeding aggregate lending levels supports the conclusion of good penetration throughout the assessment area.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Boise City MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	9.3	11.0	29	12.9	1,785	11.1
2021	8.2	9.5	2	8.7	1,024	28.9
2022	1.7	1.6	1	5.9	1,000	29.7
2023	1.6	--	0	0.0	0	0.0
Moderate						
2020	22.0	22.7	53	23.6	4,758	29.6
2021	21.5	20.6	9	39.1	2,073	58.4
2022	16.4	17.0	3	17.6	470	14.0
2023	16.4	--	3	17.6	2,050	55.9
Middle						
2020	38.3	35.9	68	30.2	3,463	21.5
2021	39.5	38.0	5	21.7	156	4.4
2022	46.6	47.1	5	29.4	565	16.8
2023	46.6	--	11	64.7	1,304	35.5
Upper						
2020	30.4	30.4	75	33.3	6,081	37.8
2021	30.8	31.8	7	30.4	295	8.3
2022	35.2	34.2	8	47.1	1,329	39.5
2023	35.4	--	3	17.6	315	8.6
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.1	0.1	0	0.0	0	0.0
2023	0.1	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	225	100.0	16,087	100.0
2021	100.0	100.0	23	100.0	3,548	100.0
2022	100.0	100.0	17	100.0	3,364	100.0
2023	100.0	--	17	100.0	3,669	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects poor penetration among retail customers of different income levels and a distribution of small business borrowers that reflects adequate penetration among business customers of different sizes. The number of home mortgages made compared to small business loans made necessitates greater weighting on home mortgages than small business loans.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects poor penetration among retail customers of different income levels. As reflected in the following table, lending to low-income borrowers was relatively equal to aggregate lenders, an adequate amount given low-income often cannot afford mortgages. However, the extent to which bank lending to moderate-income families lags aggregate performance, and lags demand as defined by the percentage of moderate-income families is so large that performance reflects poor penetration among retail customers of different income levels.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Boise City MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	18.9	5.1	8	4.4	1,148	1.6
2021	18.9	5.0	5	2.7	537	0.4
2022	16.8	6.0	10	6.6	709	0.4
2023	16.8	--	5	6.0	475	1.4
Moderate						
2020	18.6	16.8	17	9.3	2,413	3.5
2021	18.6	15.0	13	7.1	1,605	1.2
2022	19.0	15.7	15	9.9	2,344	1.4
2023	19.0	--	8	9.5	2,799	8.5
Middle						
2020	21.8	23.9	19	10.4	4,337	6.2
2021	21.8	23.6	24	13.1	5,981	4.3
2022	22.9	25.0	24	15.9	6,020	3.5
2023	22.9	--	22	26.2	6,447	19.6
Upper						
2020	40.7	42.1	110	60.1	40,844	58.5
2021	40.7	44.7	88	48.1	37,378	27.2
2022	41.3	44.7	73	48.3	36,654	21.6
2023	41.3	--	37	44.0	19,649	59.6
Not Available						
2020	0.0	12.2	29	15.8	21,090	30.2
2021	0.0	11.8	53	29.0	92,081	66.9
2022	0.0	8.6	29	19.2	124,205	73.1
2023	0.0	--	12	14.3	3,605	10.9
Totals						
2020	100.0	100.0	183	100.0	69,832	100.0
2021	100.0	100.0	183	100.0	137,582	100.0
2022	100.0	100.0	151	100.0	169,930	100.0
2023	100.0	--	84	100.0	32,975	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business borrowers reflects adequate penetration to businesses customers of different sizes. As reflected in the following table, lending to businesses with GAR of \$1 million or less was at relatively high levels in 2020 and 2021 but declined significantly in 2022 and 2023. Despite the declining trend, the distribution of small business loans reflects adequate penetration among business customers of different sizes.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Boise City MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	90.2	44.4	166	73.8	3,473	21.6
2021	91.6	51.6	17	73.9	1,778	50.1
2022	92.7	53.0	8	47.1	1,394	41.4
2023	93.3	--	7	41.2	370	10.1
>\$1,000,000						
2020	3.1	--	54	24.0	11,806	73.4
2021	2.4	--	5	21.7	1,751	49.4
2022	2.1	--	9	52.9	1,970	58.6
2023	1.9	--	9	52.9	3,049	83.1
Revenue Not Available						
2020	6.7	--	5	2.2	808	5.0
2021	6.0	--	1	4.3	19	0.5
2022	5.2	--	0	0.0	0	0.0
2023	4.8	--	1	5.9	250	6.8
Totals						
2020	100.0	--	225	100.0	16,087	100.0
2021	100.0	--	23	100.0	3,548	100.0
2022	100.0	--	17	100.0	3,364	100.0
2023	100.0	--	17	100.0	3,669	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made a low level of community development loans in the assessment area, comprising 7 loans totaling \$3.1 million. Total community development lending dollars declined from the previous evaluation, where 2 community development loans totaling \$3.5 million targeted the Boise City MSA assessment area. Boise City MSA assessment area community development loans are predominantly comprised of 2 economic development loans totaling \$3.0 million

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- In 2020, the bank made 2 PPP loans to businesses to retain staff during the national COVID emergency. One loan for \$1.5 million was made to a business in a low-income tract to support the retention of 208 employees. One loan for \$1.5 million was made to a business in a moderate-income tract to support the retention of 171 employees. Both loans were made to businesses with primarily low- and moderate-income employees.
- The bank made 5 loan totaling \$136 thousand through loan consortiums to support affordable multi-family housing projects. The bank's \$49 thousand portion of one loan provided long-term financing for a 60-Unit multi-family rental project where 75 percent of the units are restricted to tenants with household income not to exceed 60% of the area's median income.

INVESTMENT TEST

WaFd has a good level of qualified community development investments and donations in the Boise City MSA, exhibits good responsiveness to credit and community development needs, and makes occasional use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a good level of qualified community development investments and donations in the Boise City MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$8.3 million. This level is an increase from the prior evaluation when the institution's qualified investments and donations totaled approximately \$3.6 million. The current total includes 19 new investments of approximately \$4.6 million, donations of \$250,000, and 3 prior period investments of almost \$3.5 million.

All the investments and a few donations helped to support affordable housing, but community services and economic development efforts were also sustained within the Boise City MSA.

The following table details the qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Boise City MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	3,461	-	-	-	-	-	-	3	3,461
Current Period	19	4,607	-	-	-	-	-	-	19	4,607
Subtotal	22	8,068	-	-	-	-	-	-	22	8,068
Qualified Grants & Donations	13	60	29	180	1	10	-	-	43	250
Total	35	8,128	29	180	1	10	-	-	65	8,318
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution’s community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$1.5 million investment that supported affordable housing initiatives in the assessment area. The related housing project provides affordable housing options to low- and moderate-income persons in the assessment area.
- In 2023, the institution made a \$1.5 million investment in support of affordable housing availability for low- and moderate-income families. This funding promotes the development of necessary affordable housing inside the assessment area and directly benefits low- and moderate-income individuals.
- In 2020, WaFd donated \$25,000 to a non-profit organization that specializes in food distribution services. Located within the assessment area, the food bank supports families that live in poverty.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution’s emphasis on affordable housing investments during the review period and from the prior period is reflective of a need for more affordable housing development in the Boise City MSA.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd’s qualified investments are useful and help promote community development and are considered innovative and complex as a few investments held and purchased by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's Service Test performance in the Boise City MSA assessment area is consistent with conclusions for the state of Idaho.

Accessibility of Delivery Systems

Delivery Systems are accessible to essentially all portions of the institution's assessment area. WaFd doesn't operate any branches in low-income tracts; however demographic data shows a small percentage of tracts are designated as low-income and a small percentage of the population resides in these geographies. WaFd operates a large portion of its branches in moderate-income geographies. The institution's percentage of branches is more than double population and geographic demographics and indicates accessibility to geographies and individuals of different income levels.

Branch Distribution by Geography Income Level – Boise City MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	4	2.2	16,539	2.3	0	0.0
Moderate	33	18.0	130,603	18.0	4	40.0
Middle	88	48.1	355,484	49.0	5	50.0
Upper	57	31.1	221,109	30.5	1	10.0
NA	1	0.5	2,337	0.3	0	0.0
Total	183	100.0	726,072	100.0	10	100.0
<i>Source 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank did not open or close any branches in the assessment area.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Idaho and institution. Of the 10 branches in the assessment area, 9 provide drive-up service and standard hours of operation.

Community Development Services

The institution provides a relatively high level of community development services in the Boise City MSA assessment area. During the evaluation period, bank personnel provided 825 hours of community development services. Community development service hours increased from the prior evaluation, when WaFd employees provided 257 community development service hours to the

assessment area. Most community development service activities were directed toward community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- Multiple bank officers provided 233 hours of Money Smart and other financial literacy courses and instruction at schools with a majority of students eligible for free or reduced lunches.
- A bank officer provided 65 hours serving on the Loan Committee of a local Community Development Corporation that provides funding for very small and new businesses that do not meet traditional bank underwriting standards.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Idaho assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Boise City MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Idaho non-MSA	Consistent	Below	Below
Twin Falls MSA	Exceeds	Below	Below
Idaho Falls MSA	Consistent	Below	Below
Pocatello MSA	Exceeds	Below	Exceeds

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Idaho overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Idaho Non-MSA

WaFd operates eight full-service branches in the assessment area: one in a moderate-, five in middle- and two in upper-income census tracts. One branch located in middle-income census tract is in a geography designated as underserved. Seven of the branches provide drive-up service. Except for two branches which are open until 5:00 p.m. on Fridays, the remaining branches have standard hours of operation until 6:00 pm. on Fridays. Two branches located in middle-income census tracts were closed during the evaluation period. No branches were opened.

Activity	#	\$
Small Business Loans	148	8,185
Home Mortgage Loans	406	173,817
Community Development Loans	-	-
Investments (New)	10	1,690
Investments (Prior Period)	2	1,223
Donations	17	41
Community Development Services	386	-
<i>Source: Bank Data</i>		

Twin Falls MSA

The bank operates two full-service branches located in middle-income census tracts in the assessment area. Each branch provides drive-up service. One branch has standard hours, while the other is open until 5:00 p.m. on Fridays. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	31	2,474
Home Mortgage Loans	87	13,842
Small Farm Loans		
Community Development Loans	2	46
Investments (New)	5	676
Investments (Prior Period)	-	-
Donations	14	33
Community Development Services	104	-
<i>Source: Bank Data</i>		

Idaho Falls MSA

The bank operates one full-service branch located in an upper-income geography in the assessment area. The branch provides drive-up service and is open from 9:00 a.m. to 5:00 p.m., Monday through Friday. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	18	1,421
Home Mortgage Loans	44	54,877
Community Development Loans	1	29
Investments (New)	4	589
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	51	-
<i>Source: Bank Data</i>		

Pocatello MSA

The bank operates one full-service branch located in a low-income geography in the assessment area. The branch provides drive-up service and is open from 9:00 a.m. to 5:00 p.m., Monday through Friday. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	6	75
Home Mortgage Loans	47	15,231
Community Development Loans	1	3,155
Investments (New)	4	530
Investments (Prior Period)	-	-
Donations	5	9
Community Development Services	264	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

NEW MEXICO

CRA RATING FOR NEW MEXICO: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW MEXICO

WaFd delineated five assessment areas in the state of New Mexico, as reflected in the following table:

Description of Assessment Areas – New Mexico		
Assessment Area	Counties in Assessment Area	# of Census Tracts
NM Non-MSA	Chaves, Curry, Grant, Lea, Lincoln, McKinley, Otero, Rio Arriba, Socorro	142
Albuquerque MSA	Bernalillo, Sandoval	211
Santa Fe MSA	Santa Fe	57
Las Cruces MSA	Dona Ana	61
Farmington MSA	San Juan	36
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's assessment area composition remains unchanged since the prior evaluation, except that the New Mexico non-MSA assessment area no longer contains the New Mexico counties of Colfax and Eddy because the bank no longer has a branch presence in these counties. WaFd closed seven branches in the New Mexico non-MSA assessment area since the prior evaluation and one branch in the Las Cruces MSA assessment area. Additionally, the institution opened a branch in the Albuquerque MSA assessment area. Additionally, seven branches were closed in the New Mexico non-MSA assessment area, and a branch was closed in the Las Cruces MSA assessment area. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information.

SCOPE OF EVALUATION – NEW MEXICO

Based on lending activity, deposit volume, and branch distribution, the New Mexico non-MSA assessment area was evaluated using full-scope procedures. The remaining assessment areas were evaluated using limited scope procedures.

The New Mexico non-MSA assessment area and the Albuquerque MSA assessment area received the greatest consideration in determining overall conclusions for the state of New Mexico, followed in decreasing weight by the Santa Fe MSA assessment area, Las Cruces MSA assessment area, and

Farmington MSA assessment area. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – New Mexico						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
NM Non-MSA	495	30.4	678,125	46.7	10	52.6
Albuquerque MSA	627	38.5	592,947	40.8	5	26.3
Santa Fe MSA	265	16.3	70,042	4.8	2	10.5
Las Cruces MSA	158	9.7	62,067	4.3	1	5.3
Farmington MSA	84	5.2	48,649	3.4	1	5.3
New Mexico State Total	1,629	100.0	100.0	100.0	19	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW MEXICO

LENDING TEST

WaFd’s Lending Test performance in New Mexico is rated “Low-Satisfactory”. The bank’s performance in the New Mexico non-MSA assessment area exceeded this conclusion, while performance in the Santa Fe MSA assessment area and Las Cruces MSA assessment area was below the rated area conclusion. Performance in the Albuquerque MSA assessment area and Farmington MSA assessment area was consistent with the rated area conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the New Mexico assessment areas, considering the number and dollar volume of home mortgage and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for details including the bank’s market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the New Mexico assessment areas. The institution’s performance in the New Mexico non-MSA assessment area and Albuquerque MSA assessment area exceeded this conclusion; but the institution’s performance in the Santa Fe MSA assessment area, Las Cruces MSA assessment area and Farmington MSA assessment area was below the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. The institution’s performance in the New Mexico non-MSA assessment area exceeded this

conclusion; but performance in the Albuquerque MSA assessment area, Santa Fe MSA assessment area, and Las Cruces MSA assessment area was below the rated area conclusion. Performance in the Farmington MSA assessment area is consistent with the rated area conclusion.

Community Development Loans

WaFd made an adequate level of community development loans in the New Mexico assessment areas. Though the institution's performance in the New Mexico non-MSA assessment area and Las Cruces MSA assessment area was below this conclusion, performance in the Albuquerque MSA assessment area exceeded the rated area conclusion. Performance in the Santa Fe MSA assessment area and Farmington MSA assessment area was consistent with the rated area conclusion. The following table details the bank's community development loans by assessment area and purpose.

Community Development Lending by Assessment Area – New Mexico										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
NM Non-MSA	3	57	-	-	-	-	-	-	3	57
Albuquerque MSA	13	13,175	1	100	10	14,873	1	2,070	25	30,218
Santa Fe MSA	10	2,610	-	-	-	-	-	-	10	2,610
Las Cruces MSA	2	802	-	-	-	-	-	-	2	802
Farmington MSA	-	-	-	-	1	1,272	-	-	1	1,272
NM Statewide	4	116	-	-	-	-	-	-	4	116
Total	32	16,760	1	100	11	16,145	1	2,070	45	35,075
<i>Source: Bank Data</i>										

The bank made 45 community development loans in New Mexico totaling \$35.1 million. The plurality of community development activities supported affordable housing initiatives for low- and moderate-income families.

INVESTMENT TEST

WaFd is rated “High Satisfactory” in the Investment Test for the state of New Mexico. The institution's performance in the Albuquerque MSA assessment area and the Las Cruces MSA assessment area is consistent with this conclusion. Performance in the New Mexico non-MSA assessment area and Farmington MSA assessment area exceeded the rated area conclusion, and performance in the Santa Fe MSA assessment area was below the rated area conclusion.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations, often in a leadership position, particularly those instruments that are not routinely provided by private investors. WaFd reported 132 qualified investments and donations that total approximately \$21.1 million in the state. This level is an increase from the prior evaluation when the institution's qualified investments and donations totaled approximately \$14.6 million. The total amount of new CRA-qualified investments reported was approximately \$12.6 million. WaFd held

approximately \$8.1 million in prior period investments and reported approximately \$389,000 in grants and donations in the state. The institution was able to penetrate all of the assessment areas in the state with investment activity and most of the assessment areas in the state with grant and donation activity.

The current dollar amount of investments and donations in the state of New Mexico is 8.2 percent of the institution's total qualified community development investments and donations for all the rated areas combined. The following table shows a breakdown of qualified investments and donations activity by area and community development type.

Community Development Qualified Investments by Assessment Area – New Mexico										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New Mexico Non-MSA	6	10,801	-	-	-	-	-	-	6	10,801
Albuquerque MSA	23	4,822	-	-	-	-	-	-	23	4,822
Santa Fe MSA	4	945	-	-	-	-	-	-	4	945
Las Cruces MSA	2	1,950	-	-	-	-	-	-	2	1,950
Farmington MSA	2	2,207	-	-	-	-	-	-	2	2,207
Subtotal	37	20,725	-	-	-	-	-	-	37	20,725
Qualified Grants & Donations	8	44	77	263	10	82	-	-	95	389
Total	45	20,769	77	263	10	82	-	-	132	21,114
<i>Source: Bank Records</i>										

Affordable housing received all of the qualified investments with approximately \$20.7 million, which includes 5 prior period investments for approximately \$8.1 million that are still active.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs. WaFd's emphasis on affordable housing investments is reflective of a need in the state of New Mexico to provide essential affordable housing resources to low- and moderate-income individuals and families.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as several new investments and those held by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's service test performance in New Mexico is rated "Low Satisfactory". The institution's performance in the New Mexico non-MSA assessment area and Farmington MSA assessment area is consistent with this conclusion. Performance in the Albuquerque MSA assessment area and Las Cruces MSA assessment area exceeds the rated area conclusion, while performance in the Santa Fe MSA assessment area is below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's New Mexico assessment areas and is consistent with the institution overall. Performance in the Non-MSA and Albuquerque MSA is consistent with this conclusion, while performance in the Las Cruces and Santa Fe MSAs is above. Performance in the Farmington MSA is below the overall conclusion for the state. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of New Mexico.

Branch Distribution by Geography Income Level – New Mexico						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	30	5.9	91,905	5.2	1	5.3
Moderate	124	24.5	432,675	24.5	5	26.3
Middle	192	37.9	722,385	40.9	7	36.8
Upper	136	26.8	483,668	27.3	5	26.3
NA	25	4.9	37,272	2.1	1	5.3
Total	507	100.0	1,767,905	100.0	19	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed a total of eight branches. Seven branches were closed in the Non-MSA assessment area and were particularly impactful to low- and moderate-income geographies and distressed and/or underserved middle-income census tracts. One closure was in the Las Cruces MSA. One branch was opened in the Albuquerque MSA. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the New Mexico assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent with the conclusion for the institution overall and consistent throughout the New Mexico assessment areas. Drive-up service is provided at 16 of the 19 branch

locations. Differences in branch hours are not material. In New Mexico, standard hours of operation are generally from 8:30 a.m. to 4:30 p.m., Monday through Thursday, and until 5:00 p.m. on Fridays. One branch offers extended Friday hours until 6:00 p.m. and one branch offers Saturday hours. Refer to each assessment area for details.

Community Development Services

WaFd provides an adequate level of community development services in its New Mexico assessment areas. Bank personnel provided 811 community development services hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, the significant majority of community service activities were directed toward providing community services to low- and moderate-income populations. A plurality of service hours was provided in the New Mexico non-MSA assessment area, which also received the greatest weight in determining overall conclusions for the rated area. The following table details the bank's community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
New Mexico Non-MSA	57	323	2	-	382
Albuquerque MSA	11	307	-	-	318
Santa Fe MSA	4	7	-	-	11
Las Cruces MSA	3	73	-	-	76
Farmington MSA	6	18	-	-	24
Total	81	728	2	0	811
<i>Source: Bank Data</i>					

NON-MSA NEW MEXICO – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-MSA NEW MEXICO ASSESSMENT AREA

The New Mexico non-MSA assessment area is comprised of the full counties in the state of New Mexico, which are not included as a part of any MSA, where the institution has a branch presence:

- Chaves County
- Curry County
- Grant County
- Lea County
- Lincoln County
- McKinley County
- Otero County
- Rio Arriba County
- Socorro County

Chaves, Lincoln, Otero, and Socorro Counties are contiguous. McKinley County borders the Albuquerque MSA to the West, and Rio Arriba County borders the Albuquerque MSA to the North.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Non-MSA New Mexico AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	4	3.7	10	7.0
Moderate	31	29.0	33	23.2
Middle	46	43.0	66	46.5
Upper	26	24.3	26	18.3
N/A	0	0.0	7	4.9
Total	107	100.0	142	100.0
<i>Source: 2015 ACS, 2020 U.S. Census %s may not round to exactly 100.0</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: New Mexico non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	142	7.0	23.2	46.5	18.3	4.9
Housing Units by Geography	206,002	4.8	19.5	52.3	20.9	2.4
Population by Geography	446,582	6.6	21.6	49.0	20.6	2.2
Owner-Occupied Units by Geography	103,780	4.2	19.4	49.8	24.2	2.5
Vacant Units by Geography	52,557	3.9	19.1	53.1	20.7	3.2
Occupied Rental Units by Geography	49,665	7.0	20.4	56.6	14.4	1.6
Businesses by Geography	38,045	4.5	16.6	49.7	27.0	2.3
Farms by Geography	1,651	1.6	14.7	57.4	24.5	1.8
Family Distribution by Income Level	99,765	24.5	16.7	19.2	39.7	0.0
Household Distribution by Income Level	153,445	26.3	15.2	16.1	42.5	0.0
Median Family Income Non-MSAs - NM		\$57,380	Median Housing Value			\$131,829
			Median Gross Rent			\$783
			Families Below Poverty Level			17.0%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on the 2020 U.S. Census data, there are 206,002 housing units in the assessment area. Of these, 50.4 percent are owner-occupied, 24.1 percent are occupied rental units, and 25.5 percent are vacant. The median housing value of \$131,829 indicates a moderately-priced housing area.

Based on 2023 D&B data, there are 39,696 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 31.9 percent; followed by non-classifiable establishments at 21.3 percent; retail trade at 11.7 percent; and finance, insurance and real estate at 10.7 percent. Additionally, 62.7 percent of the assessment area's businesses employ 4 or fewer employees, and 90.0 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include opportunities for renewable energy, and a stable government presence via national labs and multiple military installations. Economic weaknesses include an overreliance on the public sector for jobs, and below-average per capita income. The top employers in the state are Walmart, Inc; Sandia National Laboratories; Presbyterian Healthcare Services; and Los Alamos National Laboratory.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 2nd most deposits of 35 depository institutions with a 7.8 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, a community contact interview was performed. Examiners conducted an interview with a director of a local small business development center. The contact stated that the area supports a diverse range of businesses ranging from in-home daycare to science and technology. The contact reported that many of the businesses the organization supports have difficulty obtaining funding. Affordable credit is unavailable due to the current interest rate environment. The contact stated that most banks are hesitant to make loans to start-ups and small businesses due to the risks they present. The contact indicated that the primary commercial lending needs in the area is funding for small business start-up financing as well as financial education to assist small business owners to prepare loan applications.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need of the assessment area and opportunity for financial institution involvement. Further, the significant portions of the population having low- or moderate-income, as well as those living below the poverty line, suggests a need for community development activities that benefit organizations or projects that provide community services to these families.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NEW MEXICO NON-MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the New Mexico non-MSA assessment area exceeds that of the New Mexico rated area.

Lending Activity

Aggregate HMDA reports show WaFd was the 32nd most active home mortgage lender of 343 lenders with a 0.86 percent market share in the assessment area. CRA Aggregate Reports show WaFd was the 74th most active of 237 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage and small business loans that both reflect good penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. As depicted in the following table no home mortgage loans were made in the assessment area's low-income geographies, but 2022 peer mortgage lending data indicates very limited lending opportunities in these geographies. The institution's performance in moderate-income geographies exceeded peer in 2022, increased in 2023, and is considered good.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: New Mexico non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.5	1.3	0	0.0	0	0.0
2021	2.5	1.0	0	0.0	0	0.0
2022	4.2	1.9	0	0.0	0	0.0
2023	4.2	--	0	0.0	0	0.0
Moderate						
2020	24.7	9.8	2	5.6	410	5.5
2021	24.7	9.4	6	15.4	438	6.7
2022	19.4	10.3	9	13.4	1,300	6.1
2023	19.4	--	6	14.3	512	9.6
Middle						
2020	45.8	43.6	16	44.4	3,332	44.7
2021	45.8	45.2	18	46.2	3,431	52.3
2022	49.8	52.7	44	65.7	15,733	73.8
2023	49.8	--	25	59.5	3,207	60.4
Upper						
2020	27.1	45.3	18	50.0	3,713	49.8
2021	27.1	34.4	15	38.5	2,697	41.1
2022	24.2	33.3	13	19.4	3,981	18.7
2023	24.2	--	9	21.4	1,332	25.1
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	2.5	1.7	1	1.5	300	1.4
2023	2.5	--	2	4.8	262	4.9
Totals						
2020	100.0	100.0	36	100.0	7,455	100.0
2021	100.0	100.0	39	100.0	6,566	100.0
2022	100.0	100.0	67	100.0	21,314	100.0
2023	100.0	--	42	100.0	5,312	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. As reflected in the following table only 4 loans were made in low-income geographies over the evaluation period. However, the low number of businesses in these geographies suggests loan demand is relatively low.

More weight was placed on lending in moderate-income areas given the number of businesses in these areas. Bank performance was consistently similar to demographic and aggregate data in 2020 and 2021. Lending in moderate-income areas increased in 2022 and 2023 despite the percentage of businesses in these areas declining. This reflects good penetration throughout the assessment area.

Table F - Geographic Distribution of Small Business Loans Assessment Area: New Mexico Non MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	2.6	2.7	3	1.3	83	0.7
2021	2.5	3.0	0	0.0	0	0.0
2022	4.7	5.8	0	0.0	0	0.0
2023	4.5	--	1	4.0	175	5.2
Moderate						
2020	21.3	19.2	50	21.0	2,473	20.6
2021	20.3	20.0	4	20.0	223	11.1
2022	17.3	14.3	4	26.7	777	51.8
2023	16.6	--	7	28.0	239	7.0
Middle						
2020	46.7	48.6	130	54.6	7,391	61.4
2021	46.4	45.4	10	50.0	1,322	66.0
2022	49.2	48.5	8	53.3	676	45.0
2023	49.7	--	15	60.0	2,725	80.3
Upper						
2020	29.5	29.5	55	23.1	2,087	17.3
2021	30.9	31.7	6	30.0	458	22.9
2022	26.5	29.6	3	20.0	48	3.2
2023	27.0	--	1	4.0	4	0.1
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	2.4	1.9	0	0.0	0	0.0
2023	2.3	--	1	4.0	250	7.4
Totals						
2020	100.0	100.0	238	100.0	12,034	100.0
2021	100.0	100.0	20	100.0	2,003	100.0
2022	100.0	100.0	15	100.0	1,501	100.0
2023	100.0	--	25	100.0	3,393	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects good

penetration among retail customers of different income levels and a distribution of small business borrowers that reflects good penetration among business customers of different sizes.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects good penetration among retail customers of different income levels. As reflected in the following table, WaFd was able to lend to low-income families at rates equal to or greater than aggregate lenders in all 4 years in the evaluation period, including 3 years where WaFd performance significantly exceeded aggregate lenders.

Although lending to moderate-income families was significantly lower in 2021 through 2023 compared to 2020, the bank exceeded aggregate lending levels in 2 of 3 years with available data. This combined with lending in low-income geographies reflects good penetration of retail customer of different income levels.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: New Mexico Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	23.5	2.8	1	2.8	93	1.2
2021	23.5	3.0	3	7.7	253	3.9
2022	24.5	4.2	5	7.5	283	1.3
2023	24.5	--	6	14.3	251	4.7
Moderate						
2020	16.9	9.4	7	19.4	534	7.2
2021	16.9	9.8	5	12.8	404	6.2
2022	16.7	15.2	9	13.4	1,139	5.3
2023	16.7	--	6	14.3	315	5.9
Middle						
2020	17.7	17.4	11	30.6	1,013	13.6
2021	17.7	18.4	7	17.9	989	15.1
2022	19.2	20.8	10	14.9	978	4.6
2023	19.2	--	7	16.7	849	16.0
Upper						
2020	41.9	43.7	11	30.6	2,241	30.1
2021	41.9	44.1	21	53.8	4,452	67.8
2022	39.7	41.1	34	50.7	7,671	36.0
2023	39.7	--	21	50.0	3,546	66.8
Not Available						
2020	0.0	26.7	6	16.7	3,574	47.9
2021	0.0	24.6	3	7.7	467	7.1
2022	0.0	18.8	9	13.4	11,244	52.8
2023	0.0	--	2	4.8	350	6.6
Totals						
2020	100.0	100.0	36	100.0	7,455	100.0
2021	100.0	100.0	39	100.0	6,566	100.0
2022	100.0	100.0	67	100.0	21,314	100.0
2023	100.0	--	42	100.0	5,312	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business borrowers reflects good penetration among businesses of different sizes. As noted in the table below, the bank provided a higher level of loans to businesses with GAR of \$1 million or less than aggregate lenders in all 3 years with available data. In addition, WaFd's lending levels exceed aggregate by enough to be considered good penetration among businesses of different sizes.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: New Mexico Non MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	77.9	34.2	158	66.4	4,092	34.0
2021	80.9	41.6	14	70.0	1,420	70.9
2022	82.6	52.1	9	60.0	1,131	75.4
2023	86.5	--	10	40.0	1,619	47.7
>\$1,000,000						
2020	5.2	--	63	26.5	7,642	63.5
2021	4.1	--	5	25.0	547	27.3
2022	3.6	--	2	13.3	172	11.5
2023	2.8	--	7	28.0	1,361	40.1
Revenue Not Available						
2020	16.9	--	17	7.1	300	2.5
2021	15.0	--	1	5.0	36	1.8
2022	13.8	--	4	26.7	198	13.2
2023	10.7	--	8	32.0	413	12.2
Totals						
2020	100.0	--	238	100.0	12,034	100.0
2021	100.0	--	20	100.0	2,003	100.0
2022	100.0	--	15	100.0	1,501	100.0
2023	100.0	--	25	100.0	3,393	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made a low level of community development loans in the assessment area. The bank did not directly originate any qualified community development loans in the assessment area during the evaluation period. The bank participated in 3 loans totaling \$57,000 with a local loan consortium to finance apartment buildings with rents restricted to those earning 30 to 80 percent of median family income. This performance level represents a decline from the previous evaluation, where the institution made 2 community development loans totaling \$2.1 million.

INVESTMENT TEST

WaFd has a significant level of qualified community development investments and donations in the New Mexico Non-MSA, exhibits good responsiveness to credit and community development needs, and makes occasional use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and donations in the New Mexico Non-MSA assessment area. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$10.8 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$3.4 million, with \$4.4 million in unfunded commitments. The current total includes 10 new investments of approximately \$6.7 million, donations of \$40,000, and \$4.1 million in prior period investments.

All the investments helped to support affordable housing, and donations were used to promote community service efforts within the New Mexico non-MSA assessment area. The following table illustrates qualified investments and donations made during the review period by period and community development category.

Qualified Investments – New Mexico Non-MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	4,083	-	-	-	-	-	-	2	4,083
Current Period	4	6,718	-	-	-	-	-	-	4	6,718
Subtotal	6	10,801	-	-	-	-	-	-	6	10,801
Qualified Grants & Donations			13	40	-	-	-	-	13	40
Total	6	10,801	13	40	-	-	-	-	19	10,841
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution's community development investments and donations in the assessment area:

- In 2022 the institution made a \$5.0 million investment in a low-income housing tax credit that provides 168 units of affordable housing in Artesia, New Mexico
- In 2023 the institution made a \$1.5 million investment in a low-income housing tax credit that provides 32 units of affordable housing in Socorro, New Mexico

Responsiveness to Credit and Community Development Needs

WaFd exhibits excellent responsiveness to credit and community development needs. The institution's emphasis on new affordable housing investments is reflective of a need to develop more affordable housing projects in the New Mexico Non-MSA.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development and are considered innovative and complex as a few investments held and purchased by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's Service Test performance in the New Mexico non-MSA assessment area is consistent with conclusions for the state of New Mexico.

Accessibility of Delivery Systems

Delivery Systems are accessible to essentially all portions of the institution's assessment area. WaFd does not have any branch locations in low-income geographies and is below the percentage of tracts and population in the area; however, in moderate-income census tracts, the bank's percentage of branches is more closely aligned with demographic comparators. In addition, four or 40.0 percent of branches are in middle-income tracts that are designated as distressed, increasing the accessibility of services to populations in need. See the following table:

Branch Distribution by Geography Income Level – New Mexico Non-MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	10	7.0	29,329	6.6	0	0.0
Moderate	33	23.2	96,619	21.6	2	20.0
Middle	66	46.5	218,784	49.0	6	60.0
Upper	26	18.3	92,078	20.6	2	20.0
NA	7	4.9	9,772	2.2	0	0.0
Total	142	100.0	446,582	100.0	10	100.0
<i>Source: 2020 US. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed seven branches: one in a low, one in a moderate-, four in middle-, and one in an upper-income census tract. Two of the closures were in middle-income geographies designated as distressed and/or underserved. No branches were opened in the Non-MSA assessment area during the evaluation period. The impact of the branch closures negatively

impacted the accessibility in low, moderate-, and middle-income geographies designated as distressed and/or underserved.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of New Mexico. Nine of the 10 branches in the assessment area provide drive-up service and standard hours of operation, as noted in the statewide section. One branch offers Saturday hours from 10:00 a.m. to 1:00 p.m. that are tailored to the convenience and needs of the assessment area.

Community Development Services

The institution provides an adequate level of community development services in the New Mexico non-MSA assessment area. During the evaluation period, bank personnel provided 382 hours of community development services. The significant majority of these were community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- A bank officer provided 82 hours as a Board member of a non-profit providing community services to low-income homeless and near-homeless youth in Lincoln County.
- Bank officers provide 53 hours of financial literacy classes to students at schools with free or reduced lunch rates exceeding 80 percent.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the New Mexico assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the New Mexico non-MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures impacted the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Albuquerque MSA	Consistent	Consistent	Exceeds
Santa Fe MSA	Below	Below	Below
Las Cruces MSA	Below	Consistent	Exceeds
Farmington MSA	Consistent	Exceeds	Consistent

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with New Mexico overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Albuquerque MSA

The bank operates five full-service branches in the assessment area; one branch is located in a low-income census tract, one in a moderate-income census tract, one in a middle-income census tract, and two in upper-income census tracts. One branch was opened in a low-income census tract, increasing accessibility to a low-income geography. The percentage of branches in low-income geographies is significantly higher than the percentage of low-income tracts and population demographics. Moderate-income branching is in alignment with demographic data. With the exception of one branch, each offers drive-up service. No branches were closed in this assessment area during the evaluation period.

Activity	#	\$
Small Business Loans	438	69,267
Home Mortgage Loans	189	169,144
Community Development Loans	25	30,218
Investments (New)	23	4,822
Investments (Prior Period)	-	-
Donations	59	248
Community Development Services	318	-
<i>Source: Bank Data</i>		

Santa Fe MSA

The bank operates two full-service branches in the assessment area. One is branch is located in a moderate-income census tract and provides drive-up service with standard hours of operation. The other branch is located in an upper-income census tract and has the same hours of operation but does not have drive-up service. There are no low-income geographies in the assessment area, and the bank's presence in moderate-income geographies is significantly higher than demographic data which shows 22.8 percent of census tracts and 28.5 percent of the population are in moderate-income geographies. No branches were opened or closed during the evaluation period.

Activity	#	\$
Small Business Loans	144	16,763
Home Mortgage Loans	121	73,036
Community Development Loans	10	2,610
Investments (New)	3	765
Investments (Prior Period)	1	180
Donations	17	67
Community Development Services	11	-
<i>Source: Bank Data</i>		

Las Cruces MSA

The bank operates one full-service branch located in a moderate-income census tract in the assessment area. The branch provides drive-up service with standard operating hours that mirror the lobby. One branch in an upper-income census tract was closed and no branches were opened during the evaluation period.

Activity	#	\$
Small Business Loans	19	2,176
Home Mortgage Loans	139	42,408
Community Development Loans	2	802
Investments (New)	1	88
Investments (Prior Period)	1	1,862
Donations	6	34
Community Development Services	76	-
<i>Source: Bank Data</i>		

Farmington MSA

The bank operates one full-service branches in a geography that does not have an income designation; however, the branch is located directly adjacent to two moderate-income census tracts. The branch provides drive-up service and has standard operating hours. No branches were opened or closed during the evaluation period.

Activity	#	\$
Small Business Loans	44	4,111
Home Mortgage Loans	40	7,034
Community Development Loans	1	1,272
Investments (New)	1	186
Investments (Prior Period)	1	2,021
Donations	-	-
Community Development Services	24	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

NEVADA

CRA RATING FOR NEVADA: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEVADA

WaFd delineated two assessment areas in the state of Nevada, as reflected in the following table:

Description of Assessment Areas – Nevada		
Assessment Area	Counties in Assessment Area	# of census tracts
Las Vegas-Henderson-Paradise MSA	Clark	535
Nevada Non-MSA	Churchill, Elko, Lyon, White Pine	48
<i>Source: Bank Data, 2020 U.S. Census</i>		

No new branches were opened in Nevada during the review period, and the institution's assessment area composition in Nevada remains unchanged from the previous evaluation despite two branch closures in the Las-Vegas-Henderson-Paradise MSA assessment area and one in the Nevada non-MSA assessment area. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information.

SCOPE OF EVALUATION – NEVADA

Based on lending activity, deposit volume, and branch distribution, the Las Vegas-Henderson-Paradise MSA assessment area was evaluated using full-scope procedures. The Nevada non-MSA assessment area was evaluated using limited-scope procedures.

The Las Vegas-Henderson-Paradise MSA assessment area received greater consideration in determining overall conclusions for the state of Nevada, while the Nevada non-MSA contributed limited weight to performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Nevada						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Las Vegas-Henderson-Paradise MSA	925	87.9	294,887	59.4	4	50.0
Nevada Non-MSA	127	12.1	201,430	40.6	4	50.0
Nevada State Total	1,052	100.0	496,317	100.0	8	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEVADA

LENDING TEST

WaFd’s Lending Test performance in Nevada is rated “Needs to Improve.” The institution’s performance in both the Las Vegas-Henderson-Paradise MSA assessment area and the Nevada non-MSA assessment area is consistent with this conclusion. Although 2 (geographic distribution and community development loans) of the 3 highest-weighted rating factors (which includes borrower profile), the poor penetration of home mortgage borrowers in the Las Vegas MSA, the product and assessment area with the most lending activity, outweighed the adequate geographic distribution and level of community development loans. In addition, performance in the Non-MSA reflected poor performance in both geographic distribution and the level of community development loans, further supporting the overall state Lending Test rating.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Nevada assessment areas, considering the number and dollar volume of home mortgage and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank’s market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Nevada assessment areas. The institution’s performance in the Las Vegas-Henderson-Paradise MSA assessment area is consistent with this conclusion, and the Nevada Non-MSA assessment area is below the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. The bank’s performance in the Las Vegas-Henderson-Paradise MSA assessment area is consistent with this conclusion, while performance in the Nevada non-MSA assessment area exceeded the rated area conclusion.

Community Development Loans

WaFd made an adequate level of community development loans in the Nevada assessment areas. The institution's performance in the Las Vegas-Henderson-Paradise MSA assessment area is consistent with this conclusion, while performance in the Nevada non-MSA assessment area is below the rated area conclusion, as no community development loans were made in this assessment area since the prior evaluation. The following table details the bank's community development loans by assessment area and purpose:

Community Development Lending by Assessment Area - Nevada										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Las Vegas-Henderson-Paradise MSA	6	15,958	-	-	1	1,099	1	4,613	8	21,670
NV Non-MSA	-	-	-	-	-	-	-	-	-	-
NV Statewide	2	29	-	-	-	-	-	-	2	28
Total	8	15,987	-	-	1	1,099	1	4,613	10	21,699
<i>Source: Bank Data</i>										

INVESTMENT TEST

WaFd is rated "High Satisfactory" in the Investment Test for the state of Nevada. The performance in both the Las Vegas-Henderson-Paradise MSA and the Nevada Non-MSA drove the overall statewide rating.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. WaFd reported 40 qualified investments and donations that total approximately \$19.8 million in the state. This level is an increase from the prior evaluation when the institution's qualified investments and donations totaled approximately \$8.7 million. The total amount of new CRA-qualified investments reported was approximately \$5.8 million. WaFd held approximately \$13.9 million in prior period investments and reported approximately \$96,000 in grants and donations in the state. The institution was able to penetrate both assessment areas in the state with investment, grant, and donation activity.

The current dollar amount of investments and donations in the state of Nevada is 7.7 percent of the institution's total qualified community development investments and donations for all the rated areas combined. The following table lists the qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area - Nevada										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Las Vegas-Henderson-Paradise MSA	8	17,695	-	-	-	-	-	-	8	17,695
Nevada Non-MSA	10	2,056	-	-	-	-	-	-	10	2,056
Subtotal	18	19,751	-	-	-	-	-	-	18	19,751
Qualified Grants & Donations	2	5	20	91	-	-	-	-	22	96
Total	20	19,756	20	91	-	-	-	-	40	19,847
<i>Source: Bank Records</i>										

Affordable housing received all of the qualified investments with approximately \$19.8 million, which includes 3 prior period investments for approximately \$13.9 million that are still active. Refer to the full-scope assessment areas for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments is reflective of a need to develop more affordable housing projects in the state of Nevada.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development and are considered innovative or complex as several new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's service test performance in Nevada is rated "Low Satisfactory". The institution's performance is consistent with the rated area in both of its Nevada assessment areas.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the institution's Nevada assessment areas and is below the institution overall. Performance in both assessment areas is consistent with this conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Nevada.

Branch Distribution by Geography Income Level - Nevada						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	37	6.3	154,324	6.4	-	0.0
Moderate	140	24.0	568,225	23.4	-	0.0
Middle	236	40.5	999,750	41.1	6	75.0
Upper	166	28.5	702,762	28.9	2	25.0
NA	4	0.7	5,218	0.2	-	0.0
Total	583	100.0	2,430,279	100.0	8	100.0
<i>Source: 2015 ACS Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed a total of three branches in the Nevada assessment areas. Two branches were closed in the Las Vegas assessment area, and one was closed in the Nevada Non-MSA assessment area, in a distressed and/or underserved geography. No branches were opened. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the Nevada assessment areas, particularly low- and moderate-income geographies and/or individuals. This is below the institution overall and consistent for both Nevada assessment areas. Drive-up service is limited to two of the eight branch locations. Hours of operation vary to a degree with four branches offering extended hours on Fridays. Refer to each assessment area for details.

Community Development Services

WaFd provides a relatively high level of community development services in its Nevada assessment areas. Bank personnel provided 1,441 community development services hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, the significant majority of community service activities were directed toward providing community services to low- and moderate-income populations. The majority of service hours were provided in the Las Vegas-Henderson-Paradise MSA assessment area, which also received greater weight in determining overall conclusions for the rated area. The following table details the bank's community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Las Vegas MSA	23	1,052	2	-	1,077
Nevada Non-MSA	-	364	-	-	364
Total	23	1,416	2	0	1,441
<i>Source: Bank Data</i>					

LAS VEGAS-HENDERSON-PARADISE MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE LAS VEGAS-HENDERSON-PARADISE MSA ASSESSMENT AREA

The Las Vegas-Henderson-Paradise MSA assessment area is comprised of Clark County, Nevada, which includes the Las Vegas metropolitan area and surrounding suburbs, including Henderson, North Las Vegas, and Enterprise.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Las Vegas-Henderson-Paradise MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	28	5.7	37	6.9
Moderate	128	26.3	128	23.9
Middle	181	37.2	209	39.1
Upper	149	30.6	158	29.5
N/A	1	0.2	3	0.6
Total	487	100.0	535	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Las Vegas-Henderson-Paradise MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	535	6.9	23.9	39.1	29.5	0.6
Population by Geography	2,265,461	6.8	23.8	39.7	29.5	0.2
Housing Units by Geography	912,465	6.9	24.4	39.1	29.4	0.2
Occupied Rental Units by Geography	365,779	11.7	33.7	36.8	17.6	0.2
Owner-Occupied Units by Geography	443,247	2.4	15.7	42.7	39.0	0.2
Vacant Units by Geography	103,439	8.7	29.1	31.8	29.9	0.4
Businesses by Geography	281,734	3.6	27.5	32.6	36.0	0.3
Farms by Geography	3,127	3.9	25.3	33.8	36.9	0.1
Family Distribution by Income Level	516,891	20.9	18.0	20.2	40.9	0.0
Household Distribution by Income Level	809,026	23.1	17.1	18.2	41.6	0.0

Median Family Income MSA - 29820 Las Vegas- Henderson-Paradise, NV MSA	\$71,896	Median Housing Value	\$282,327
		Families Below Poverty Level	9.8%
		Median Gross Rent	\$1,203
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.			

Based on the 2020 U.S. Census data, there are 912,465 million housing units in the assessment area. Of these, 48.6 percent are owner-occupied, 40.1 percent are occupied rental units, and 11.3 percent are vacant. The median housing value of \$282,327 indicates a relatively high-priced housing area.

Based on 2023 D&B data, there are 284,861 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 32.3 percent; followed by non-classifiable establishments at 33.8 percent; finance, insurance and real estate at 11.3 percent; and retail trade at 9.0 percent. Additionally, 55.2 percent of the assessment area's businesses employ 4 or fewer employees, and 95.1 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include no personal income tax, strong migration trends and a high concentration of prime-age workers. Economic weaknesses include an overreliance on consumer spending, high employment volatility and overvalued single-family housing. The top employers in the area are Nellis Air Force Base, Mandalay Bay Resort and Casino, and Las Vegas Sands Corp.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 21st most deposits of 43 depository institutions with a 0.3 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with a regional manager of a local business development organization. The contact noted that the area has weathered challenges presented by the recent pandemic and the region continues to have a shortage of labor in certain industries. The contact stated that the availability of water always remains an obstacle; however, events such as hosting the 2023 Formula One Grand Prix and the 2024 Super Bowl presented opportunities for the area to expand beyond gaming and services, and into sports entertainment. The contact explained that the two biggest challenges facing existing small businesses are continued high inflation and the development of plans to expand their business, given the growth of the area. The contact further added that for start-up businesses, securing financing and generating a marketing strategy are the biggest hurdles.

Credit and Community Development Needs and Opportunities

Considering information from bank management and demographic and economic data, examiners determined that the area's primary credit needs include small business financing. With respect to the area's community development needs, demographic data shows that approximately one-third of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that revitalize or stabilize qualifying geographies. Demographic data also shows that nearly 40 percent of the area's families reported low or moderate incomes, suggesting a need for activities that benefit projects or organizations that provide a community development purpose targeted to these families.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LAS VEGAS-HENDERSON-PARADISE MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Las Vegas-Henderson-Paradise MSA assessment area is consistent with conclusions for the Nevada rated area.

Lending Activity

Aggregate HMDA reports show WaFd was the 92nd most active home mortgage lender of 578 lenders with a 0.19 percent market share in the assessment area. CRA Aggregate Reports show WaFd was 59th most active of 193 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage this is poor and small business loans that both reflect adequate penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. As depicted in the following table, bank lending in low-income areas lagged aggregate lenders in all four years of the evaluation period, albeit a small amount

Lending in moderate-income areas increased each year, though 2020 and 2021, the years with the highest volume of loans, reflected moderate-income geography lending levels significantly below aggregate lenders and demographic information. This level of lending reflects poor penetration throughout the assessment area.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Las Vegas-Henderson-Paradise MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.9	1.0	1	0.6	3,500	2.5
2021	1.9	1.3	1	0.6	305	0.3
2022	2.4	2.2	1	0.6	212	0.2
2023	2.4	--	1	1.4	175	0.4
Moderate						
2020	16.9	10.7	5	3.0	21,695	15.3
2021	16.9	12.0	15	8.7	5,017	4.4
2022	15.7	15.7	26	16.7	6,918	7.2
2023	15.7	--	14	19.4	4,873	10.7
Middle						
2020	41.7	41.5	51	30.2	51,173	36.2
2021	41.7	42.8	46	26.7	17,872	15.8
2022	42.7	40.1	44	28.2	14,006	14.5
2023	42.7	--	19	26.4	8,004	17.5
Upper						
2020	39.5	46.7	112	66.3	65,150	46.0
2021	39.5	43.9	110	64.0	90,170	79.5
2022	39.0	41.8	85	54.5	75,449	78.1
2023	39.0	--	37	51.4	32,271	70.6
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.2	0.1	0	0.0	0	0.0
2023	0.2	--	1	1.4	366	0.8
Totals						
2020	100.0	100.0	169	100.0	141,518	100.0
2021	100.0	100.0	172	100.0	113,364	100.0
2022	100.0	100.0	156	100.0	96,585	100.0
2023	100.0	--	72	100.0	45,689	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area over the evaluation period though performance varied. Bank lending in low-income areas was relatively similar to the number of businesses in low-income areas and aggregate lending. In 2021, the bank made a relatively high level of loans in moderate-income areas, but slightly below demographic information and aggregate lending levels in all other years.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Las Vegas-Henderson-Paradise						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	3.6	3.0	4	1.4	96	0.7
2021	3.8	3.0	2	4.5	59	1.7
2022	3.5	3.2	1	6.2	30	1.2
2023	3.6	--	1	5.0	260	14.1
Moderate						
2020	21.0	18.4	45	16.3	5,066	38.8
2021	20.8	18.4	13	29.5	1,248	36.4
2022	25.1	21.4	3	18.8	1,040	42.0
2023	27.5	--	3	15.0	737	40.0
Middle						
2020	38.7	38.3	120	43.5	5,128	39.3
2021	38.7	38.8	16	36.4	1,455	42.4
2022	34.1	35.2	4	25.0	268	10.8
2023	32.6	--	12	60.0	748	40.6
Upper						
2020	36.1	40.1	107	38.8	2,752	21.1
2021	36.1	39.4	13	29.5	669	19.5
2022	37.0	39.9	8	50.0	1,137	45.9
2023	36.0	--	4	20.0	99	5.4
Not Available						
2020	0.6	0.3	0	0.0	0	0.0
2021	0.6	0.4	0	0.0	0	0.0
2022	0.3	0.2	0	0.0	0	0.0
2023	0.3	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	276	100.0	13,042	100.0
2021	100.0	100.0	44	100.0	3,431	100.0
2022	100.0	100.0	16	100.0	2,475	100.0
2023	100.0	--	20	100.0	1,844	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects very poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects excellent penetration among business customers of different sizes. Because of the much larger volume of home mortgages, the excellent distribution of small business loans was only able to increase the very poor home mortgage distribution to an overall poor distribution of loans in the assessment area.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects very poor penetration among retail customers of different income levels. As reflected in the table below, bank lending to low-income families lagged performance by aggregate lender in all four years within the evaluation period.

More significantly, bank lending to moderate-income families lagged performance by aggregate lenders and potential demand as defined by the percentage of moderate-income families in all four years of the evaluation period to such a degree as to reflect very poor penetration to borrowers of different income levels.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Las Vegas-Henderson-Paradise MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.7	3.9	1	0.6	90	0.1
2021	20.7	5.0	3	1.7	339	0.3
2022	20.9	5.2	2	1.3	145	0.2
2023	20.9	--	1	1.4	530	1.2
Moderate						
2020	18.4	13.6	7	4.1	1,081	0.8
2021	18.4	14.3	4	2.3	790	0.7
2022	18.0	14.6	2	1.3	315	0.3
2023	18.0	--	1	1.4	497	1.1
Middle						
2020	20.5	19.7	19	11.2	3,857	2.7
2021	20.5	20.5	6	3.5	1,429	1.3
2022	20.2	21.8	17	10.9	3,624	3.8
2023	20.2	--	8	11.1	1,804	3.9
Upper						
2020	40.5	37.1	110	65.1	65,759	46.5
2021	40.5	37.7	99	57.6	60,841	53.7
2022	40.9	39.5	93	59.6	56,121	58.1
2023	40.9	--	53	73.6	32,875	72.0
Not Available						
2020	0.0	25.8	32	18.9	70,731	50.0
2021	0.0	22.6	60	34.9	49,965	44.1
2022	0.0	18.8	42	26.9	36,381	37.7
2023	0.0	--	9	12.5	9,983	21.8
Totals						
2020	100.0	100.0	169	100.0	141,517	100.0
2021	100.0	100.0	172	100.0	113,364	100.0
2022	100.0	100.0	156	100.0	96,586	100.0
2023	100.0	--	72	100.0	45,689	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects excellent penetration among business customers of different sizes. As depicted in the following table, bank lending to businesses with GAR of \$1 million or less significantly exceeded aggregate lender performance in two of three years of available information. In addition, lending levels in 2023 reflect well against the percentage of small businesses in the assessment area.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Las Vegas-Henderson-Paradise MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	86.7	40.4	214	77.5	5,648	43.3
2021	86.8	43.6	30	68.2	523	15.2
2022	91.8	49.4	5	31.3	64	2.6
2023	92.6	--	16	80.0	1,284	69.6
>\$1,000,000						
2020	4.4	--	54	19.6	7,267	55.7
2021	4.3	--	12	27.3	2,855	83.2
2022	2.6	--	11	68.8	2,411	97.4
2023	2.1	--	4	20.0	560	30.4
Revenue Not Available						
2020	8.9	--	8	2.9	127	1.0
2021	8.9	--	2	4.5	53	1.5
2022	5.6	--	0	0.0	0	0.0
2023	5.3	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	276	100.0	13,042	100.0
2021	100.0	100.0	44	100.0	3,431	100.0
2022	100.0	100.0	16	100.0	2,475	100.0
2023	100.0	--	20	100.0	1,844	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made an adequate level of community development loans in the assessment area, comprising 8 loans totaling \$21.7 million. Community development lending increased from the previous evaluation, where 1 community development loan totaling \$550,000 targeted the Las Vegas-Henderson-Paradise MSA assessment area. Total community development loans include affordable housing loans totaling \$16.0 million. As described in the Credit and Community Development Needs and Opportunities section, affordable housing was identified as a significant need in the Las Vegas-Henderson-Paradise MSA.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank made a loan of \$10.7 million in 2022 to purchase a 204-site mobile home community located in a moderate-income census tract. Costs to rent pads in this community and purchase mobile homes are much less than traditional single-family residences.
- In 2021 the bank made a loan of \$1.1 million to finance 60-unit senior affordable housing apartment project in a moderate-income census tract. All units are restricted to families earning 60 percent or less of the area's median family income.

INVESTMENT TEST

WaFd has a significant level of qualified community development investments and donations in the Las Vegas-Henderson-Paradise MSA, exhibits good responsiveness to credit and community development needs, and makes significant use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations in the Las Vegas-Henderson-Paradise MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$17.8 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$11.6 million. The current total includes 5 new investments of approximately \$3.8 million, donations of \$78,000, and 3 prior period investments of approximately \$13.9 million.

All of the investments and a few donations helped to support affordable housing, but most of the donations also sponsored community service efforts in the Las Vegas-Henderson-Paradise MSA. The following table describes the breakdown of qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Las Vegas-Henderson-Paradise MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	13,902	-	-	-	-	-	-	3	13,902
Current Period	5	3,793	-	-	-	-	-	-	5	3,793
Subtotal	8	17,695	-	-	-	-	-	-	8	17,695
Qualified Grants & Donations	1	2	14	76	-	-	-	-	15	78
Total	9	17,697	14	76	-	-	-	-	23	17,773
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution's community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$7.0 million investment in a private equity housing project. The affordable housing apartment complex is located inside the assessment area.
- In 2023, the institution purchased a \$3.0 million investment in a 171-unit low-income housing venture. The affordable housing structure is located within the boundaries of the assessment area.
- In 2023, WaFd donated \$25,000 to a non-profit foundation to assist with low- and moderate-income students. The foundation provides financial education to young people, all who qualify for the free or reduced lunch program.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs. WaFd's emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need for more affordable housing options in the Las Vegas-Henderson-Paradise MSA.

Community Development Initiatives

WaFd makes significant use of innovative and/or complex investments to support community development initiatives. The institution's qualified investments are useful and help promote community development and are considered innovative or complex as several new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's Service Test performance in the Las Vegas-Henderson-Paradise MSA assessment area is consistent with conclusions for the state of Nevada.

Accessibility of Delivery Systems

Delivery Systems are accessible to limited portions of the bank's assessment area. WaFd does not have any branch locations in low- or moderate-income geographies and is below the percentage of tracts and population. However, one of the branches in a middle-income geography is located directly adjacent to a moderate-income census tract, increasing accessibility to delivery systems to the population residing in this area to a degree. See the following table:

Branch Distribution by Geography Income Level – Las Vegas-Henderson-Paradise MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	10	7.0	29,329	6.6	0	0.0
Moderate	33	23.2	96,619	21.6	0	0.0
Middle	66	46.5	218,784	49.0	3	75.0
Upper	26	18.3	92,078	20.6	1	25.0
NA	7	4.9	9,772	2.2	0	0.0
Total	142	100.0	446,582	100.0	4	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed two branches: one in a middle- and one in an upper-income census tract. No branches were opened in the Non-MSA assessment area during the evaluation period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the State of Nevada. One of the four branches in the assessment area provides drive-up service and hours of operation do not include extended Friday hours.

Community Development Services

The institution provides a relatively high level of community development services in the Las Vegas-Henderson-Paradise MSA assessment area. During the evaluation period, bank personnel provided 1,077 hours of community development services. Service hours increased from the

previous evaluation, when WaFd employees provided 508 community development service hours to the assessment area. Most community development service activities were directed toward community services targeting low- and moderate-income populations.

The following is an example of community development services provided by bank employees in the assessment area during the evaluation period:

- Several bank officers provided 451 hours of financial literacy courses in schools in serving low- and moderate-income areas as evidenced by a majority of students with free or reduced lunch.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Nevada assessment area evaluated using limited-scope procedures as compared to the bank's performance in the Las Vegas-Henderson-North Las Vegas MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Nevada non-MSA	Consistent	Below	Consistent

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Nevada overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Nevada non-MSA

The bank operates four full-service branches in the assessment area. One branch is located in an upper-income census tract and three branches are located in middle-income census tracts; of which one is an underserved middle-income geography and increases accessibility to the institution's delivery systems in the area. One of the four branches in the assessment area provides drive-up service and extended hours of operation until 6:00 p.m. on Fridays. There are no low-income geographies in the assessment area, while 25.0 percent of census tracts and 17.3 percent of the population are in moderate-income geographies. The institution closed one branch in a middle-income geography designated as distressed and/or underserved. No branches were opened.

Activity	#	\$
Small Business Loans	61	3,090
Home Mortgage Loans	61	11,228
Community Development Loans	-	-
Investments (New)	10	2,056
Investments (Prior Period)	-	-
Donations	7	18
Community Development Services	364	-
Source: Bank Data		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

UTAH

CRA RATING FOR UTAH: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN UTAH

WaFd delineated four assessment areas in the state of Utah, as reflected in the following table:

Description of Assessment Areas – Utah		
Assessment Area	Counties in Assessment Area	# of Census Tracts
Salt Lake City MSA	Salt Lake	251
Ogden-Clearfield MSA	Davis	66
Logan MSA	Cache	28
Utah Non-MSA	Carbon	5
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's assessment area composition in Utah remains unchanged from the previous evaluation. No new branches were opened in Utah during the review period, and one branch was closed in the Salt Lake City MSA assessment area. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic information

SCOPE OF EVALUATION – UTAH

Based on lending activity, deposit volume, and branch distribution, the Salt Lake City MSA assessment area was evaluated using full-scope procedures. The remaining assessment areas were reviewed using limited-scope procedures.

The Salt Lake City MSA assessment area received the greatest consideration in determining overall conclusions for the state of Utah. The Ogden-Clearfield MSA assessment area, Logan MSA assessment area, and Utah non-MSA assessment area contributed significantly less weight to performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Utah						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Salt Lake City MSA	627	75.4	739,218	88.2	6	66.7
Ogden-Clearfield MSA	87	10.5	13,063	1.6	1	11.1
Logan MSA	64	7.7	60,380	7.2	1	11.1
UT Non-MSA	54	6.5	25,033	3.0	1	11.1
Utah State Total	832	100.0	837,694	100.0	9	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN UTAH

LENDING TEST

WaFd’s Lending Test performance in Utah is rated “Needs to Improve.” The institution’s performance in each of its Utah assessment areas is consistent with this conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Washington assessment areas, considering the number and dollar volume of home mortgage and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank’s market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the Utah assessment areas. The institution’s performance in each of its Utah assessment areas is consistent with this conclusion, except in the Logan MSA assessment area, where the institution’s performance exceeded the rated area conclusion

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. The institution’s performance in each of its Utah assessment areas was consistent with this conclusion.

Community Development Loans

WaFd made an adequate level of community development loans in the Utah assessment areas. The institution’s performance in the Salt Lake City MSA assessment area exceeded this conclusion; while performance in the Ogden-Clearfield MSA assessment area, Logan MSA assessment area, and Utah non-MSA assessment area was below that of the rated area. The following table details the bank’s community development loans by assessment area and purpose.

Community Development Lending by Assessment Area - Utah										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Salt Lake City MSA	21	45,363	7	400	2	3,600	4	39,730	34	89,093
Ogden-Clearfield MSA	4	119	-	-	-	-	-	-	4	119
Logan MSA	1	20	-	-	-	-	-	-	1	20
UT Non-MSA	1	23	-	-	-	-	-	-	1	23
UT Statewide	12	890	-	-	-	-	-	-	12	891
Total	39	46,415	7	400	2	3,600	4	39,730	52	90,145
<i>Source: Bank Data</i>										

The bank made 52 community development loans totaling \$90.1 million. The majority of community development activities supported affordable housing initiatives, which has been identified as a community need in the Utah assessment areas, including the Salt Lake City MSA assessment area.

INVESTMENT TEST

WaFd is rated “High Satisfactory” in the Investment Test for the state of Utah. The performance in the Salt Lake City MSA exceeded this conclusion, while performance in each of the other assessment areas was below the rated area conclusion

Investment and Grant Activity

The institution has a good level of qualified community development investments and donations, occasionally in a leadership position, particularly those instruments that are not routinely provided by private investors. WaFd reported 83 qualified investments and donations that total approximately \$18.3 million in the state. This level is an increase from the prior evaluation when the institution’s qualified investments and donations totaled approximately \$7.2 million. The total amount of new CRA-qualified investments reported was approximately \$12.8 million. WaFd held approximately \$5.2 million in prior period investments and reported approximately \$213,000 in grants and donations in the state. The institution was able to penetrate most of the assessment areas in the state with investment, grant, and donation activity.

The current dollar amount of investments and donations in the state of Utah is 7.1 percent of the institution’s total qualified community development investments and donations for all the rated areas combined. The following table illustrates the breakdown of qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area – Utah										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Salt Lake City MSA	25	16,504	-	-	-	-	-	-	25	16,504
Ogden-Clearfield MSA	3	847	-	-	-	-	-	-	3	847
Logan MSA	3	690	-	-	-	-	-	-	3	690
Utah Non-MSA	-	-	-	-	-	-	-	-	-	-
Subtotal	31	18,041	-	-	-	-	-	-	31	18,041
Qualified Grants & Donations	9	20	38	172	5	21	-	-	52	213
Total	40	18,061	38	172	5	21	-	-	83	18,254
<i>Source: Bank Records</i>										

Affordable housing received all the qualified investments with approximately \$18.0 million, which includes 4 prior period investments for approximately \$5.2 million that are still active. Refer to the full-scope assessment area for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits excellent responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments in the state of Utah is reflective of a need to provide more affordable housing resources to low- and moderate-income individuals and families.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative and complex as a few new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's service test performance in Utah is rated "High Satisfactory". The institution's performance in the Salt Lake City MSA assessment area, Logan MSA assessment area and Utah non-MSA assessment area is consistent with this conclusion. Performance in the Ogden-Clearfield MSA assessment area is below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's Utah assessment areas and is below the conclusion for the institution overall. Performance in the Salt Lake City MSA was below this conclusion, while performance in the Ogden-Clearfield MSA was consistent.

Performance in the Logan and Utah Non-MSAs was above the overall conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Utah.

Branch Distribution by Geography Income Level – Utah						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	7	2.0	31,519	1.8	-	0.0
Moderate	70	20.0	323,572	19.0	2	22.2
Middle	164	46.9	821,225	48.3	4	44.5
Upper	104	29.7	513,366	30.2	3	33.3
NA	5	1.4	11,801	0.7	-	0.0
Total	350	100.0	1,701,483	100.0	9	100.0
<i>Source: 2015 ACS Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution’s record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals and is consistent with the overall conclusion for the institution. During the review period, WaFd closed one branch in the Salt Lake MSA. No branches were opened. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Utah assessment areas, particularly low- and moderate-income geographies and/or individuals. This is consistent throughout the Utah assessment areas and with the institution overall. Drive-up service is provided at every branch. Standard hours of operation in Nevada are Monday through Friday 9:00 a.m. to 5:00 p.m.

Community Development Services

WaFd provides a relatively high level of community development service hours in its Utah assessment areas. Bank personnel provided 1,011 community service hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, most community service activities were directed toward providing community services to low- and moderate-income populations. The majority of service hours were provided in the Salt Lake City MSA assessment area, which also received the greatest weight in determining overall conclusions for the rated area. The following table details the bank’s community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Salt Lake City MSA	81	618	43	-	742
Ogden MSA	-	66	-	-	66
Logan MSA	4	107	-	-	111
Utah Non-MSA	-	92	-	-	92
Total	85	883	43	0	1,011
<i>Source: Bank Data</i>					

SALT LAKE CITY MSA– Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SALT LAKE CITY MSA ASSESSMENT AREA

The Salt Lake City MSA comprises Salt Lake County and includes the Salt Lake City suburbs of West Valley City and West Jordan.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Salt Lake City MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	7	3.3	5	2.0
Moderate	51	24.1	56	22.3
Middle	86	40.6	115	45.8
Upper	65	30.7	71	28.3
N/A	3	1.4	4	1.6
Total	212	100.0	251	100.0
Source: 2015 ACS, 2020 U.S. Census %s may not round to exactly 100.0				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Salt Lake City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
			Median Gross Rent			\$1,178
			Families Below Poverty Level			5.6%
Family Distribution by Income Level	265,385	17.8	19.1	23.4	39.7	0.0
Household Distribution by Income Level	383,324	21.1	17.3	20.4	41.2	0.0
Median Family Income MSA - 41620 Salt Lake City, UT MSA		\$90,360	Median Housing Value			\$347,355
Farms by Geography	3,231	1.5	18.4	44.0	35.7	0.3
Businesses by Geography	210,543	2.1	16.2	44.6	36.2	0.9
Vacant Units by Geography	21,226	3.4	29.1	39.8	27.7	0.0

Occupied Rental Units by Geography	124,419	4.0	36.4	44.6	14.7	0.2
Owner-Occupied Units by Geography	258,905	0.7	17.9	47.6	33.9	0.0
Population by Geography	1,185,238	2.0	22.4	46.4	28.6	0.6
Housing Units by Geography	404,550	1.8	24.2	46.3	27.7	0.1
Geographies (Census Tracts)	251	2.0	22.3	45.8	28.3	1.6
Source: 2020 U.S. Census and D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on the 2020 U.S. Census data, there are 404,550 housing units in the assessment area. Of these, 64.0 percent are owner-occupied, 30.8 percent are occupied rental units, and 5.2 percent are vacant. The median housing value of \$347,355 indicates a relatively high-priced housing area.

Based on 2023 D&B data, there are 213,774 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 33.1 percent; followed by non-classifiable establishments at 30.0 percent; finance, insurance and real estate at 13.9 percent; and retail trade at 7.4 percent. Additionally, 59.9 percent of the assessment area's businesses employ 4 or fewer employees, and 95.1 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include a high concentration of high wage jobs and a favorable age structure with a high rate of natural population increase. Economic weaknesses include relatively low office-space availability. Top employers in the area include the University of Utah, Intermountain healthcare, Walmart Inc., and Zions Bancorp.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 29th most deposits of 66 depository institutions with a 0.1 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an executive director of a local housing coalition. The contact stated that the primary need in the area is access to more low-income housing units, which the current supply is not enough to meet demand. The contact explained that workers have to commute for their employment because these individuals cannot afford housing in the areas that have higher paying jobs. The contact proposed that local banks partner to find opportunities for down payment and loan assistance, and that financial institutions offer more financial literacy courses, less stringent requirements to prospective applicants, and feasible small dollar loan programs.

Credit and Community Development Needs and Opportunities

Based on economic information, local demographics, and the community contact, examiners determined that affordable housing represents the primary credit and community development need in the assessment area. In addition, there are opportunities in the assessment area for providing technical assistance to small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SALT LAKE CITY MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Salt Lake City MSA assessment area is consistent with conclusions for the Utah rated area. The relatively high level of community development loans in the assessment area did not offset the poor geographic distribution and poor borrower profile in the assessment area.

Lending Activity

Aggregate HMDA reports show WaFd was the 68th most active home mortgage lender of 405 lenders with a 0.21 percent market share in the assessment area. CRA Aggregate Reports show WaFd was the 58th most active of 139 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans that reflects very poor penetration throughout the assessment area, and a geographic distribution of small business loans that reflects adequate penetration throughout the assessment area. The level of home mortgage lending over the evaluation period, at more than double the level of small business lending, carried more weight in assessing overall performance.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects very poor penetration throughout the assessment area. As reflected in the table below, lending in low-income geographies was relatively similar to aggregate performance and the percentage of owner-occupied homes in low-income tracts.

However, bank lending in moderate-income areas lagged aggregate and demographic data across evaluation period and to such a degree that overall home lending in LMI tracts is considered very poor.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Salt Lake City MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.5	1.1	2	1.5	151	0.2
2021	1.5	1.3	2	1.5	83	0.0
2022	0.7	0.7	0	0.0	0	0.0
2023	0.7	--	1	1.3	242	0.5
Moderate						
2020	17.5	13.8	8	6.2	1,454	1.9
2021	17.5	15.2	11	8.2	60,440	28.2
2022	17.9	17.2	5	5.0	942	0.8
2023	17.9	--	9	12.0	3,163	6.0
Middle						
2020	44.9	44.5	44	33.8	19,335	25.6
2021	44.9	44.9	36	26.9	92,751	43.2
2022	47.6	49.2	35	35.0	20,495	17.6
2023	47.6	--	25	33.3	12,264	23.2
Upper						
2020	35.6	40.1	75	57.7	54,299	71.8
2021	35.6	38.1	84	62.7	61,196	28.5
2022	33.9	33.0	60	60.0	95,183	81.6
2023	33.9	--	40	53.3	37,237	70.4
Not Available						
2020	0.5	0.4	1	0.8	432	0.6
2021	0.5	0.5	1	0.7	210	0.1
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	130	100.0	75,671	100.0
2021	100.0	100.0	134	100.0	214,678	100.0
2022	100.0	100.0	100	100.0	116,620	100.0
2023	100.0	--	75	100.0	52,905	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The single loan made in a low-income tract over a four-year evaluation period is a relatively low level, despite low aggregate lending levels. However, moderate-income tract lending carries significantly more weight in assessing performance given the much higher percentage of businesses in these tracts.

Lending in moderate-income areas declined in 2022 and 2023 compared to 2020 and 2021. However, over the four-year evaluation period, the bank made enough loans in low- and moderate-income areas, especially in 2020 with the highest loan volume, that performance is adequate.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Salt Lake City MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	2.8	3.0	0	0.0	0	0.0
2021	2.8	2.8	0	0.0	0	0.0
2022	2.1	2.6	0	0.0	0	0.0
2023	2.1	--	1	5.9	10	0.3
Moderate						
2020	21.0	23.2	33	23.6	1,315	15.5
2021	20.8	21.6	5	27.8	806	29.9
2022	16.3	17.3	2	15.4	1,106	36.7
2023	16.2	--	2	11.8	108	3.1
Middle						
2020	39.2	38.9	50	35.7	3,671	43.2
2021	38.9	38.2	9	50.0	1,716	63.7
2022	44.7	45.4	10	76.9	1,404	46.6
2023	44.6	--	10	58.8	2,508	71.8
Upper						
2020	36.1	34.0	55	39.3	3,427	40.3
2021	36.6	36.6	3	16.7	107	4.0
2022	35.9	34.0	1	7.7	500	16.6
2023	36.2	--	4	23.5	868	24.8
Not Available						
2020	0.9	0.9	2	1.4	88	1.0
2021	0.9	0.8	1	5.6	63	2.3
2022	0.9	0.7	0	0.0	0	0.0
2023	0.9	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	140	100.0	8,501	100.0
2021	100.0	100.0	18	100.0	2,692	100.0
2022	100.0	100.0	13	100.0	3,010	100.0
2023	100.0	--	17	100.0	3,494	100.0
<i>Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects very poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects adequate penetration among business customers of different sizes. The level of home mortgage lending over the evaluation period, at more than double the level of small business lending, carried more weight in assessing overall performance.

Home Mortgage Loans

The distribution home mortgage borrowers reflect very poor penetration among retail customers of different income levels. As reflected in the table below, lending to low-income families was relatively low compared to aggregate lenders in 2 of 3 years analyzed with aggregate performance available.

The bank's level of lending to moderate-income families is very poor compared to the percentage of families considered moderate-income and aggregate lending levels. Bank levels lag aggregate lending levels and moderate-income family percentages by such a degree that performance is considered very poor.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Salt Lake City MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	19.9	5.5	8	6.2	492	0.7
2021	19.9	6.9	4	3.0	426	0.2
2022	17.8	7.4	2	2.0	400	0.3
2023	17.8	--	3	4.0	776	1.5
Moderate						
2020	17.6	20.8	7	5.4	1,339	1.8
2021	17.6	21.7	11	8.2	3,026	1.4
2022	19.1	19.5	3	3.0	210	0.2
2023	19.1	--	3	4.0	822	1.6
Middle						
2020	22.0	25.6	15	11.5	3,662	4.8
2021	22.0	24.5	11	8.2	3,977	1.9
2022	23.4	26.1	10	10.0	3,362	2.9
2023	23.4	--	11	14.7	3,553	6.7
Upper						
2020	40.5	36.2	92	70.8	66,112	87.4
2021	40.5	33.1	92	68.7	69,593	32.4
2022	39.7	35.8	69	69.0	60,156	51.6
2023	39.7	--	51	68.0	41,272	78.0
Not Available						
2020	0.0	12.0	8	6.2	4,067	5.4
2021	0.0	13.8	16	11.9	137,656	64.1
2022	0.0	11.2	16	16.0	52,493	45.0
2023	0.0	--	7	9.3	6,482	12.3
Totals						
2020	100.0	100.0	130	100.0	75,671	100.0
2021	100.0	100.0	134	100.0	214,678	100.0
2022	100.0	100.0	100	100.0	116,620	100.0
2023	100.0	--	75	100.0	52,905	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business borrowers reflects adequate penetration to business customers with revenues of \$1 million or less. The level of lending to businesses with revenues of \$1 million or less in 2020 and 2021 especially 2020 considering the volume of loans made that year, offsets the much lower percentages of loans made to such businesses in 2022 and 2023.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Salt Lake City MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	87.7	40.9	87	62.1	2,530	29.8
2021	87.8	45.0	10	55.6	1,176	43.7
2022	90.7	45.0	4	30.8	411	13.7
2023	92.1	--	6	35.3	66	1.9
>\$1,000,000						
2020	4.2	--	44	31.4	5,778	68.0
2021	3.9	--	8	44.4	1,516	56.3
2022	2.9	--	9	69.2	2,599	86.3
2023	2.4	--	11	64.7	3,428	98.1
Revenue Not Available						
2020	8.0	--	9	6.4	193	2.3
2021	8.3	--	0	0.0	0	0.0
2022	6.4	--	0	0.0	0	0.0
2023	5.5	--	0	0.0	0	0.0
Totals						
2020	100.0	--	140	100.0	8,501	100.0
2021	100.0	--	18	100.0	2,692	100.0
2022	100.0	--	13	100.0	3,010	100.0
2023	100.0	--	17	100.0	3,494	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made a relatively high level of community development loans in the assessment area, comprising 34 loans totaling \$89.1 million. Community development loans increased from the previous evaluation, where 12 community development loans totaling \$10.0 million targeted the Salt Lake City MSA assessment area. Total community development loans include 21 affordable housing loans totaling \$45.4 million. As described in the Credit and Community Development Needs and Opportunities section, affordable housing availability was identified as a significant need in the Salt Lake City MSA assessment area.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank provided a loan of \$47.0 million to acquire and rehabilitate 330 units including 161 affordable units and 169 market rate units. The property is located in a moderate-income tract and 161 units are reserved for below median incomes as part of a Low-Income Housing Tax Credit. The project is in partnership with a non-profit provider of on-site health, education and employment services to families, children and seniors who live in affordable housing. The pro-rata portion of the loan (\$24.0 million) designated for affordable housing is listed in the table above.
- The bank increased funding and renewed a \$12.8 million originally used to construct a 430-unit multi-family development. \$800 thousand of the funds are newly extended. Of the 430 units, 236 units are restricted to tenants making 80 percent of area median income, and the remaining units are market rents.
- The bank provided 2 loans totaling \$3.6 million to acquire a mixed-use building that will house a restaurant and a retail store. The two occupants are expected to provide 59 primarily low- and moderate-income jobs.

INVESTMENT TEST

WaFd has an excellent level of qualified community development investments and donations in the Salt Lake City MSA, exhibits excellent responsiveness to credit and community development needs, and makes occasional use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and donations in the Salt Lake City MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$16.7 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$4.5 million. The current total includes 22 new investments of approximately \$11.7 million, donations of \$192,000, and 3 prior period investments of approximately \$4.8 million.

All of the investments and a few donations helped to support affordable housing, but also community services and economic development efforts were sustained by other donations in the assessment area.

The following table details the qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Salt Lake City MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	4,773	-	-	-	-	-	-	3	4,773
Current Period	22	11,731	-	-	-	-	-	-	22	11,731
Subtotal	25	16,504	-	-	-	-	-	-	25	16,504
Qualified Grants & Donations	9	20	31	151	5	21	-	-	45	192
Total	34	16,524	31	151	5	21	-	-	70	16,696
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution’s community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$2.7 million investment in an affordable housing complex. The funds supported low- and moderate-income individuals and families in the assessment area with inexpensive housing opportunities.
- In 2020, the institution purchased a \$6.0 million investment in an affordable housing fund. The resources were used to develop and maintain housing units located in the assessment area and targeted low- and moderate-income families who needed permanent accommodations.
- In 2023, WaFd donated \$25,000 to a non-profit organization that provides financial education to low- and moderate-income students. The organization delivers essential community resources, such as financial literacy and work-readiness skills, to schools in the Salt Lake City MSA that have a majority of students who qualify for the free or reduced lunch program.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs. WaFd’s emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need in the Salt Lake City MSA for more affordable housing options to low- and moderate-income persons.

Community Development Initiatives

WaFd makes occasional use of innovative and/or complex investments to support community development initiatives. The institution’s qualified investments are useful and help promote community development and are considered innovative and complex as a few new investments and those held by the institution during the review period are low-income housing tax credit and private equity investments.

SERVICE TEST

WaFd's Service Test performance in the Salt Lake City MSA assessment area is consistent with conclusions for the state of Utah.

Accessibility of Delivery Systems

Delivery Systems are inaccessible to significant portions of the bank's assessment area, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. WaFd does not have any branch locations in low- or moderate-income geographies and is below the percentage of tracts and population in the area. The absence of branches in low- and middle-income geographies decreases accessibility to geographies and individuals of different income levels. See the following table:

Branch Distribution by Geography Income Level – Salt Lake City MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	5	2.0	23,302	2.0	0	0.0
Moderate	56	22.3	265,494	22.4	0	0.0
Middle	115	45.8	549,727	46.4	3	50.0
Upper	71	28.3	339,191	28.6	3	50.0
NA	4	1.6	7,524	0.6	0	0.0
Total	251	100.0	1,185,238	100.0	6	100.0
<i>Source: 2020 US. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed one branch in an upper-income census tract. No branches were opened.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the conclusion for the State of Utah.

Community Development Services

WaFd provides a relatively high level of community development services in the Salt Lake City MSA assessment area. During the evaluation period, bank personnel provided 742 hours of community development services. Service hours increased slightly from the prior evaluation, when WaFd employees provided 714 community development service hours to the assessment area.

Most community development service activities were directed toward community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- A bank officer provided 72 hours of service to a Community Development Financial Institution providing micro loans and training to very small and new businesses.
- Several bank officers provided 126 hours of financial literacy courses at schools serving low- and moderate-income areas as evidenced by a majority of students with free or reduced lunch.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Utah assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Salt Lake City MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Ogden-Clearfield MSA	Consistent	Below	Below
Logan MSA	Consistent	Below	Consistent
Utah Non-MSA	Consistent	Below	Consistent

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Utah overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Ogden-Clearfield MSA

WaFd operates one full-service branch in a middle-income census tract in the assessment area. There are no low-income tracts in the assessment area and the branch is located directly adjacent to one of the eight moderate-income census tracts in the assessment area and provides drive-up service and standard operating hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	17	2,103
Home Mortgage Loans	68	76,479
Community Development Loans	4	119
Investments (New)	2	399
Investments (Prior Period)	1	448
Donations	-	-
Community Development Services	66	-

Source: Bank Data

Logan MSA

WaFd operates one full-service branch in a moderate-income census tract in the assessment area. The branch provides drive-up service and standard operating hours. No branches were opened or

closed since the previous evaluation.

Activity	#	\$
Small Business Loans	6	554
Home Mortgage Loans	58	26,275
Community Development Loans	4	0.1
Investments (New)	3	690
Investments (Prior Period)	-	-
Donations	2	16
Community Development Services	111	-
<i>Source: Bank Data</i>		

Utah Non-MSA

WaFd operates one full-service branch in a moderate-income census tract in the assessment area. The branch provides drive-up service and standard operating hours. No branches were opened or closed since the previous evaluation.

Activity	#	\$
Small Business Loans	18	957
Home Mortgage Loans	36	7,950
Community Development Loans	1	23
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	5	16
Community Development Services	92	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA

CRA RATING FOR PORTLAND-VANCOUVER-HILLSBORO MULTISTATE: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA

The Portland Multistate assessment area is generally located along the southwest border of Washington and the northwest border of Oregon. The assessment area consists of the following full counties that compose the Portland-Vancouver-Hillsboro, OR-WA MSA in its entirety:

- Clackamas County, Oregon.
- Multnomah County, Oregon.
- Washington County, Oregon
- Yamhill County, Oregon; and
- Clark County, Washington

There have been no changes to the assessment area delineation since the previous evaluation; however, the assessment area changed slightly over the evaluation period with the 2020 U.S. Census, which resulted in revised census tract delineations that are described below.

The following table details changes to the CTs because of the Census Bureau's release of the updated 2020 U.S. Census data during the evaluation period.

Portland-Vancouver-Hillsboro Multistate MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	11	2.4	12	2.3
Moderate	110	24.0	122	22.9
Middle	202	44.0	239	44.8
Upper	133	29.0	156	29.3
N/A	3	0.6	4	0.8
Total	459	100.0	533	100.0
<i>Source: 2015 ACS, 2020 U.S. Census %s may not round to exactly 100.0</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	533	2.3	22.9	44.8	29.3	0.8
Housing Units by Geography	940,912	2.4	23.1	46.0	28.3	0.2
Population by Geography	2,340,512	2.3	23.5	45.9	28.1	0.2
Owner-Occupied Units by Geography	551,519	1.2	18.4	47.9	32.4	0.1
Vacant Units by Geography	45,215	2.8	22.2	47.4	27.3	0.3
Occupied Rental Units by Geography	344,178	4.2	30.9	42.6	21.9	0.5
Businesses by Geography	381,046	1.8	21.0	42.1	34.2	0.8
Farms by Geography	9,578	1.4	15.7	54.3	28.3	0.3
Household Distribution by Income Level	895,697	22.8	16.5	18.4	42.2	0.0
Family Distribution by Income Level	561,830	19.9	18.2	21.1	40.7	0.0
			Median Gross Rent			\$1,365
			Families Below Poverty Level			6.3%
Median Family Income MSA - 38900 Portland- Vancouver-Hillsboro, OR- WA MSA		\$94,727	Median Housing Value			\$418,135
<i>Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Based on the 2020 U.S. Census data, there are 940,912 housing units in the assessment area. Of these, 58.6 percent are owner-occupied, 36.6 percent are occupied rental units, and 4.8 percent are vacant. The median housing value of \$418,135 indicates a high-priced housing area.

Based on 2023 D&B data, there are 390,624 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 36.1 percent; followed by non-classifiable establishments at 26.7 percent; finance, insurance and real estate at 10.2 percent; and retail trade at 9.0 percent. Additionally, 61.8 percent of the assessment area's businesses employ 4 or fewer employees, and 95.0 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include a diversified economy, skilled workforce, favorable job mix and high incomes. Economic weaknesses include exposure to volatile technology and resource manufacturing and an expensive housing market. The top employers in the area are Intel Corp., Providence Health Systems and Oregon Health and Science University.

Competition

WaFd operates 7 branches with \$891 million in deposits in the assessment area. The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 16th most deposits of 55 depository institutions with a 0.9 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an asset manager of a local economic development organization. The contact stated that the average income for residents has been steadily increasing along with housing and commercial real estate prices. The contact noted that financial institutions seem to have initiated a pullback of lending, especially for small businesses with low assets and little collateral. The contact suggested that local financial institutions have the opportunity to partner with other entities to facilitate more investment opportunities, review their underwriting processes, and potentially improve loan access to help meet the credit needs in the community.

Credit and Community Development Needs and Opportunities

Based on the community contact interview and a review of demographic data, examiners determined that affordable housing represents a primary credit need in the Portland-Vancouver-Hillsboro assessment area. Flexible banking products for individuals trying to establish banking relationships present an opportunity for banks to assist low- and moderate-income individuals and help provide affordable housing relief. Opportunities also exist for institutions to assist affordable housing organizations with flexible lending programs targeting low- and moderate-income borrowers, as well as first-time homebuyers.

SCOPE OF EVALUATION – PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA

Consistent with the bank-wide evaluation scope, based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performances.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA ASSESSMENT AREA

LENDING TEST

Lending Activity

Aggregate HMDA reports show WaFd was the 92nd most active home mortgage lender of 630 lenders with a 0.19 percent market share in the assessment area. The real estate lending market is fairly concentrated in the assessment area. The largest lender made or purchased over 7.2 percent of the mortgages in the assessment area in 2022. CRA Aggregate Reports show WaFd was 57th most active of 105 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans that reflect poor penetration throughout the assessment area, and a geographic distribution of small business loans that reflects adequate penetration throughout the assessment area. The much larger volume of home mortgages carries more weight than the lower volume of small business loans.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. As shown in the following table, the bank made just two home mortgage loans in the assessment area over the four-year evaluation period. However, lending opportunities were limited given the percentage of owner-occupied homes in low-income areas.

The percentage of home mortgage lending in moderate-income tracts carried the most weight in determining assess area performance due to a higher percentage of owner-occupied homes and aggregate lending levels indicating there is loan demand in the assessment area. The bank's level of lending in moderate-income tracts lagged aggregate lending or demographic levels in all four years of the evaluation period, and to such a degree that performance is considered poor.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.8	0.7	2	1.1	190	0.1
2021	0.8	0.8	0	0.0	0	0.0
2022	1.2	1.1	0	0.0	0	0.0
2023	1.2	--	0	0.0	0	0.0
Moderate						
2020	18.9	17.5	17	8.9	22,321	17.1
2021	18.9	18.7	23	7.3	11,843	5.4
2022	18.4	18.9	17	11.2	21,562	18.6
2023	18.4	--	8	9.0	9,456	15.8
Middle						
2020	46.5	46.2	79	41.6	49,782	38.2
2021	46.5	46.2	116	36.6	75,288	34.3
2022	47.9	47.9	66	43.4	45,040	38.9
2023	47.9	--	40	44.9	20,697	34.5
Upper						
2020	33.7	35.5	92	48.4	57,959	44.5
2021	33.7	34.3	178	56.2	132,664	60.4
2022	32.4	32.1	69	45.4	49,129	42.5
2023	32.4	--	41	46.1	29,875	49.8
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.1	0.1	0	0.0	0	0.0
2023	0.1	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	190	100.0	130,251	100.0
2021	100.0	100.0	317	100.0	219,794	100.0
2022	100.0	100.0	152	100.0	115,731	100.0
2023	100.0	--	89	100.0	60,028	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The level of loans in low-income tracts slightly exceeds aggregate lending. Lending in moderate-income tracts is commensurate with the number of business and aggregate lending in these tracts.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Portland-Vancouver-Hillsboro Multistate MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	2.6	2.9	13	4.2	3,536	8.8
2021	2.6	2.8	2	4.2	751	4.7
2022	1.8	1.7	1	4.3	950	9.8
2023	1.8	--	1	5.0	750	9.7
Moderate						
2020	21.5	21.8	61	19.5	9,759	24.4
2021	21.6	21.8	9	18.8	4,129	26.0
2022	20.9	21.7	5	21.7	2,806	28.8
2023	21.0	--	5	25.0	1,685	21.9
Middle						
2020	39.5	38.6	116	37.1	12,472	31.1
2021	39.4	40.3	23	47.9	6,357	40.0
2022	42.2	42.8	14	60.9	5,235	53.7
2023	42.1	--	11	55.0	4,329	56.2
Upper						
2020	34.2	34.6	113	36.1	13,247	33.1
2021	34.3	33.5	12	25.0	4,369	27.5
2022	34.2	33.1	3	13.0	750	7.7
2023	34.2	--	3	15.0	940	12.2
Not Available						
2020	2.3	2.1	10	3.2	1,048	2.6
2021	2.1	1.6	2	4.2	296	1.9
2022	0.8	0.8	0	0.0	0	0.0
2023	0.8	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	313	100.0	40,062	100.0
2021	100.0	100.0	48	100.0	15,902	100.0
2022	100.0	100.0	23	100.0	9,741	100.0
2023	100.0	--	20	100.0	7,704	100.0
<i>Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects very poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects adequate penetration among business customers of different sizes. Home mortgage performance carries more weight than small lending performance based on the volume of loans in each category over the evaluation period.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects very poor penetration among retail customers of different income levels. As shown in the table below, bank lending to low-income borrowers was significantly less than aggregate performance in all 3 years with available data. The level of lending to moderate-income borrowers was very poor considering the percentage of moderate-income families in the assessment area and aggregate lending levels. Bank lending lagged aggregate levels to such a degree over all year's analyzed that performance is considered very poor.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: PORTLAND-VANCOUVER-HILLSBORO MULTISTATE MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	21.1	4.2	5	2.6	1,420	1.1
2021	21.1	5.5	5	1.6	901	0.4
2022	19.9	5.5	1	0.7	120	0.1
2023	19.9	--	2	2.2	265	0.4
Moderate						
2020	17.3	16.3	10	5.3	2,688	2.1
2021	17.3	17.5	12	3.8	4,208	1.9
2022	18.2	16.7	10	6.6	2,812	2.4
2023	18.2	--	9	10.1	3,570	5.9
Middle						
2020	20.3	25.4	22	11.6	7,793	6.0
2021	20.3	24.4	28	8.8	11,633	5.3
2022	21.1	24.1	16	10.5	7,146	6.2
2023	21.1	--	18	20.2	9,360	15.6
Upper						
2020	41.3	41.4	110	57.9	57,848	44.4
2021	41.3	38.6	87	27.4	57,247	26.0
2022	40.7	42.4	72	47.4	41,144	35.6
2023	40.7	--	50	56.2	37,422	62.3
Not Available						
2020	0.0	12.8	43	22.6	60,502	46.5
2021	0.0	14.0	185	58.4	145,805	66.3
2022	0.0	11.3	53	34.9	64,510	55.7
2023	0.0	--	10	11.2	9,412	15.7
Totals						
2020	100.0	100.0	190	100.0	130,251	100.0
2021	100.0	100.0	317	100.0	219,794	100.0
2022	100.0	100.0	152	100.0	115,731	100.0
2023	100.0	--	89	100.0	60,028	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business borrowers reflects adequate penetration among business customers of different income levels. As reflected in the table below, 2020 performance reflected well compared to aggregate lending levels. Performance declined significantly in 2022 and 2023. However, the much higher lending volumes in 2020 and 2021 warrants the most weight in assessing performance over the entire evaluation period, thus resulting in an adequate penetration.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Portland-Vancouver-Hillsboro Multi-State MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	90.0	43.8	196	62.6	9,494	23.7
2021	90.8	50.5	25	52.1	4,928	31.0
2022	92.1	54.9	3	13.0	792	8.1
2023	92.6	--	5	25.0	564	7.3
>\$1,000,000						
2020	3.5	--	110	35.1	30,471	76.1
2021	3.1	--	23	47.9	10,974	69.0
2022	2.6	--	20	87.0	8,949	91.9
2023	2.3	--	14	70.0	6,340	82.3
Revenue Not Available						
2020	6.5	--	7	2.2	97	0.2
2021	6.1	--	0	0.0	0	0.0
2022	5.4	--	0	0.0	0	0.0
2023	5.1	--	1	5.0	800	10.4
Totals						
2020	100.0	--	313	100.0	40,062	100.0
2021	100.0	--	48	100.0	15,902	100.0
2022	100.0	--	23	100.0	9,741	100.0
2023	100.0	--	20	100.0	7,704	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd made a relatively high level of community development loans in the assessment area, comprising 37 loans totaling \$56.7 million, as reflected in the following table:

Community Development Lending by Assessment Area – Portland-Vancouver-Hillsboro Multi-State MSA										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Total	31	45,964	-	0	4	6,739	2	4,021	37	56,724
<i>Source: Bank Data</i>										

Community development lending increased from the previous evaluation, where 12 community development loans totaling \$3.9 million targeted the Portland-Vancouver-Hillsboro multistate MSA assessment area. Total community development loans include 31 affordable housing loans totaling \$46.0 million, representing 81.0 percent of total community development lending in the assessment area.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank provided a \$5.9 million bridge construction loan for a 60-unit multi-family Low-Income Housing Tax Credit project. The property provides housing to households whose incomes are 60 percent or less of the area’s median income, a demonstrated need in this assessment area. The bank also made 3 other loans totaling \$13.4 million for various phases of this project during the evaluation period.
- The bank provided a loan of \$5.0 million to finance 45 units of affordable housing in Portland, OR within a moderate-income census tract. Rents are well below 30 percent monthly housing budget for households earning 80 percent of median income for this assessment area.
- The bank provided \$117 thousand in funds as part of a loan consortium to construct a new 29-unit multi-family dwelling. Part of the property (9 units) includes HUD Section 8 Program vouchers for the next 20 years. The other 20 units are priced for households earning 50 percent or less of area median income.

INVESTMENT TEST

WaFd is rated “Low Satisfactory” in the Investment Test for the Portland-Vancouver-Hillsboro Multistate MSA. WaFd has an adequate level of qualified community development investments and donations in the assessment area, exhibits adequate responsiveness to credit and community development needs, and makes extensive use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and donations in the Portland-Vancouver-Hillsboro Multistate MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$9.0 million. This level is a decrease from the prior evaluation when WaFd’s qualified

investments and donations totaled approximately \$14.0 million. The current total includes 2 new investments of approximately \$5.9 million, donations of \$247,000, and 3 prior period investments of approximately \$2.8 million as reflected in the table below.

The current dollar amount of investments and donations in the Portland-Vancouver-Hillsboro Multistate MSA is 2.8 percent of the institution's total qualified community development investments and donations for all the rated areas combined. All of the investments and a few donations helped to support affordable housing, but also community services, economic development, and revitalization or stabilization efforts were sponsored by other donations within the assessment area.

The following table illustrates qualified investments and donations made or held during the review period by period and community development category.

Qualified Investments – Portland-Vancouver-Hillsboro Multistate MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	2,842	-	-	-	-	-	-	3	2,842
Current Period	2	5,935	-	-	-	-	-	-	2	5,935
Subtotal	5	8,777	-	-	-	-	-	-	5	8,777
Qualified Grants & Donations	5	28	56	203	2	13	1	3	64	247
Total	10	8,805	56	203	2	13	1	3	69	9,024
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution's community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$446,000 investment that supported affordable housing in the assessment area that was specifically designed for low- and moderate-income residents. All the units are restricted to low-income tenants.
- In 2021, the institution purchased a \$5.2 million investment to support the construction of housing units for the local homeless population. The affordable housing project is located inside the assessment area.
- In 2023, WaFd donated \$25,000 to a non-profit agency that delivers education and financial services to low- and moderate-income young people. These community services provide hope beyond the limitations of poverty to students living in the assessment area.

Responsiveness to Credit and Community Development Needs

WaFd exhibits adequate responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need for more affordable housing options in the Portland-Vancouver-Hillsboro Multistate MSA.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development and are considered innovative and complex as multiple new investments and those held by the institution during the review period are low-income housing tax credit investments.

SERVICE TEST

WaFd's service test performance in the Portland-Vancouver-Hillsboro multistate MSA assessment area is rated "Low Satisfactory". Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems. Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area. Finally, the institution provides an adequate level of community development services in the assessment area.

Accessibility of Delivery Systems

Delivery Systems are reasonably accessible to essentially all portions of the bank's assessment area. The bank's performance is below the overall conclusion for the institution. WaFd does not have any branch locations in low-income geographies; however demographic information shows a small percentage of low-income tracts and that a small percentage of the population resides in these areas. The bank's presence in moderate-income geographies is above both demographic comparators and illustrates reasonable accessibility to delivery systems. See the following table:

Branch Distribution by Geography Income Level – PORTLAND-VANCOUVER-HILLSBORO						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	12	2.3	54,195	2.3	0	0.0
Moderate	122	22.9	550,634	23.5	2	28.6
Middle	239	44.8	1,074,071	45.9	2	28.6
Upper	156	29.3	657,833	28.1	2	28.6
NA	4	0.8	3,779	0.2	1	14.2
Total	533	100.0	2,340,512	100.0	7	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed three branches: one in a moderate, one in a middle, and one in an upper-income geography. WaFd also opened a branch in a geography with a census tract with an income category that is not designated; however, the new location is directly adjacent to two moderate-income census tracts.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the overall conclusion for the institution. Four of the seven branches in the assessment area provide drive-up service. Extended hours of operation are maintained at six of the branches, which are open until 6:00 p.m. on Fridays.

Community Development Services

The institution provides an adequate level of community development services in the Portland-Vancouver-Hillsboro multistate MSA assessment area. During the evaluation period, bank personnel provided 385 hours of qualified community development services in the assessment area. Service hours decreased from the prior evaluation, when WaFd employees provided 400 hours to the assessment area. A significant majority of community development service hours were directed toward community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- A bank officer provided 16 hours as a Loan Committee Member of a local Community Development Corporation that supports community development by providing long-term financing for businesses through the SBA 504 program.
- Several bank officers provided 62 hours of financial literacy courses at schools with a majority of students with free or reduced lunches.

TEXAS

CRA RATING FOR TEXAS: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

WaFd delineated two assessment areas in the state of Texas, as reflected in the following table:

Description of Assessment Areas – Texas		
Assessment Area	Counties in Assessment Area	# of census tracts
Dallas-Plano-Irving MSA	Collin, Dallas	1,058
Austin-Round Rock-Georgetown MSA	Travis	290
<i>Source: Bank Data, 2020 U.S. Census</i>		

The institution's assessment area composition in Texas remains unchanged from the previous evaluation, though the bank opened a branch in the Austin-Round Rock-Georgetown MSA assessment area and closed two branches in the Dallas-Plano-Irving MSA assessment area. Refer to the individual assessment areas for details regarding assessment area delineations as well as related demographic and economic data.

SCOPE OF EVALUATION – TEXAS

Based on lending activity, deposit volume and branch distribution, the Dallas-Plano-Irving MSA assessment area was evaluated using full-scope procedures. The Austin-Round Rock-Georgetown MSA assessment area was evaluated using limited-scope procedures.

The Dallas-Plano-Round Rock MSA assessment area received greater consideration in determining overall conclusions for the state of Texas. The Austin-Round Rock-Georgetown MSA assessment area contributed limited weight to performance conclusions. Based on loan volume, home mortgage lending performance was given the most weight, followed by small business lending performance.

Assessment Area Breakdown of Loans, Deposits, and Branches – Texas						
Assessment Area	Loans		Deposits		Branches	
	#	%	\$(000s)	%	#	%
Dallas-Plano-Irving MSA	503	89.0	363,170	99.9	3	75.0
Austin-Round Rock-Georgetown MSA	62	11.0	291	0.1	1	25.0
Texas State Total	565	100.0	363,461	100.0	4	100.0
<i>Source: 2020, 2021, & 2022 Reported Loans; FDIC Summary of Deposits (6/30/2023); Bank Records</i> <i>Due to rounding, totals may not equal 100.0%</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS

LENDING TEST

WaFd's Lending Test performance in Texas is rated "Low Satisfactory." The institution's performance in the Dallas-Plano-Irving MSA assessment area and the Austin-Round Rock-Georgetown MSA assessment area are both consistent with this conclusion

Lending Activity

Lending levels reflect adequate responsiveness to credit needs in the Texas assessment areas, considering the number and dollar volume of home mortgage and small business loans originated and purchased over the evaluation period. Refer to each individual assessment area for detail, including the bank's market share and relative market rank for the products reviewed.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the Texas assessment areas. The institution's performance in the Dallas-Plano-Irving MSA assessment area and the Austin-Round Rock-Georgetown MSA assessment area is consistent with the rated area conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. The institution's performance in the Dallas-Plano-Irving MSA assessment area is consistent with the rated area conclusion and performance in the Austin-Round Rock-Georgetown MSA assessment area is below this conclusion.

Community Development Loans

WaFd made a relatively high level of community development loans in the Texas assessment areas. The institution's performance in the Dallas-Plano-Irving MSA assessment area is consistent with this conclusion while performance in the Austin-Round Rock-Georgetown MSA assessment area is below the rated area conclusion. The following table details the bank's community development loans by assessment area and purpose:

Community Development Lending by Assessment Area - Texas										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dallas-Plano-Irving MSA	13	24,657	-	0	1	2,871	1	1,933	15	29,461
Austin-Round Rock-Georgetown MSA	1	7,997	-	0	-	0	1	1,950	2	9,947
Total	14	32,654	-	0	1	2,871	1	3,883	17	39,408
<i>Source: Bank Data</i>										

The bank made 17 community development loans in Texas totaling \$39.4 million. The majority of community development activities supported affordable housing initiatives, which has been identified as a significant community need in the Texas assessment areas, including the Dallas-Plano-Irving MSA assessment area.

INVESTMENT TEST

WaFd is rated “High Satisfactory” in the Investment Test for the state of Texas. The performance in the Dallas-Plano-Irving MSA assessment area drove the overall statewide rating, although the performance within the Austin-Round Rock-Georgetown MSA assessment area was also considered.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations, often in a leadership position, particularly those instruments that are not routinely provided by private investors. WaFd reported 66 qualified investments and donations that total approximately \$13.0 million in the state. This level is an increase from the prior evaluation when the institution’s qualified investments and donations totaled approximately \$3.6 million. The total amount of new CRA-qualified investments reported was approximately \$10.5 million. WaFd held approximately \$2.1 million in prior period investments and reported approximately \$310,000 in grants and donations in the state. The institution was able to penetrate all of the assessment areas in the state with investment, grant, and donation activity.

The current dollar amount of investments and donations in the state of Texas is 5.0 percent of the institution’s total qualified community development investments and donations for all the rated areas combined. The following table lists the qualified investments and donations activity by area and community development category.

Community Development Qualified Investments by Assessment Area - Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dallas-Plano-Irving MSA	21	10,797	-	-	1	1,000	-	-	22	11,797
Austin-Round Rock-Georgetown MSA	4	867	-	-	-	-	-	-	4	867
Subtotal	25	11,664	-	-	1	1,000	-	-	26	12,664
Qualified Grants & Donations	4	36	32	260	1	5	3	9	40	310
Total	29	11,700	32	260	2	1,005	3	9	66	12,974
<i>Source: Bank Records</i>										

Affordable housing received a vast majority of the qualified investments with approximately \$11.7 million, which includes 2 prior period investments for approximately \$2.1 million that are still active. Refer to the full-scope assessment area for further details and notable examples of qualified investments and donations.

Responsiveness to Credit and Community Development Needs

WaFd exhibits good responsiveness to credit and community development needs. The institution's emphasis on affordable housing investments is reflective of a need to develop more affordable housing projects in the state of Texas.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support community development initiatives. WaFd's qualified investments are useful and help promote community development, and the investments are considered innovative or complex as a few new investments and those held by the institution during the review period are equity equivalent and low-income housing tax credit investments.

SERVICE TEST

WaFd's service test performance in Texas is rated "Low Satisfactory". The institution's performance in the Dallas-Plano-Irving MSA assessment area is consistent with this conclusion, while the institution's performance in the Austin-Round Rock-Georgetown MSA assessment area is below the rated area conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the institution's Texas assessment areas and is below the institution overall. WaFd has a limited branch presence in the State of Texas overall. Performance in both the Dallas-Plano-Irving and Austin-Round Rock-Georgetown MSAs are consistent with this conclusion. Refer to each full- or limited-scope analysis for any notable differences in performance. The following table depicts performance for the State of Texas.

Branch Distribution by Geography Income Level - Texas						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	138	10.2	590,779	10.1	0	0.0
Moderate	341	25.3	1,473,374	25.1	0	0.0
Middle	365	27.1	1,617,482	27.5	1	25.0
Upper	469	34.8	2,099,317	35.7	3	75.0
NA	35	2.6	93,662	1.6	0	0.0
Total	1,348	100.0	5,874,614	100.0	4	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, WaFd closed two branches in the Dallas-Plano-Irving MSA and opened one branch in the Austin-Round Rock-Georgetown MSA. Additional details are included in each full-and limited-scope review.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the Texas assessment areas, particularly low- and moderate-income geographies and/or individuals. This conclusion is below the institution overall and consistent among each of the assessment areas. Drive-up service is limited to one of the four branch locations. Branch hours vary to a degree between the assessment areas, refer to each assessment area for details.

Community Development Services

WaFd provides a relatively high level of community development services in its Texas assessment areas. Bank personnel provided 540 community development services hours to organizations throughout the review period. While employees performed services in support of affordable housing and economic development initiatives, the significant majority of community service activities were directed toward providing community services to low- and moderate-income populations. Most service hours were provided in the Dallas-Plano-Irving MSA assessment area, which also received greater weight in determining overall conclusions for the rated area. The following table details the bank's community development services by assessment area and purpose. Refer to each full- and limited-scope analysis for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
Dallas MSA	23	475	5	-	503
Austin	-	32	5	-	37
Total	23	507	10	0	540
<i>Source: Bank Data</i>					

DALLAS-PLANO-IRVING MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DALLAS- PLANO-IRVING MSA ASSESSMENT AREA

The Dallas-Plano-Irving MSA assessment area is comprised of the Texas counties of Collin and Dallas, and includes the cities of Dallas, Fort Worth, Arlington and Plano.

The following table details changes to the CTs because of the Census Bureau’s release of the updated 2020 U.S. Census data during the evaluation period.

Dallas-Plano-Irving MSA AA	2015 ACS CTs		2020 U.S. Census CTs	
	#	%	#	%
Low	109	16.0	114	10.8
Moderate	201	29.5	270	25.5
Middle	138	20.3	286	27.0
Upper	227	33.3	369	34.9
N/A	6	0.9	19	1.8
Total	681	100.0	1,058	100.0
<i>Source: 2015 ACS, 2020 U.S. Census</i>				

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area based on the 2020 U.S. Census data:

Table A - Demographic Information of the Assessment Area						
Assessment Area: Dallas-Plano-Irving MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Median Family Income MSA - 19124 Dallas- Plano-Irving, TX		\$88,315	Median Housing Value			\$267,351
Household Distribution by Income Level	1,600,072	23.4	17.1	17.5	42.0	0.0
Family Distribution by Income Level	1,081,037	22.8	17.2	18.5	41.6	0.0
Farms by Geography	12,816	4.0	16.0	32.1	47.2	0.8
Businesses by Geography	862,972	5.3	16.5	29.9	47.3	1.1
Vacant Units by Geography	122,196	16.3	27.1	26.2	28.2	2.2
Owner-Occupied Units by Geography	901,643	5.6	20.0	28.8	45.3	0.4
Occupied Rental Units by Geography	698,429	17.8	30.6	27.3	22.4	1.9
Housing Units by Geography	1,722,268	11.3	24.8	28.0	34.8	1.1
Population by Geography	4,584,426	10.6	25.1	27.2	36.1	1.1
Geographies (Census Tracts)	1,058	10.8	25.5	27.0	34.9	1.8

	Median Gross Rent	\$1,259
	Families Below Poverty Level	8.3%
<i>Source: 2020 U.S. Census and D&B Data Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>		

Based on the 2020 U.S. Census data, there are 1.7 million housing units in the assessment area. Of these, 52.4 percent are owner-occupied, 40.6 percent are occupied rental units, and 7.1 percent are vacant. The median housing value of \$267,351 indicates a relatively high-priced housing area.

Based on 2023 D&B data, there are 875,788 businesses and farms operating in the assessment area. Service industries represent the largest portion of businesses at 33.1 percent; followed by non-classifiable establishments at 30.2 percent; finance, insurance and real estate at 13.0 percent; and retail trade at 8.5 percent. Additionally, 59.4 percent of the assessment area's businesses employ 4 or fewer employees, and 94.9 percent operate from a single location.

According to Moody's Analytics as of November 2023, economic strengths of the assessment area include stable demand for professional services due to many corporate headquarters, as well as favorable migration trends and age structure. Economic weaknesses include exposure to volatile high tech, which is sensitive to the business cycle, and diminished housing affordability. Top employers in the area are Walmart, Inc.; American Airlines; Baylor Scott and White Health; and Lockheed Martin.

Competition

The June 30, 2023 FDIC Deposit Market Share Report lists WaFd with the 64th most deposits of 168 depository institutions with a 0.1 percent market share in the assessment area.

Community Contact(s)

As part of this evaluation, another community contact interview was performed. Examiners conducted an interview with an operating officer of a local homeownership center. The contact explained that a shortage of affordable homes does exist, and even with custom loan products and down-payment assistance programs, the number of affordable homes within the area is insufficient. The contact observed that investors are coming into the local communities and buying at least half of the affordable homes, and then raising the home prices and resulting taxes. The contact added that wages in the area are still low, and a majority of individuals do not have a living wage. The contact indicated that banks could participate in opportunities to partner to assist potential borrowers to be mortgage-ready and to provide more residential loans within the metro area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, examiners determined the primary credit needs of the assessment area include small business and

home mortgage lending. In addition, the community development needs of the area include affordable housing, revitalization/stabilization, and economic development.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DALLAS-PLANO-IRVING MSA ASSESSMENT AREA

LENDING TEST

WaFd's Lending Test performance in the Dallas-Plano-Irving MSA assessment area is consistent with conclusions for the Texas rated area.

Lending Activity

Aggregate HMDA reports show WaFd was the 269th most active home mortgage lender of 964 lenders with a 0.04 percent market share in the assessment area. CRA Aggregate Reports show WaFd was 121st most active of 279 lenders with less than a 0.1 percent market share of institutions reporting small business loans in 2022.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. This conclusion is supported by a geographic distribution of home mortgage loans and small business loans that both reflect poor penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. As shown in the table below, bank lending is relatively similar to the percentage of owner-occupied units in low-income areas. However, lending in moderate-income areas significantly lags aggregate lenders and the percentage of owner-occupied homes in those areas. Given the degree to which performance lags aggregate lenders in moderate-income tracts, home mortgage lending reflects poor penetration in the assessment area.

Table E – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Dallas-Plano-Irving MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	7.0	4.2	1	3.3	700	4.6
2021	7.0	4.4	4	6.3	10,283	17.3
2022	7.1	4.6	4	7.5	16,405	19.7
2023	7.1	--	0	0.0	0	0.0
Moderate						
2020	24.9	14.3	3	10.0	1,099	7.2
2021	24.9	15.2	3	4.8	6,375	10.7
2022	23.6	13.6	5	9.4	7,557	9.1
2023	23.6	--	0	0.0	0	0.0
Middle						
2020	22.9	22.6	5	16.7	1,522	10.0
2021	22.9	23.6	6	9.5	5,827	9.8
2022	27.7	32.3	4	7.5	14,890	17.9
2023	27.7	--	2	22.2	270	7.6
Upper						
2020	45.1	58.6	21	70.0	11,944	78.2
2021	45.1	56.4	50	79.4	36,857	62.1
2022	41.3	48.9	39	73.6	40,159	48.1
2023	41.3	--	7	77.8	3,304	92.4
Not Available						
2020	0.2	0.3	0	0.0	0	0.0
2021	0.2	0.4	0	0.0	0	0.0
2022	0.4	0.6	1	1.9	4,408	5.3
2023	0.4	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	30	100.0	15,264	100.0
2021	100.0	100.0	63	100.0	59,341	100.0
2022	100.0	100.0	53	100.0	83,419	100.0
2023	100.0	--	9	100.0	3,574	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. The bank's level of lending in both low- and moderate-income tracts in 2020 was commensurate with the percentage of businesses in those tracts. However, performance declined since 2020, especially in low-income tract lending in 2023 and moderate-income tract lending in both 2022 and 2023.

Table F - Geographic Distribution of Small Business Loans Assessment Area: Dallas-Plano-Irving MSA						
Tract Income Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
Low						
2020	7.2	7.7	14	6.1	396	2.9
2021	7.4	7.6	1	2.3	520	7.4
2022	5.0	4.9	1	7.1	216	3.8
2023	5.3	--	0	0.0	0	0.0
Moderate						
2020	17.6	18.7	48	21.1	2,643	19.5
2021	17.5	18.6	7	15.9	1,226	17.4
2022	16.1	17.5	1	7.1	566	9.9
2023	16.5	--	1	7.7	970	14.6
Middle						
2020	25.3	23.4	68	29.8	4,114	30.3
2021	25.0	23.6	15	34.1	2,290	32.5
2022	30.3	28.3	5	35.7	1,465	25.6
2023	29.9	--	4	30.8	1,850	27.8
Upper						
2020	48.9	49.2	94	41.2	5,577	41.1
2021	49.2	49.3	21	47.7	3,012	42.7
2022	47.6	48.3	7	50.0	3,471	60.7
2023	47.3	--	7	53.8	3,356	50.5
Not Available						
2020	0.9	1.0	4	1.8	831	6.1
2021	0.9	0.9	0	0.0	0	0.0
2022	1.1	1.1	0	0.0	0	0.0
2023	1.1	--	1	7.7	476	7.2
Totals						
2020	100.0	100.0	228	100.0	13,561	100.0
2021	100.0	100.0	44	100.0	7,048	100.0
2022	100.0	100.0	14	100.0	5,718	100.0
2023	100.0	--	13	100.0	6,652	100.0
Source: 2020 Through 2023 D&B Data; Bank Data; 2020 through 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. This conclusion is based upon a distribution of home mortgage borrowers that reflects very poor penetration among retail customers of different income levels, and a distribution of small business borrowers that reflects excellent penetration among business customers of different sizes. In this assessment area, the volume of small business loans warrants a higher weighting than home mortgage loans. Thus, overall penetration is considered adequate.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects very poor penetration among retail customers of different income levels. As depicted in the table below, bank performance met or exceeded aggregate performance in lending to low-income borrowers in only 1 of 3 years with available data. Likewise, bank lending to moderate-income families was very low compared to aggregate lenders and the percentage of moderate-income families in the assessment area. The consistent performance across the evaluation period and the significant lag in performance reflects very poor penetration among retail mortgage customers.

Table I – Distribution of Home Mortgage Loans by Borrower Income Level

Assessment Area: Dallas-Plano-Irving MSA

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	26.2	3.5	2	6.7	454	3.0
2021	26.2	3.9	0	0.0	0	0.0
2022	22.8	3.6	0	0.0	0	0.0
2023	22.8	--	0	0.0	0	0.0
Moderate						
2020	17.1	12.0	1	3.3	137	0.9
2021	17.1	12.8	3	4.8	291	0.5
2022	17.2	11.7	1	1.9	150	0.2
2023	17.2	--	0	0.0	0	0.0
Middle						
2020	17.1	17.9	5	16.7	1,044	6.8
2021	17.1	16.9	2	3.2	625	1.1
2022	18.5	18.3	1	1.9	100	0.1
2023	18.5	--	1	11.1	20	0.6
Upper						
2020	39.6	50.4	21	70.0	12,979	85.0
2021	39.6	45.9	18	28.6	8,018	13.5
2022	41.6	46.4	19	35.8	8,777	10.5
2023	41.6	--	8	88.9	3,554	99.4
Not Available						
2020	0.0	16.2	1	3.3	650	4.3
2021	0.0	20.5	40	63.5	50,407	84.9
2022	0.0	20.0	32	60.4	74,392	89.2
2023	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	30	100.0	15,264	100.0
2021	100.0	100.0	63	100.0	59,341	100.0
2022	100.0	100.0	53	100.0	83,419	100.0
2023	100.0	--	9	100.0	3,574	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020, 2021, & 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business borrowers reflects excellent penetration among business customers of different sizes. As shown in the following table, lending to businesses with revenues of \$1 million or less declined each year in the evaluation period. However, 2020 and 2021 carried the most weight in assessing overall performance based on the much greater volume of loans these years. The bank's level of lending to small businesses in the assessment area exceeded aggregate lenders to such a degree that performance is considered excellent.

Table J - Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Dallas-Plano-Irving MSA						
Gross Revenue Level	% of Businesses	Aggregate % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	88.6	37.8	162	71.1	4,102	30.2
2021	88.6	43.0	29	65.9	2,816	40.0
2022	91.8	49.5	8	57.1	2,987	52.2
2023	92.5	--	4	30.8	1,971	29.6
>\$1,000,000						
2020	4.0	--	58	25.4	9,393	69.3
2021	3.7	--	14	31.8	3,673	52.1
2022	2.5	--	6	42.9	2,731	47.8
2023	2.2	--	9	69.2	4,681	70.4
Revenue Not Available						
2020	7.5	--	8	3.5	66	0.5
2021	7.8	--	1	2.3	559	7.9
2022	5.7	--	0	0.0	0	0.0
2023	5.3	--	0	0.0	0	0.0
Totals						
2020	100.0	--	228	100.0	13,561	100.0
2021	100.0	--	44	100.0	7,048	100.0
2022	100.0	--	14	100.0	5,718	100.0
2023	100.0	--	13	100.0	6,652	100.0
Source: 2020 through 2023 D&B Data Bank Data; 2020 through 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Community Development Loans

WaFd is a leader in providing community development loans in the assessment area. Community development lending in the assessment area comprised 15 loans totaling \$29.5 million. Community development lending increased from the previous evaluation, where 2 community development loans totaling \$14.4 million targeted the Dallas-Plano-Irving MSA assessment area. Total community development loans include 13 affordable housing loans totaling \$24.7 million. As described in the Credit and Community Development Needs and Opportunities section, affordable housing was identified as a significant need in the Dallas-Plano-Irving MSA assessment area.

The following are examples of community development loans benefitting the assessment area during the evaluation period:

- The bank made a loan of \$2.4 million in 2022 to purchase and renovate a 20-unit multi-family complex in a low-income census tract in Dallas TX. Upon renovations, the property will be 100 percent leased to low-income Section 8 voucher tenants, an identified need in this assessment area.
- In 2022 the bank made a loan of \$2.4 million loan with below market terms to renovate and expand offices for a local non-profit serving the affordable housing needs for 84 low- and moderate-income families in the area.
- In 2021 the bank made a loan to purchase a 38-unit multi-family complex in a low-income census tract. Rents at this property average rents at well less than HUD fair market rents and rents are affordable for families' earning 60 percent of the area's median family income.

INVESTMENT TEST

WaFd has a significant level of qualified community development investments and donations in the Dallas-Plano-Irving MSA, exhibits good responsiveness to credit and community development needs, and makes occasional use of innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and donations in the Dallas-Plano-Irving MSA. The combined community development investments, both new and remaining from the prior period, including grants and donations, total approximately \$12.0 million. This level is an increase from the prior evaluation when WaFd's qualified investments and donations totaled approximately \$3.1 million. The current total includes 20 new investments of approximately \$9.7 million, donations of \$251,000, and 2 prior period investments of approximately \$2.1 million.

Almost all of the investments and donations helped to support affordable housing, but one investment sustained economic development as other donations also sponsored community service and revitalization or stabilization efforts in the Dallas-Plano-Irving MSA.

The following table describes the breakdown of qualified investments and donations made or held during the review period by period and community development type.

Qualified Investments – Dallas-Plano-Irving MSA										
Activity Period	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	2,121	-	-	-	-	-	-	2	2,121
Current Period	19	8,676	-	-	1	1,000	-	-	20	9,676
Subtotal	21	10,797	-	-	1	1,000	-	-	22	11,797
Qualified Grants & Donations	4	36	25	206	-	-	3	9	32	251
Total	25	10,833	25	206	1	1,000	3	9	54	12,048
<i>Source: Bank Records</i>										

Listed below are notable examples of the institution's community development investments and donations in the assessment area:

- From the prior period, WaFd held a \$1.9 million investment in an affordable housing apartment complex. The development was restricted to low- and moderate-income persons and was located inside the assessment area.
- In 2020, the institution purchased a \$5.0 million investment to construct and preserve affordable housing units within the boundaries of the assessment area. The units target low- and moderate-income individuals in need of housing options.
- In 2020, WaFd donated \$30,000 to a non-profit enterprise to close the hunger gap. The community service funds provide access to food supplies to support low- and moderate-income households in the assessment area.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs. WaFd's emphasis on affordable housing investments, both new and carried over from the prior period, is reflective of a need for more affordable housing options in the Dallas-Plano-Irving MSA.

Community Development Initiatives

WaFd makes occasional use of innovative and/or complex investments to support community development initiatives. The institution's qualified investments are useful and help promote community development and are considered innovative or complex as a few new investments and those held by the institution during the review period are equity equivalent and low-income housing tax credit investments.

SERVICE TEST

WaFd's Service Test performance in the Dallas-Plano-Irving MSA assessment area is consistent with conclusions for the state of Texas.

Accessibility of Delivery Systems

Delivery Systems are accessible to limited portions of the institution's assessment area. WaFd does not have any branch locations in low-or moderate-income geographies; however, one branch is located on the border of a moderate-income geography. The absence of branch locations in low- and moderate-income geographies, decreases the accessibility of the bank's delivery systems. See the following table:

Branch Distribution by Geography Income Level – Dallas-Plano-Irving MSA						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	114	10.8	484,810	10.6	0	0.0
Moderate	270	25.5	1,151,878	25.1	0	0.0
Middle	286	27.0	1,246,208	27.2	1	33.3
Upper	369	34.9	1,653,023	36.1	2	66.7
NA	19	1.8	48,507	1.0	0	0.0
Total	1,058	100.0	4,584,426	100.0	3	100.0
<i>Source: 2020 U.S. Census Data; Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period the bank closed two branches: one in a middle, and one in an upper-income census tract. No branches were opened in this area during the review period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. This is consistent with the conclusion for the State of Texas. One of the four branches in the assessment area provides drive-up service. One branch also provides extended hours Monday through Friday, from 7:30 a.m. to 5:30 p.m., providing additional convenience at that location.

Community Development Services

The institution provides a relatively high level of community development services in the Dallas-Plano-Irving MSA assessment area. During the evaluation period, bank personnel provided 503 hours of community development services. Service hours increased from the prior evaluation, when WaFd employees provided 234 community development service hours to the assessment area. The significant majority of community development service activities were directed toward community services targeting low- and moderate-income populations.

The following are examples of community development services provided by bank employees in the assessment area during the evaluation period:

- Bank officers provided 195 hours of service to a local non-profit providing a broad level of community services, including housing assistance, childcare, transportation, and food for low- and moderate-income families.
- A bank officer provided 61 hours of services to a local Community Development Corporation providing community services to low-income areas.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the bank's performance in the Washington assessment areas evaluated using limited-scope procedures as compared to the bank's performance in the Dallas-Plano-Irving MSA assessment area. Examiners based conclusions on a review of available facts and data, aggregate lending comparisons and demographic information. The conclusions from the areas reviewed using limited-scope procedures did not alter the institution's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Austin-Round Rock-Georgetown MSA	Consistent	Below	Below

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Unless otherwise noted, Branch distribution and service hours are consistent with Texas overall, and products, services, and alternative delivery systems are discussed at the institution level. Additional information is in the Limited-Scope Assessment Areas Appendices.

Austin-Round Rock-Georgetown MSA

The bank operates one full-service branch in an upper-income census tract in this area. The branch was opened during the evaluation period, expanding the institution's operations into the MSA. The branch operates Monday through Friday from 9:00 a.m. to 5:00 p.m. No branches were closed since the previous evaluation.

Activity	#	\$
Small Business Loans	48	6,831
Home Mortgage Loans	14	13,680
Community Development Loans	2	9,947
Investments (New)	4	867
Investments (Prior Period)	-	-
Donations	8	59
Community Development Services	37	-
<i>Source: Bank Data</i>		

Geographic Distribution and Borrower Profile

Geographic distribution and borrower profile tables are included as an appendix to this evaluation.

LENDING TEST TABLES – LIMITED-SCOPE ASSESSMENT AREAS

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
AA	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000s)	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
WASHINGTON																			
WA Non-MSA	210	109,927	12.5	13,055	0.2	0.0	0.2	11.3	4.3	11.4	62.8	53.3	60.8	25.2	41.0	26.8	0.5	1.4	0.7
Bellingham	139	64,022	8.3	6,867	0.1	0.0	0.1	14.6	14.4	16.5	54.9	69.8	56.8	29.2	15.8	25.4	1.2	0.0	1.1
Mt. Vernon	101	38,392	6.0	4,155	0.0	0.0	0.0	16.1	4.0	16.3	61.3	62.4	60.8	22.6	33.7	22.8	0.0	0.0	0.0
Bremerton	100	52,064	6.0	11,125	0.0	0.0	0.0	17.5	3.0	22.5	64.4	59.0	63.1	18.1	38.0	14.3	0.0	0.0	0.0
Olympia	62	38,665	3.7	11,841	0.0	0.0	0.0	17.9	21.0	20.4	67.9	69.4	68.5	14.2	9.7	11.0	0.0	0.0	0.0
Spokane	42	11,648	2.5	21,607	1.7	0.0	2.4	18.6	19.0	21.6	49.1	47.6	46.1	30.6	33.3	29.8	0.1	0.0	0.1
Walla Walla	22	9,272	1.3	1,776	0.0	0.0	0.0	16.2	27.3	16.1	72.5	54.5	73.1	11.3	18.2	10.8	0.0	0.0	0.0
Yakima	5	843	0.3	5,748	0.2	0.0	0.3	16.2	20.0	16.2	35.5	0.0	30.3	48.1	80.0	53.3	0.0	0.0	0.0
Lewiston	8	1,224	0.5	651	0.0	0.0	0.0	32.6	12.5	41.8	41.5	75.0	38.9	25.9	12.5	19.4	0.0	0.0	0.0
ARIZONA																			
Tucson	104	46,644	6.2	37,434	2.0	0.0	1.9	26.3	22.1	22.4	30.5	21.2	30.2	40.4	54.8	45.0	0.8	1.9	0.5
AZ Non-MSA	67	25,358	4.0	7,568	1.1	0.0	0.0	18.1	9.0	5.6	44.0	55.2	50.2	36.9	35.8	44.3	0.0	0.0	0.0
Sierra Vista	23	18,130	1.4	4,349	0.0	0.0	0.0	17.9	34.8	13.4	56.7	47.8	51.7	25.3	17.4	34.9	0.1	0.0	0.0
Yuma	30	36,933	1.8	6,747	0.8	0.0	0.6	18.0	23.3	14.1	49.4	30.0	39.0	31.4	46.7	45.8	0.3	0.0	0.6
Prescott	31	11,240	1.9	10,918	0.0	0.0	0.0	16.9	9.7	16.8	67.3	83.9	68.8	15.8	6.5	14.4	0.0	0.0	0.0
OREGON																			
Bend	120	105,792	7.2	10,033	0.0	0.0	0.0	14.5	11.7	16.0	53.7	50.0	55.9	31.8	38.3	28.2	0.0	0.0	0.0
Salem	71	79,149	4.2	13,418	1.9	2.8	2.0	9.2	8.5	10.4	60.6	52.1	60.4	28.3	36.6	27.2	0.0	0.0	0.0

Eugene	41	101,175	2.4	11,586	0.0	0.0	0.0	18.8	9.8	19.3	53.8	56.1	52.5	26.9	34.1	27.3	0.5	0.0	0.9
Medford	29	23,757	1.7	7,345	0.2	0.0	0.3	17.9	31.0	18.3	59.4	51.7	58.9	22.5	17.2	22.5	0.0	0.0	0.0
Grants Pass	25	6,420	1.5	2,717	0.0	0.0	0.0	17.2	24.0	17.2	50.6	60.0	52.7	29.2	16.0	27.1	3.0	0.0	3.0
Corvallis	22	8,187	1.3	2,241	0.2	0.0	0.5	10.0	9.1	8.9	52.1	50.0	47.5	37.1	40.9	42.1	0.4	0.0	1.0
Albany	19	13,848	1.1	4,399	0.0	0.0	0.0	10.2	21.1	12.6	61.7	42.1	61.1	28.2	36.8	26.3	0.0	0.0	0.0
IDAHO																			
ID Non-MSA	116	61,732	6.9	6,612	1.5	0.0	2.0	11.9	0.0	9.8	59.3	63.8	60.9	27.3	36.2	27.3	0.0	0.0	0.0
Twin Falls	19	4,071	1.1	4,421	0.0	0.0	0.0	9.2	15.8	10.0	77.3	57.9	73.7	13.6	26.3	16.4	0.0	0.0	0.0
Idaho Falls	18	47,521	1.1	5,401	0.0	0.0	0.0	17.8	5.6	18.2	53.8	50.0	51.4	28.4	44.4	30.4	0.0	0.0	0.0
Pocatello	17	8,008	1.0	3,471	2.5	5.9	3.7	21.2	41.2	20.9	58.7	29.4	57.8	17.6	23.5	17.6	0.0	0.0	0.0
NEW MEXICO																			
Albuquerque	58	71,710	3.5	25,381	2.9	1.7	2.2	20.0	10.3	17.7	40.2	31.0	41.4	36.1	56.9	38.0	0.8	0.0	0.7
Santa Fe	40	21,084	2.4	4,306	0.0	0.0	0.0	23.0	7.5	16.3	38.2	30.0	37.3	37.9	50.0	44.5	0.9	12.5	1.9
Las Cruces	50	11,628	3.0	6,025	2.8	0.0	0.9	26.2	4.0	14.6	31.0	30.0	41.7	33.7	64.0	38.8	6.3	2.0	4.0
Farmington	5	556	0.3	2,142	1.4	0.0	0.0	29.8	0.0	14.0	45.8	60.0	54.3	21.4	40.0	30.2	1.6	0.0	1.5
NEVADA																			
NV Non-MSA	20	4,855	1.2	5,298	0.0	0.0	0.0	19.9	5.0	15.8	61.7	65.0	66.3	18.4	30.0	17.9	0.0	0.0	0.0
UTAH																			
Ogden	25	51,121	1.5	17,177	0.0	0.0	0.0	6.3	0.0	7.3	55.5	52.0	56.1	38.2	48.0	36.6	0.0	0.0	0.0
Logan	23	13,699	1.4	5,295	1.0	0.0	1.7	9.2	8.7	9.4	46.3	43.5	48.0	42.3	47.8	40.2	1.2	0.0	0.7
UT Non-MSA	8	2,280	0.5	734	0.0	0.0	0.0	15.5	12.5	16.8	84.5	87.5	83.2	0.0	0.0	0.0	0.0	0.0	0.0
TEXAS																			
Austin	6	5,954	0.4	41,730	3.5	0.0	3.2	19.6	0.0	20.7	31.4	16.7	33.9	44.8	66.7	41.0	0.8	16.7	1.2
Total	1,676	1,106,908	100.0	323,573	1.3	0.2	1.2	18.0	10.9	17.0	48.3	52.3	48.8	31.8	35.8	32.5	0.6	0.7	0.5
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2023
AA	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000s)	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
WASHINGTON																			
WA Non-MSA	94	42,023	12.0	--	0.2	0.0	--	11.3	5.3	--	62.8	68.1	--	25.2	26.6	--	0.5	0.0	--
Bellingham	52	20,044	6.7	--	0.1	0.0	--	14.6	17.3	--	54.9	61.5	--	29.2	19.2	--	1.2	1.9	--
Mt. Vernon	51	14,552	6.5	--	0.0	0.0	--	16.1	7.8	--	61.3	64.7	--	22.6	27.5	--	0.0	0.0	--
Bremerton	32	15,547	4.1	--	0.0	0.0	--	17.5	0.0	--	64.4	65.6	--	18.1	34.4	--	0.0	0.0	--
Olympia	48	15,435	6.1	--	0.0	0.0	--	17.9	16.7	--	67.9	81.3	--	14.2	2.1	--	0.0	0.0	--
Spokane	20	6,382	2.6	--	1.7	0.0	--	18.6	5.0	--	49.1	50.0	--	30.6	45.0	--	0.1	0.0	--
Walla Walla	9	2,047	1.2	--	0.0	0.0	--	16.2	22.2	--	72.5	44.4	--	11.3	33.3	--	0.0	0.0	--
Yakima	4	2,618	0.5	--	0.2	0.0	--	16.2	0.0	--	35.5	50.0	--	48.1	50.0	--	0.0	0.0	--
Lewiston	0	0	0.0	--	0.0	0.0	--	32.6	0.0	--	41.5	0.0	--	25.9	0.0	--	0.0	0.0	--
ARIZONA																			
Tucson	57	21,375	7.3	--	2.0	1.8	--	26.3	17.5	--	30.5	36.8	--	40.4	43.9	--	0.8	0.0	--
AZ Non-MSA	48	11,210	6.1	--	1.1	0.0	--	18.1	14.6	--	44.0	50.0	--	36.9	35.4	--	0.0	0.0	--
Sierra Vista	13	809	1.7	--	0.0	0.0	--	17.9	23.1	--	56.7	61.5	--	25.3	15.4	--	0.1	0.0	--
Yuma	21	2,656	2.7	--	0.8	0.0	--	18.0	14.3	--	49.4	33.3	--	31.4	52.4	--	0.3	0.0	--
Prescott	12	5,038	1.5	--	0.0	0.0	--	16.9	0.0	--	67.3	75.0	--	15.8	25.0	--	0.0	0.0	--
OREGON																			
Bend	61	45,249	7.8	--	0.0	0.0	--	14.5	8.2	--	53.7	72.1	--	31.8	19.7	--	0.0	0.0	--
Salem	39	11,011	5.0	--	1.9	0.0	--	9.2	2.6	--	60.6	74.4	--	28.3	23.1	--	0.0	0.0	--

Eugene	20	8,595	2.6	--	0.0	0.0	--	18.8	0.0	--	53.8	80.0	--	26.9	20.0	--	0.5	0.0	--
Medford	13	6,379	1.7	--	0.2	0.0	--	17.9	7.7	--	59.4	76.9	--	22.5	15.4	--	0.0	0.0	--
Grants Pass	8	1,084	1.0	--	0.0	0.0	--	17.2	25.0	--	50.6	50.0	--	29.2	25.0	--	3.0	0.0	--
Corvallis	17	6,675	2.2	--	0.2	0.0	--	10.0	0.0	--	52.1	58.8	--	37.1	41.2	--	0.4	0.0	--
Albany	8	3,111	1.0	--	0.0	0.0	--	10.2	0.0	--	61.7	37.5	--	28.2	62.5	--	0.0	0.0	--
IDAHO																			
ID Non-MSA	52	22,309	6.7	--	1.5	0.0	--	11.9	7.7	--	59.3	55.8	--	27.3	36.5	--	0.0	0.0	--
Twin Falls	12	1,388	1.5	--	0.0	0.0	--	9.2	8.3	--	77.3	83.3	--	13.6	8.3	--	0.0	0.0	--
Idaho Falls	3	1,492	0.4	--	0.0	0.0	--	17.8	0.0	--	53.8	0.0	--	28.4	100.0	--	0.0	0.0	--
Pocatello	4	288,630	0.5	--	2.5	0.0	--	21.2	50.0	--	58.7	50.0	--	17.6	0.0	--	0.0	0.0	--
NEW MEXICO																			
Albuquerque	24	17,108	3.1	--	2.9	0.0	--	20.0	16.7	--	40.2	20.8	--	36.1	62.5	--	0.8	0.0	--
Santa Fe	12	6,578	1.5	--	0.0	0.0	--	23.0	8.3	--	38.2	16.7	--	37.9	75.0	--	0.9	0.0	--
Las Cruces	10	2,252	1.3	--	2.8	0.0	--	26.2	10.0	--	31.0	30.0	--	33.7	60.0	--	6.3	0.0	--
Farmington	2	200	0.3	--	1.4	0.0	--	29.8	0.0	--	45.8	50.0	--	21.4	50.0	--	1.6	0.0	--
NEVADA																			
NV Non-MSA	11	1,450	1.4	--	0.0	0.0	--	19.9	0.0	--	61.7	54.5	--	18.4	45.5	--	0.0	0.0	--
UTAH																			
Ogden	11	8,242	1.4	--	0.0	0.0	--	6.3	0.0	--	55.5	54.5	--	38.2	45.5	--	0.0	0.0	--
Logan	9	3,069	1.2	--	1.0	0.0	--	9.2	0.0	--	46.3	66.7	--	42.3	33.3	--	1.2	0.0	--
UT Non-MSA	4	1,708	0.5	--	0.0	0.0	--	15.5	0.0	--	84.5	100.0	--	0.0	0.0	--	0.0	0.0	--
TEXAS																			
Austin	1	750	0.1	--	3.5	0.0	--	19.6	0.0	--	31.4	0.0	--	44.8	100.0	--	0.8	0.0	--
Total	782	308,673	100.0	--	1.3	0.1	--	18.0	9.5	--	48.3	59.3	--	31.8	30.9	--	0.6	0.1	--
Source: 2020 U.S. Census; 01/01/2023 - 12/31/2023 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2022**

AA	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
WASHINGTON																			
WA Mon-MSA	32	765	9.6	9,383	0.4	0.0	0.1	15.0	31.3	14.6	54.5	53.1	54.1	29.7	15.6	30.7	0.3	0.0	0.3
Bellingham	16	5,901	4.8	5,562	5.2	0.0	4.7	14.5	12.5	14.4	52.7	62.5	53.4	25.3	25.0	25.0	2.3	0.0	2.4
Mt. Vernon	15	4,711	4.5	2,658	0.0	0.0	0.0	20.4	6.7	19.9	62.6	80.0	65.1	17.0	13.3	15.0	0.0	0.0	0.0
Bremerton	2	40	0.6	4,889	0.0	0.0	0.0	22.3	50.0	21.6	52.9	50.0	57.6	24.8	0.0	20.9	0.0	0.0	0.0
Olympia	3	1,030	0.9	4,878	0.0	0.0	0.0	27.3	100.0	27.9	61.3	0.0	60.3	11.3	0.0	11.7	0.0	0.0	0.0
Spokane	19	613	5.7	11,246	1.1	0.0	1.1	25.4	42.1	27.1	34.6	52.6	40.5	21.6	5.3	24.4	17.4	0.0	6.9
Walla Walla	0	0	0.0	933	0.0	0.0	0.0	21.1	0.0	23.5	66.9	0.0	67.1	12.0	0.0	9.4	0.1	0.0	0.0
Yakima	3	115	0.9	3,466	6.2	0.0	5.7	21.5	33.3	21.8	30.4	0.0	33.0	41.9	66.7	39.4	0.0	0.0	0.0
Lewiston	2	35	0.6	244	0.0	0.0	0.0	49.0	50.0	48.4	33.0	0.0	32.0	18.0	50.0	19.7	0.0	0.0	0.0
ARIZONA																			
Tucson	26	8,565	7.8	20,512	2.1	0.0	2.6	25.3	26.9	27.9	26.4	30.8	28.4	44.0	30.8	39.1	2.1	11.5	2.0
AZ Non-MSA	17	815	5.1	3,887	0.0	0.0	0.0	14.6	11.8	14.8	47.8	82.4	49.7	37.6	5.9	35.5	0.0	0.0	0.0
Sierra Vista	14	968	4.2	1,840	0.0	0.0	0.0	17.6	42.9	17.4	58.0	50.0	58.3	24.3	7.1	24.3	0.1	0.0	0.0
Yuma	5	1,044	1.5	2,943	0.5	0.0	0.5	30.0	0.0	27.1	37.8	80.0	37.6	31.2	20.0	34.4	0.5	0.0	0.4
Prescott	1	15	0.3	6,390	0.0	0.0	0.0	15.9	0.0	17.1	63.8	100.0	63.6	20.4	0.0	19.3	0.0	0.0	0.0
OREGON																			
Bend	21	4,428	6.3	7,130	0.0	0.0	0.0	15.5	28.6	15.7	51.9	47.6	54.2	32.6	23.8	30.1	0.0	0.0	0.0
Salem	12	1,073	3.6	8,372	2.5	0.0	2.2	15.7	33.3	16.6	54.9	58.3	54.6	27.0	8.3	26.7	0.0	0.0	0.0
Eugene	10	1,114	3.0	6,821	0.0	0.0	0.0	27.1	40.0	27.4	45.5	60.0	47.0	24.8	0.0	23.6	2.5	0.0	2.1

Medford	26	9,139	7.8	4,974	5.4	0.0	4.6	17.1	26.9	16.1	53.3	61.5	54.2	24.2	11.5	25.1	0.0	0.0	0.0
Grants Pass	10	215	3.0	1,552	0.0	0.0	0.0	16.8	60.0	15.7	60.9	30.0	62.2	19.8	0.0	20.0	2.5	10.0	2.2
Corvallis	6	591	1.8	1,525	2.1	0.0	0.7	13.9	0.0	13.8	52.4	83.3	55.0	29.7	16.7	29.0	1.9	0.0	1.5
Albany	5	636	1.5	2,172	0.0	0.0	0.0	18.3	20.0	17.8	55.7	60.0	56.6	26.0	20.0	25.6	0.0	0.0	0.0
IDAHO																			
ID Non-MSA	13	1,974	3.9	6,136	2.3	0.0	1.5	15.8	0.0	13.2	55.4	69.2	54.4	25.8	30.8	30.2	0.7	0.0	0.7
Twin Falls	3	45	0.9	2,258	0.0	0.0	0.0	15.8	0.0	14.6	67.0	100.0	65.8	17.2	0.0	19.6	0.0	0.0	0.0
Idaho Falls	3	578	0.9	3,102	0.0	0.0	0.0	25.0	0.0	23.0	39.1	33.3	39.2	36.0	66.7	37.8	0.0	0.0	0.0
Pocatello	0	0	0.0	1,452	3.5	0.0	4.5	29.3	0.0	28.6	49.5	0.0	49.8	17.8	0.0	17.1	0.0	0.0	0.0
NEW MEXICO																			
Albuquerque	38	11,062	11.4	15,636	7.6	18.4	7.8	21.7	21.1	23.9	35.3	15.8	35.0	34.3	44.7	32.8	1.1	0.0	0.6
Santa Fe	12	3,692	3.6	4,307	0.0	0.0	0.0	16.5	25.0	19.9	27.8	33.3	30.1	54.8	41.7	49.0	0.9	0.0	1.0
Las Cruces	2	560	0.6	3,349	4.1	0.0	4.2	27.7	100.0	27.1	28.2	0.0	29.1	35.6	0.0	33.8	4.3	0.0	5.8
Farmington	2	42	0.6	1,499	0.1	0.0	0.2	24.6	0.0	23.5	44.1	50.0	46.0	25.3	50.0	23.6	6.0	0.0	6.7
NEVADA																			
NV Non-MSA	9	607	2.7	2,614	0.0	0.0	0.0	18.8	22.2	19.1	58.6	77.8	60.5	22.2	0.0	20.4	0.3	0.0	0.0
UTAH																			
Ogden	0	0	0.0	7,630	0.0	0.0	0.0	7.9	0.0	7.4	50.6	0.0	51.5	41.5	0.0	41.0	0.0	0.0	0.0
Logan	3	32	0.9	2,969	6.3	0.0	4.3	16.0	66.7	16.1	38.2	33.3	43.4	38.5	0.0	35.5	0.9	0.0	0.7
UT Non-MSA	1	100	0.3	227	0.0	0.0	0.0	28.1	0.0	25.1	71.9	100.0	74.9	0.0	0.0	0.0	0.0	0.0	0.0
TEXAS																			
Austin	1	250	0.3	48,429	2.9	0.0	4.0	13.1	100.0	19.1	18.8	0.0	24.3	56.5	0.0	49.7	8.7	0.0	3.0
Total	332	60,755	100.0	210,985	2.2	2.1	2.4	18.7	26.5	20.2	38.6	50.3	41.4	36.8	19.9	34.3	3.6	1.2	1.7
Source: 2023 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2023
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
WASHINGTON																			
WA Non-MSA	28	702	10.0	--	0.4	0.0	--	14.9	39.3	--	54.6	53.6	--	29.7	7.1	--	0.3	0.0	--
Bellingham	15	3,416	5.3	--	4.9	13.3	--	14.4	6.7	--	53.2	33.3	--	25.2	33.3	--	2.3	13.3	--
Mt. Vernon	10	1,212	3.6	--	0.0	0.0	--	20.0	0.0	--	62.8	80.0	--	17.2	20.0	--	0.0	0.0	--
Bremerton	2	21	0.7	--	0.0	0.0	--	22.3	0.0	--	53.2	50.0	--	24.5	50.0	--	0.0	0.0	--
Olympia	2	130	0.7	--	0.0	0.0	--	26.9	50.0	--	62.0	50.0	--	11.2	0.0	--	0.0	0.0	--
Spokane	13	1,087	4.6	--	1.1	0.0	--	24.9	23.1	--	34.9	46.2	--	21.8	7.7	--	17.3	23.1	--
Walla Walla	2	25	0.7	--	0.0	0.0	--	21.2	0.0	--	66.5	100.0	--	12.2	0.0	--	0.1	0.0	--
Yakima	3	117	1.1	--	6.1	0.0	--	21.4	33.3	--	30.4	66.7	--	42.1	0.0	--	0.0	0.0	--
Lewiston	0	0	0.0	--	0.0	0.0	--	48.6	0.0	--	32.8	0.0	--	18.5	0.0	--	0.0	0.0	--
ARIZONA																			
Tucson	23	4,917	8.2	--	2.1	0.0	--	24.8	34.8	--	26.2	26.1	--	44.9	34.8	--	2.0	4.3	--
AZ Non-MSA	19	943	6.8	--	0.0	0.0	--	13.8	10.5	--	48.2	63.2	--	38.0	26.3	--	0.0	0.0	--
Sierra Vista	4	63	1.4	--	0.0	0.0	--	17.4	50.0	--	58.6	50.0	--	24.0	0.0	--	0.0	0.0	--
Yuma	4	366	1.4	--	0.5	25.0	--	29.3	25.0	--	37.1	25.0	--	32.6	25.0	--	0.5	0.0	--
Prescott	0	0	0.0	--	0.0	0.0	--	15.8	0.0	--	64.0	0.0	--	20.2	0.0	--	0.0	0.0	--
OREGON																			
Bend	33	7,463	11.7	--	0.0	0.0	--	15.5	21.2	--	51.9	57.6	--	32.6	21.2	--	0.0	0.0	--
Salem	7	1,208	2.5	--	2.4	0.0	--	14.8	14.3	--	56.7	28.6	--	26.0	57.1	--	0.0	0.0	--
Eugene	7	1,730	2.5	--	0.0	0.0	--	26.9	42.9	--	45.9	57.1	--	24.8	0.0	--	2.5	0.0	--

Medford	22	7,882	7.8	--	5.5	0.0	--	17.1	27.3	--	52.8	68.2	--	24.5	4.5	--	0.0	0.0	--
Grants Pass	7	83	2.5	--	0.0	0.0	--	16.9	57.1	--	60.5	42.9	--	20.0	0.0	--	2.6	0.0	--
Corvallis	0	0	0.0	--	1.9	0.0	--	13.4	0.0	--	52.5	0.0	--	30.3	0.0	--	1.9	0.0	--
Albany	5	571	1.8	--	0.0	0.0	--	18.6	20.0	--	55.5	60.0	--	26.0	20.0	--	0.0	0.0	--
IDAHO																			
ID Non-MSA	6	123	2.1	--	2.1	0.0	--	15.2	0.0	--	55.2	50.0	--	26.9	50.0	--	0.7	0.0	--
Twin Falls	6	440	2.1	--	0.0	0.0	--	15.2	50.0	--	67.5	50.0	--	17.3	0.0	--	0.0	0.0	--
Idaho Falls	2	550	0.7	--	0.0	0.0	--	24.5	50.0	--	39.3	0.0	--	36.2	50.0	--	0.0	0.0	--
Pocatello	1	20	0.4	--	3.5	0.0	--	29.6	0.0	--	49.5	100.0	--	17.4	0.0	--	0.0	0.0	--
NEW MEXICO																			
Albuquerque	31	8,939	11.0	--	9.6	9.7	--	21.4	32.3	--	33.8	25.8	--	33.4	32.3	--	1.8	0.0	--
Santa Fe	6	965	2.1	--	0.0	0.0	--	14.3	33.3	--	26.1	0.0	--	58.8	66.7	--	0.8	0.0	--
Las Cruces	0	0	0.0	--	3.9	0.0	--	28.0	0.0	--	28.0	0.0	--	35.7	0.0	--	4.3	0.0	--
Farmington	8	275	2.8	--	0.0	0.0	--	23.0	12.5	--	45.4	37.5	--	25.6	50.0	--	5.9	0.0	--
NEVADA																			
NV Non-MSA	9	76	3.2	--	0.0	0.0	--	18.2	33.3	--	58.7	22.2	--	22.9	44.4	--	0.3	0.0	--
UTAH																			
Ogden	2	900	0.7	--	0.0	0.0	--	7.8	0.0	--	50.6	50.0	--	41.6	50.0	--	0.0	0.0	--
Logan	2	503	0.7	--	6.2	0.0	--	15.9	50.0	--	38.2	50.0	--	38.8	0.0	--	0.9	0.0	--
UT Non-MSA	2	45	0.7	--	0.0	0.0	--	26.6	0.0	--	73.5	100.0	--	0.0	0.0	--	0.0	0.0	--
TEXAS																			
Austin	0	0	0.0	--	3.1	0.0	--	14.3	0.0	--	18.6	0.0	--	56.4	0.0	--	7.6	0.0	--
Total	281	44,772	100.0	--	2.5	2.1	--	18.6	26.0	--	38.3	46.6	--	37.2	23.1	--	3.4	2.1	--
Source: 2023 D&B Data; 01/01/2023 - 12/31/2023 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$ (000s)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
WASHINGTON																			
WA Non-MSA	210	109,927	12.5	13,055	20.2	1.9	4.5	18.2	11.0	14.8	20.6	10.5	23.2	41.0	71.0	45.6	0.0	5.7	11.9
Bellingham	139	64,022	8.3	6,867	19.0	5.0	5.3	18.9	10.8	14.6	23.2	20.1	24.2	38.9	56.1	45.5	0.0	7.9	10.4
Mt. Vernon	101	38,392	6.0	4,155	17.9	1.0	4.2	19.4	15.8	11.3	23.3	15.8	23.9	39.5	56.4	48.8	0.0	10.9	11.8
Bremerton	100	52,064	6.0	11,125	18.3	2.0	4.8	19.3	8.0	16.2	23.1	12.0	26.1	39.3	66.0	39.7	0.0	12.0	13.1
Olympia	62	38,665	3.7	11,841	19.6	3.2	5.0	18.1	3.2	17.7	24.7	9.7	28.7	37.6	69.4	34.2	0.0	14.5	14.5
Spokane	42	11,648	2.5	21,607	19.6	2.4	5.7	18.6	9.5	17.6	21.5	38.1	23.7	40.3	33.3	40.6	0.0	16.7	12.3
Walla Walla	22	9,272	1.3	1,776	18.1	0.0	4.6	17.9	9.1	18.2	24.0	13.6	22.5	40.0	72.7	41.2	0.0	4.5	13.5
Yakima	5	843	0.3	5,748	20.3	0.0	5.1	18.5	20.0	15.2	21.6	40.0	24.4	39.6	40.0	41.6	0.0	0.0	13.7
Lewiston	8	1,224	0.5	651	21.7	0.0	14.9	22.9	37.5	27.3	18.3	25.0	21.4	37.1	25.0	23.3	0.0	12.5	13.1
ARIZONA																			
Tucson	104	46,644	6.2	37,434	21.9	4.8	8.2	17.4	6.7	17.0	19.6	10.6	22.1	41.2	58.7	33.3	0.0	19.2	19.5
AZ Non-MSA	67	25,358	4.0	7,568	21.1	4.5	2.9	17.3	13.4	9.5	18.7	4.5	15.9	42.9	62.7	53.0	0.0	14.9	18.7
Sierra Vista	23	18,130	1.4	4,349	20.5	26.1	6.6	18.0	13.0	14.0	20.5	13.0	18.4	41.0	26.1	36.6	0.0	21.7	24.5
Yuma	30	36,933	1.8	6,747	22.1	0.0	3.1	17.4	6.7	11.9	19.9	10.0	20.6	40.6	73.3	43.0	0.0	10.0	21.4
Prescott	31	11,240	1.9	10,918	20.0	0.0	7.8	18.1	9.7	14.5	23.2	25.8	21.4	38.8	51.6	41.0	0.0	12.9	15.3
OREGON																			
Bend	120	105,792	7.2	10,033	19.6	2.5	5.6	18.3	4.2	13.7	22.2	16.7	20.9	39.9	53.3	48.7	0.0	23.3	11.1
Salem	71	79,149	4.2	13,418	20.7	1.4	5.2	18.0	1.4	18.2	20.6	15.5	27.8	40.7	66.2	35.1	0.0	15.5	13.7
Eugene	41	101,175	2.4	11,586	21.4	0.0	5.5	16.9	12.2	17.2	21.4	14.6	25.2	40.3	51.2	41.8	0.0	22.0	10.2
Medford	29	23,757	1.7	7,345	20.2	3.4	5.4	18.5	6.9	15.9	21.1	13.8	24.6	40.1	48.3	40.6	0.0	27.6	13.6

Grants Pass	25	6,420	1.5	2,717	19.9	4.0	3.3	19.9	8.0	9.8	19.9	20.0	20.4	40.3	44.0	51.6	0.0	24.0	14.9
Corvallis	22	8,187	1.3	2,241	22.0	4.5	7.9	16.3	22.7	18.1	20.2	40.9	26.1	41.5	18.2	36.0	0.0	13.6	11.9
Albany	19	13,848	1.1	4,399	17.7	0.0	6.2	19.2	15.8	19.1	23.3	5.3	28.2	39.8	57.9	31.7	0.0	21.1	14.8
IDAHO																			
ID Non-MSA	116	61,732	6.9	6,612	20.8	3.4	4.8	18.0	9.5	14.1	21.3	12.1	21.0	39.9	69.8	50.5	0.0	5.2	9.6
Twin Falls	19	4,071	1.1	4,421	18.7	15.8	6.8	17.8	21.1	20.0	23.4	15.8	26.4	40.1	36.8	38.6	0.0	10.5	8.2
Idaho Falls	18	47,521	1.1	5,401	18.5	0.0	5.8	19.9	5.6	17.6	21.5	11.1	26.4	40.2	55.6	40.5	0.0	27.8	9.7
Pocatello	17	8,008	1.0	3,471	18.6	5.9	5.7	19.5	17.6	17.2	21.1	29.4	25.5	40.8	35.3	42.7	0.0	11.8	9.0
NEW MEXICO																			
Albuquerque	58	71,710	3.5	25,381	21.9	3.4	5.0	16.4	3.4	16.9	19.1	13.8	23.8	42.6	50.0	39.5	0.0	29.3	14.8
Santa Fe	40	21,084	2.4	4,306	20.8	7.5	5.5	18.8	10.0	12.4	18.6	2.5	17.7	41.8	67.5	49.8	0.0	12.5	14.5
Las Cruces	50	11,628	3.0	6,025	25.7	2.0	2.0	15.1	2.0	10.0	17.9	8.0	20.1	41.2	54.0	48.8	0.0	34.0	19.1
Farmington	5	556	0.3	2,142	22.9	0.0	1.7	17.9	0.0	9.3	17.4	0.0	21.6	41.8	100.0	49.4	0.0	0.0	18.0
NEVADA																			
NV Non-MSA	20	4,855	1.2	5,298	20.4	10.0	5.2	16.8	10.0	18.1	21.6	15.0	28.3	41.2	55.0	31.5	0.0	10.0	16.8
UTAH																			
Ogden	25	51,121	1.5	17,177	13.0	4.0	5.1	18.1	12.0	18.1	25.1	20.0	28.7	43.8	52.0	36.8	0.0	12.0	11.3
Logan	23	13,699	1.4	5,295	20.0	0.0	3.4	17.9	0.0	12.4	21.9	21.7	24.9	40.1	69.6	46.9	0.0	8.7	12.5
UT Non-MSA	8	2,280	0.5	734	27.0	0.0	13.9	18.4	25.0	25.7	25.6	37.5	24.8	29.0	25.0	22.2	0.0	12.5	13.4
TEXAS																			
Austin	6	5,954	0.4	41,730	21.8	0.0	3.8	16.5	0.0	10.9	19.8	16.7	17.3	41.9	66.7	52.0	0.0	16.7	16.1
Total	1,676	1,106,908	100.0	323,573	20.5	3.3	5.3	17.7	9.2	15.3	20.9	14.6	23.0	40.9	58.7	41.8	0.0	14.2	14.6
Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2023
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
WASHINGTON																			
WA Non-MSA	94	42,023	12.0	--	20.2	5.3	--	18.2	8.5	--	20.6	13.8	--	41.0	68.1	--	0.0	4.3	--
Bellingham	52	20,044	6.7	--	19.0	7.7	--	18.9	15.4	--	23.2	17.3	--	38.9	59.6	--	0.0	0.0	--
Mt. Vernon	51	14,552	6.5	--	17.9	2.0	--	19.4	17.6	--	23.3	25.5	--	39.5	54.9	--	0.0	0.0	--
Bremerton	32	15,547	4.1	--	18.3	3.1	--	19.3	9.4	--	23.1	6.3	--	39.3	81.3	--	0.0	0.0	--
Olympia	48	15,435	6.1	--	19.6	0.0	--	18.1	4.2	--	24.7	4.2	--	37.6	45.8	--	0.0	45.8	--
Spokane	20	6,382	2.6	--	19.6	0.0	--	18.6	5.0	--	21.5	15.0	--	40.3	70.0	--	0.0	10.0	--
Walla Walla	9	2,047	1.2	--	18.1	11.1	--	17.9	0.0	--	24.0	22.2	--	40.0	55.6	--	0.0	11.1	--
Yakima	4	2,618	0.5	--	20.3	0.0	--	18.5	0.0	--	21.6	0.0	--	39.6	100.0	--	0.0	0.0	--
Lewiston	0	0	0.0	--	21.7	0.0	--	22.9	0.0	--	18.3	0.0	--	37.1	0.0	--	0.0	0.0	--
ARIZONA																			
Tucson	57	21,375	7.3	--	21.9	10.5	--	17.4	12.3	--	19.6	21.1	--	41.2	52.6	--	0.0	3.5	--
AZ Non-MSA	48	11,210	6.1	--	21.1	2.1	--	17.3	10.4	--	18.7	4.2	--	42.9	62.5	--	0.0	20.8	--
Sierra Vista	13	808	1.7	--	20.5	30.8	--	18.0	15.4	--	20.5	23.1	--	41.0	15.4	--	0.0	15.4	--
Yuma	21	2,656	2.7	--	22.1	19.0	--	17.4	4.8	--	19.9	33.3	--	40.6	33.3	--	0.0	9.5	--
Prescott	12	5,038	1.5	--	20.0	0.0	--	18.1	8.3	--	23.2	16.7	--	38.8	66.7	--	0.0	8.3	--
OREGON																			
Bend	61	45,249	7.8	--	19.6	1.6	--	18.3	3.3	--	22.2	18.0	--	39.9	49.2	--	0.0	27.9	--
Salem	39	11,011	5.0	--	20.7	5.1	--	18.0	10.3	--	20.6	23.1	--	40.7	48.7	--	0.0	12.8	--
Eugene	20	8,595	2.6	--	21.4	0.0	--	16.9	5.0	--	21.4	15.0	--	40.3	65.0	--	0.0	15.0	--
Medford	13	6,379	1.7	--	20.2	7.7	--	18.5	0.0	--	21.1	7.7	--	40.1	69.2	--	0.0	15.4	--

Grants Pass	8	1,084	1.0	--	19.9	25.0	--	19.9	12.5	--	19.9	0.0	--	40.3	37.5	--	0.0	25.0	--
Corvallis	17	6,675	2.2	--	22.0	0.0	--	16.3	11.8	--	20.2	5.9	--	41.5	76.5	--	0.0	5.9	--
Albany	8	3,111	1.0	--	17.7	0.0	--	19.2	0.0	--	23.3	25.0	--	39.8	50.0	--	0.0	25.0	--
IDAHO																			
ID Non-MSA	52	22,309	6.7	--	20.8	7.7	--	18.0	11.5	--	21.3	5.8	--	39.9	67.3	--	0.0	7.7	--
Twin Falls	12	1,388	1.5	--	18.7	8.3	--	17.8	41.7	--	23.4	16.7	--	40.1	33.3	--	0.0	0.0	--
Idaho Falls	3	1,492	0.4	--	18.5	33.3	--	19.9	0.0	--	21.5	0.0	--	40.2	33.3	--	0.0	33.3	--
Pocatello	4	289	0.5	--	18.6	50.0	--	19.5	25.0	--	21.1	25.0	--	40.8	0.0	--	0.0	0.0	--
NEW MEXICO																			
Albuquerque	24	17,108	3.1	--	21.9	4.2	--	16.4	12.5	--	19.1	20.8	--	42.6	54.2	--	0.0	8.3	--
Santa Fe	12	6,578	1.5	--	20.8	8.3	--	18.8	0.0	--	18.6	16.7	--	41.8	58.3	--	0.0	16.7	--
Las Cruces	10	2,252	1.3	--	25.7	0.0	--	15.1	20.0	--	17.9	0.0	--	41.2	80.0	--	0.0	0.0	--
Farmington	2	200	0.3	--	22.9	0.0	--	17.9	0.0	--	17.4	50.0	--	41.8	50.0	--	0.0	0.0	--
NEVADA																			
NV Non-MSA	11	1,450	1.4	--	20.4	0.0	--	16.8	18.2	--	21.6	9.1	--	41.2	36.4	--	0.0	36.4	--
UTAH																			
Ogden	11	8,242	1.4	--	13.0	0.0	--	18.1	9.1	--	25.1	18.2	--	43.8	54.5	--	0.0	18.2	--
Logan	9	3,069	1.2	--	20.0	0.0	--	17.9	11.1	--	21.9	22.2	--	40.1	44.4	--	0.0	22.2	--
UT Non-MSA	4	1,708	0.5	--	27.0	25.0	--	18.4	0.0	--	25.6	25.0	--	29.0	50.0	--	0.0	0.0	--
TEXAS																			
Austin	1	750	0.1	--	21.8	0.0	--	16.5	0.0	--	19.8	0.0	--	41.9	100.0	--	0.0	0.0	--
Total	782	308,673	100.0	--	20.5	5.6	--	17.7	10.0	--	20.9	15.0	--	40.9	57.3	--	0.0	12.1	--
Source: 2020 U.S. Census ; 01/01/2023 - 12/31/2023 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2022**

AA	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
WASHINGTON											
WA Non-MSA	32	765	9.6	9,383	89.9	78.1	56.9	2.2	21.9	7.8	0.0
Bellingham	16	5,901	4.8	5,562	92.0	31.3	50.8	2.7	68.8	5.3	0.0
Mt. Vernon	15	4,711	4.5	2,658	89.7	33.3	56.7	2.8	66.7	7.5	0.0
Bremerton	2	40	0.6	4,889	92.3	100.0	56.4	1.9	0.0	5.8	0.0
Olympia	3	1,030	0.9	4,878	90.7	33.3	54.3	2.2	66.7	7.1	0.0
Spokane	19	613	5.7	11,246	91.2	84.2	54.2	2.6	15.8	6.3	0.0
Walla Walla	--	--	--	933	89.1	--	54.0	2.7	--	8.3	--
Yakima	3	115	0.9	3,466	87.0	100.0	57.6	3.6	0.0	9.4	0.0
Lewiston	2	35	0.6	244	87.1	100.0	66.4	2.8	0.0	10.1	0.0
ARIZONA											
Tucson MSA	26	8,565	7.8	20,512	91.6	53.8	55.4	1.8	46.2	6.6	0.0
AZ Non-MSA	17	815	5.1	3,887	87.8	70.6	53.6	2.6	23.5	9.6	5.9
Sierra Vista	14	968	4.2	1,840	88.5	78.6	54.6	1.9	21.4	9.6	0.0
Yuma	5	1,044	1.5	2,943	88.0	60.0	52.1	2.6	40.0	9.5	0.0
Prescott	1	15	0.3	6,390	92.6	0.0	58.5	1.6	0.0	5.8	100.0
OREGON											
Bend	21	4,428	6.3	7,130	93.5	57.1	54.9	2.1	42.9	4.5	0.0
Salem	12	1,073	3.6	8,372	91.5	50.0	56.4	2.3	50.0	6.3	0.0
Eugene	10	1,114	3.0	6,821	90.7	20.0	54.6	2.9	80.0	6.4	0.0
Medford	26	9,139	7.8	4,974	91.9	23.1	55.9	2.4	73.1	5.6	3.8
Grants Pass	10	215	3.0	1,552	92.9	70.0	57.0	1.9	20.0	5.2	10.0
Corvallis	6	591	1.8	1,525	90.8	33.3	55.6	2.1	66.7	7.0	0.0

Albany	5	636	1.5	2,172	90.7	20.0	56.3	2.8	80.0	6.6	0.0
IDAHO											
ID Non-MSA	13	1,974	3.9	6,136	90.9	38.5	54.5	2.5	53.8	6.6	7.7
Twin Falls	3	45	0.9	2,258	89.0	66.7	56.8	2.6	33.3	8.4	0.0
Idaho Falls	3	578	0.9	3,102	90.3	33.3	50.6	2.7	66.7	7.1	0.0
Pocatello	--	--	--	1,452	88.8	--	51.7	2.5	--	8.7	--
NEW MEXICO											
Albuquerque	38	11,062	11.4	15,636	89.9	47.4	55.3	2.8	52.6	7.3	0.0
Santa Fe	12	3,692	3.6	4,307	91.1	41.7	56.2	2.0	58.3	6.8	0.0
Las Cruces	2	560	0.6	3,349	86.9	100.0	56.8	2.8	0.0	10.3	0.0
Farmington	2	42	0.6	1,499	82.6	50.0	46.6	4.1	0.0	13.3	50.0
NEVADA											
NV Non-MSA	9	607	2.7	2,614	81.7	88.9	51.6	4.0	11.1	14.3	0.0
UTAH											
Ogden	--	--	--	7,630	91.8	--	44.0	1.9	--	6.2	--
Logan	3	32	0.9	2,969	90.1	66.7	47.3	2.4	33.3	7.5	0.0
UT Non-MSA	1	100	0.3	227	81.6	100.0	49.8	3.8	0.0	14.6	0.0
TEXAS											
Austin	1	250	0.3	48,429	93.0	100.0	48.6	2.0	0.0	5.0	0.0
Total	332	60,755	100.0	210,985	91.2	54.5	53.1	2.3	43.7	6.5	1.8
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2023**

AA	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
WASHINGTON											
WA Non-MSA	28	702	10.0	--	90.1	78.6	--	2.1	21.4	7.8	0.0
Bellingham	15	3,416	5.3	--	92.2	33.3	--	2.5	66.7	5.3	0.0
Mt. Vernon	10	1,212	3.6	--	89.9	60.0	--	2.6	30.0	7.5	10.0
Bremerton	2	21	0.7	--	92.4	50.0	--	1.8	0.0	5.9	50.0
Olympia	2	130	0.7	--	91.0	100.0	--	2.0	0.0	7.0	0.0
Spokane	13	1,087	4.6	--	91.3	53.8	--	2.4	46.2	6.4	0.0
Walla Walla	2	25	0.7	--	89.2	100.0	--	2.5	0.0	8.3	0.0
Yakima	3	117	1.1	--	87.4	66.7	--	3.3	33.3	9.3	0.0
Lewiston	--	--	--	--	87.5	--	--	2.5	--	10.0	--
ARIZONA											
Tucson	23	4,917	8.2	--	92.7	52.2	--	1.6	47.8	5.7	0.0
AZ Non-MSA	19	943	6.8	--	89.3	68.4	--	2.2	31.6	8.5	0.0
Sierra Vista	4	63	1.4	--	89.8	100.0	--	1.7	0.0	8.5	0.0
Yuma	4	366	1.4	--	89.6	25.0	--	2.2	50.0	8.2	25.0
Prescott	--	--	--	--	93.5	--	--	1.4	--	5.1	--
OREGON											
Bend	33	7,463	11.7	--	94.1	51.5	--	1.8	48.5	4.1	0.0
Salem	7	1,208	2.5	--	92.4	71.4	--	1.9	28.6	5.6	0.0
Eugene	7	1,730	2.5	--	91.5	14.3	--	2.6	85.7	5.9	0.0
Medford	22	7,882	7.8	--	92.5	36.4	--	2.2	59.1	5.3	4.5
Grants Pass	7	83	2.5	--	93.6	85.7	--	1.6	14.3	4.8	0.0
Corvallis	--	--	--	--	91.5	--	--	2.0	--	6.5	--

Albany	5	571	1.8	--	91.8	40.0	--	2.4	40.0	5.8	20.0
IDAHO											
ID Non-MSA	6	123	2.1	--	92.4	83.3	--	2.0	16.7	5.6	0.0
Twin Falls	6	440	2.1	--	90.1	50.0	--	2.3	33.3	7.6	16.7
Idaho Falls	2	550	0.7	--	91.2	0.0	--	2.4	100.0	6.5	0.0
Pocatello	1	20	0.4	--	89.9	100.0	--	2.2	0.0	7.9	0.0
NEW MEXICO											
Albuquerque	31	8,939	11.0	--	92.5	25.8	--	2.1	71.0	5.4	3.2
Santa Fe	6	965	2.1	--	93.8	16.7	--	1.5	66.7	4.7	16.7
Las Cruces	--	--	--	--	89.6	--	--	2.2	--	8.1	--
Farmington	8	275	2.8	--	86.0	75.0	--	3.3	12.5	10.7	12.5
NEVADA											
NV Non-MSA	9	76	3.2	--	83.5	88.9	--	3.6	11.1	12.9	0.0
UTAH											
Ogden	2	900	0.7	--	93.1	0.0	--	1.7	100.0	5.2	0.0
Logan	2	503	0.7	--	91.8	50.0	--	2.0	50.0	6.3	0.0
UT Non-MSA	2	45	0.7	--	84.0	50.0	--	3.3	50.0	12.7	0.0
TEXAS											
Austin	--	--	--	--	93.7	--	--	1.7	--	4.6	--
Total	281	44,772	100.0	--	92.2	53.4	--	2.0	43.4	5.8	3.2
Source: 2023 D&B Data; 01/01/2023 - 12/31/2023 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%											

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Washington	Needs to Improve	High Satisfactory	High Satisfactory	Needs to Improve
Arizona	Needs to Improve	High Satisfactory	High Satisfactory	Needs to Improve
Oregon	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Idaho	Needs to Improve	Low Satisfactory	High Satisfactory	Needs to Improve
New Mexico	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Nevada	Needs to Improve	High Satisfactory	Low Satisfactory	Needs to Improve
Utah	Needs to Improve	High Satisfactory	High Satisfactory	Needs to Improve
Portland-Vancouver-Hillsboro MSA	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve
Texas	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase,

own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



Community Reinvestment Act Improvement Plan

Overview

WaFd Bank (the “Bank”) is deeply committed to serving our communities and ensuring that our efforts align with the principles of the Community Reinvestment Act (“CRA”), consistent with safe and sound operations. We recognize the importance of fostering economic growth and providing equitable access to financial services for all members of our community. We strive to be responsive to our communities by understanding their needs and leveraging our organizational strengths and partnerships with community organizations throughout our assessment areas. Our goal is to drive solutions that improve affordability, access, and the overall quality of life for the individuals and businesses within our communities.

In response to our recent “Needs to Improve” rating, which noted deficiencies in our retail lending activities, we have developed a **CRA Improvement Plan** (the “Plan”) aimed at enhancing our performance in these areas. A summary of this Plan and the Bank’s efforts to improve its performance in helping to meet the credit needs of our communities is provided below and incorporated into this Public File, in accordance with Section 343.43(b)(5) of the Community Reinvestment Act.

We are dedicated to transparency and accountability in our efforts. As part of this commitment, we will provide quarterly updates on our progress and the steps we are taking to achieve our goals. We believe that by working together with our community partners, we can create a positive impact and contribute to the overall well-being of the communities we serve.

CRA Improvement Plan Summary

In 2024, we initiated a strategic shift in our business plan and have since exited the single-family residential market. We have directed our focus on the expansion of our small business lending programs to better meet the growing need for capital and banking services of entrepreneurs. Additionally, our multifamily residential and community development lending programs continue to be areas of focus to address the pressing need for affordable housing and to improve the economic stability and resilience of low- and moderate-income (“LMI”) communities.

Our commitment to community development extends beyond lending. We will maintain our high level of investment in community development projects and services to foster economic growth, enhance quality of life, promote social equity, strengthen community ties, and support sustainable development. We will also continue to invest in the resources necessary to effectively manage our CRA Program, meet the needs of our communities, and maintain compliance with CRA requirements.



Small Business Loan Program

Small businesses are the backbone of our economy, driving innovation and creating jobs in our communities. We believe that by providing tailored financial solutions and dedicated support, we can help these businesses grow and succeed. We aim to empower local entrepreneurs, support economic development, and foster a thriving business environment through the following actions.

- Expand awareness of our recently launched small business “Express Lending” products specifically designed for small businesses and include business credit cards, term loans and unsecured operating lines up to \$50,000 offered under expedited application processes and decisioning.
- Expand our Small Business Administration (“SBA”) offerings to include Express Loans, 504 Loans and 7(a) Loans and provide valuable financing options to help small businesses grow and achieve long-term success.
- Become an SBA Preferred Lender to provide small businesses with an efficient and effective lending process and faster, more reliable access to financing.
- Conduct regular small business credit needs assessments throughout our footprint, with a focus on the areas and states where improvement is needed, and utilize the findings to inform future initiatives and collaborations aimed at addressing these needs effectively.
- Form new strategic alliances with community development financial institutions (“CDFIs”) and other lending partners to improve access to capital for small businesses, and partnerships with local Small Business Development Centers (“SBDCs”) and other economic development agencies who provide hands-on support for small business success.
- Continue our investment and partnership in the FINSYNC CO.STARTERS program that equips entrepreneurs with essential business education on the fundamentals of success, with the goal to provide over 150 cohorts of 8-12 new entrepreneurs and growing small businesses the ability to participate in the comprehensive 10-week program at minimal cost for books/materials.
- Continue to invest in, educate and train our team members to enhance their understanding of small business structures and operations as well as their educational, financial, banking service, and technical support needs.
- Develop a Special Purpose Credit Program for women and minority entrepreneurs and business owners to address the unique challenges they face in securing access to financing options.
- Establish small business loan goals for each assessment area, considering demographic and aggregate lending data as the baseline, for (1) loans to businesses with revenues of \$1 million or less and (2) loans to small businesses located in LMI census tracts.
- Develop a monthly Small Business Loan Scorecard that measures the Bank’s actual performance to established goals and identifies areas where improvement is needed.
- Conduct monthly meetings with key executive and senior leaders to discuss any identified lending gaps, obstacles to success, and actions taken or to be taken to improve performance. Response actions may include increasing community outreach efforts, targeted marketing campaigns, hosting local workshops to educate small businesses, and/or purchasing small business loans to increase lending capacity for other small business lenders.



Multifamily Residential Loan Program

Access to affordable housing is a critical component of community stability and growth. We aim to help develop and preserve affordable housing options and support the economic development and stabilization of communities through the following actions.

- Dedicate resources to the expansion of our multifamily lending program focused on workforce housing and promoting affordable housing options in LMI communities.
- Establish multifamily residential lending goals for each assessment area, considering demographic and aggregate lending data as the baseline, for loans within LMI census tracts.
- Develop a monthly Multifamily Loan Scorecard that measures the Bank's actual progress to established goals and identifies areas where improvement is needed.
- Conduct monthly meetings with key executive and senior leaders to discuss any identified multifamily lending gaps, obstacles to success, and actions taken or to be taken to improve performance. Response actions may include evaluating our loan program parameters and assessing the competitive landscape, conducting outreach programs to identify and engage potential borrowers in the LMI areas, and identifying borrower expectations based on local economic conditions, demographics, and community needs.

Community Development ("CD") Lending Program

Community development lending plays a crucial role in driving economic progress and supporting long-term growth in our communities. We aim to help build resilient communities and fund projects that benefit low- and moderate-income communities through the following actions.

- Conduct credit and community needs assessments in the areas and states where improvement in our performance is needed to better understand the challenges faced by these communities.
- Gather insights from the needs assessments to help inform future CD lending initiatives, consistent with safe and sound principles.
- Provide additional training and tools to our commercial and small business lenders to help in the identification of qualifying CD lending activities.
- Form strategic partnerships with CDFIs, local government agencies, non-profit and other community organizations to identify and fund impactful community development projects.
- Identify opportunities to invest in CDFIs and other organizations to expand their capacity to originate community development loans.
- Establish CD lending goals for each assessment area, considering prior evaluation results and peer data, for the total amount of loans that support affordable housing, target community services to LMI communities, promote economic development, and revitalize or stabilize LMI geographies.
- Develop a monthly CD Loan Scorecard that measures the Bank's actual progress to established goals and identifies areas where improvement is needed.
- Conduct monthly meetings with key executive and senior leaders to discuss any identified CD lending gaps, obstacles to success, and actions taken or to be taken to improve performance.