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D.A.
Davidson
& Co. member
SIPC

16th Annual Financial Services Conference

May 14th, 2014

Forward Looking Statements

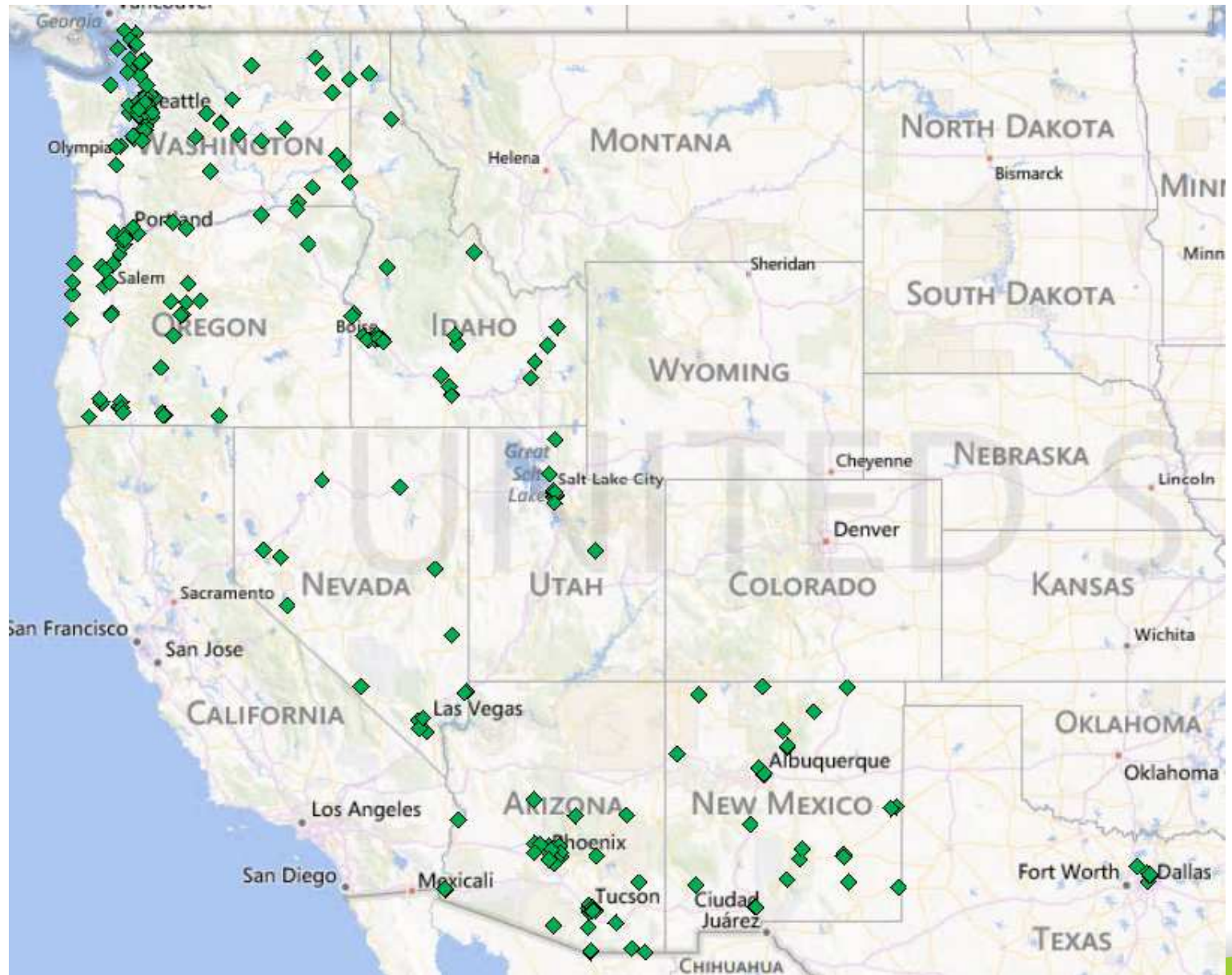
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking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

PROFILE

- **Since 1917**
- **254 Branches in Eight Western States**
- **Legacy thrift, converted to national bank in 2013**
- **Consumer Lending, Commercial Real Estate, Business Banking**
- **Strong Capital, High Asset Quality, Low-cost provider**
- **Portfolio Lender**
- **Profitable every year since 1982 IPO**
- **19 Acquisitions since IPO**
- **2nd Largest Bank Headquartered in Pacific Northwest**

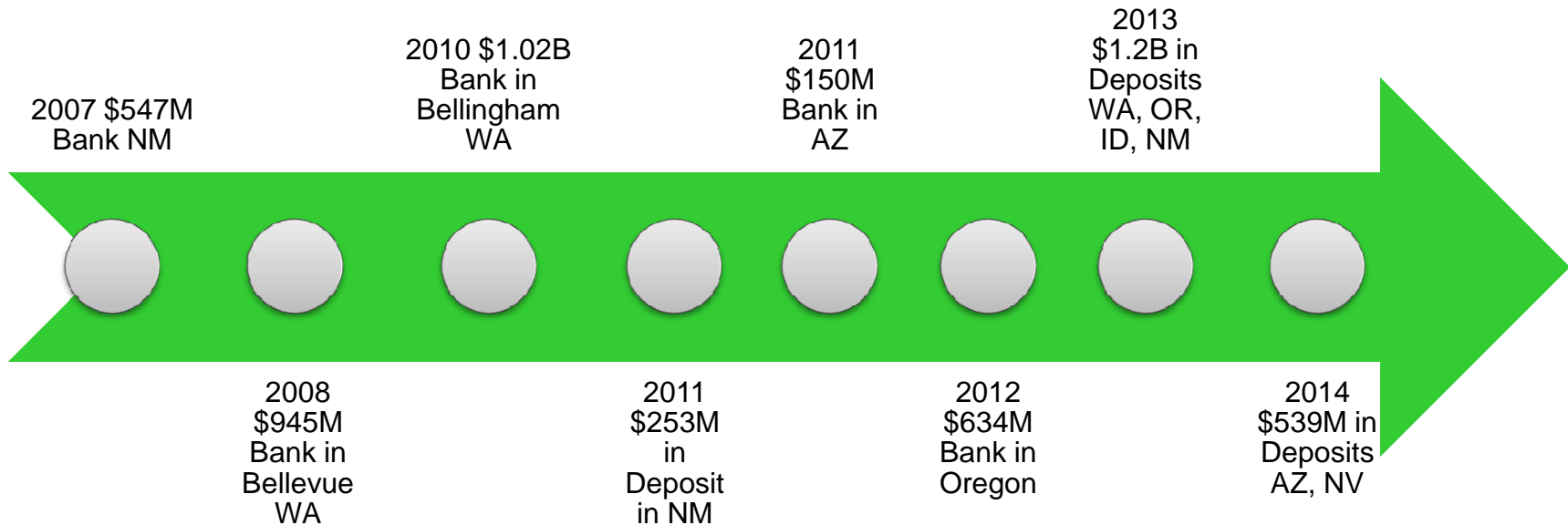
Market Area

8 Western States



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History of Acquisitions



Since going public in 1982 we have successfully integrated 19 acquisitions

Branch Acquisition from Bank of America

Historical Perspective:

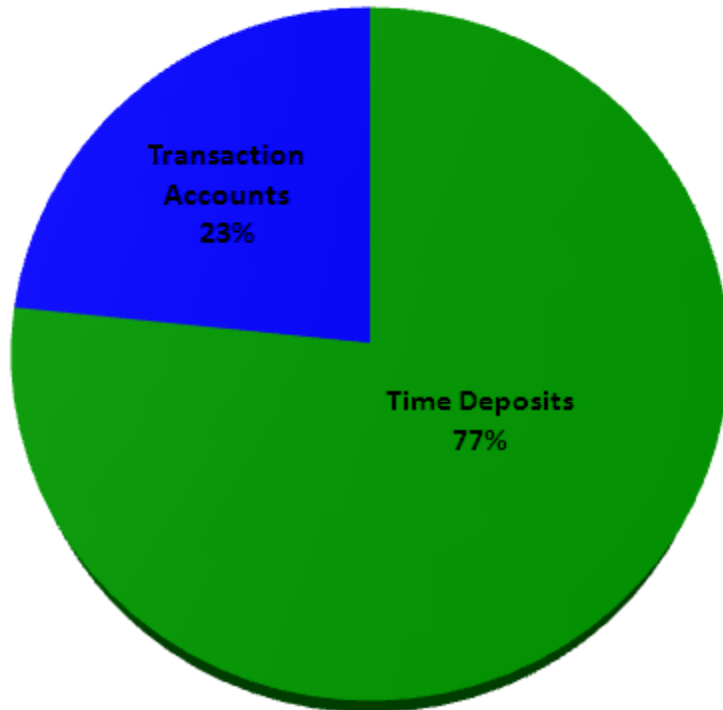
Since 2000 – the industry average premium paid for deposits has been 7.1%

Source: Morgan Stanley and SNL Financial – deposit only transactions

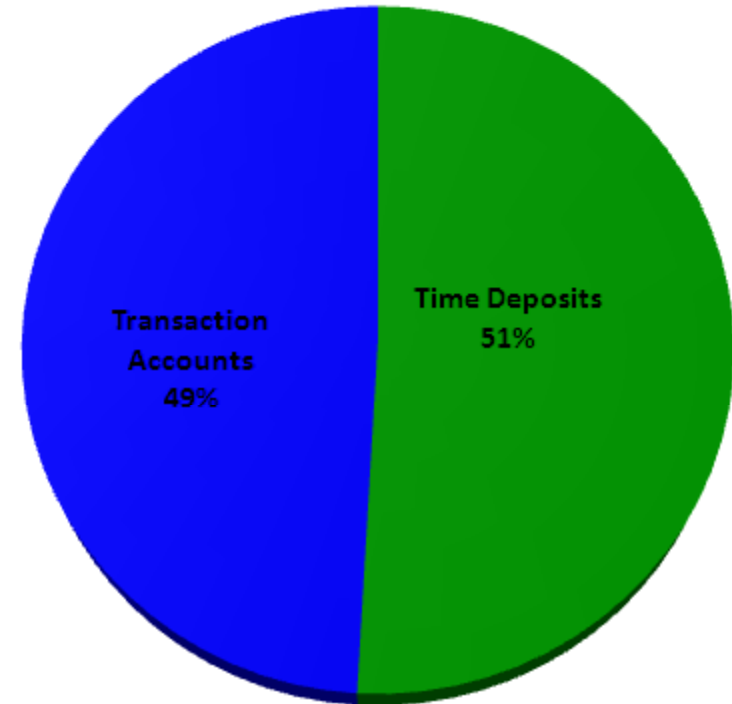
<u># of Branches</u>	<u>State</u>	<u>Deposits (in millions)</u>	<u>Premium</u>
10	New Mexico	\$ 306	2.60%
24	Washington	\$ 629	2.60%
14	Idaho	\$ 309	2.60%
2	Oregon	\$ 55	2.60%
13	Arizona	\$ 335	0.50%
10	Nevada	\$ 204	0.50%
73		\$ 1,838	1.98%
			% of Total
	Transaction Accounts	\$ 1,490	81.1%
	Time Deposits	\$ 348	18.9%
		\$ 1,838	100.0%
	Wtd Avg Cost of Funds	0.13%	
	Average Size Branch	\$ 25.2	

Deposit Mix – Including May 2014 Branch Acquisition

As of March 31, 2007

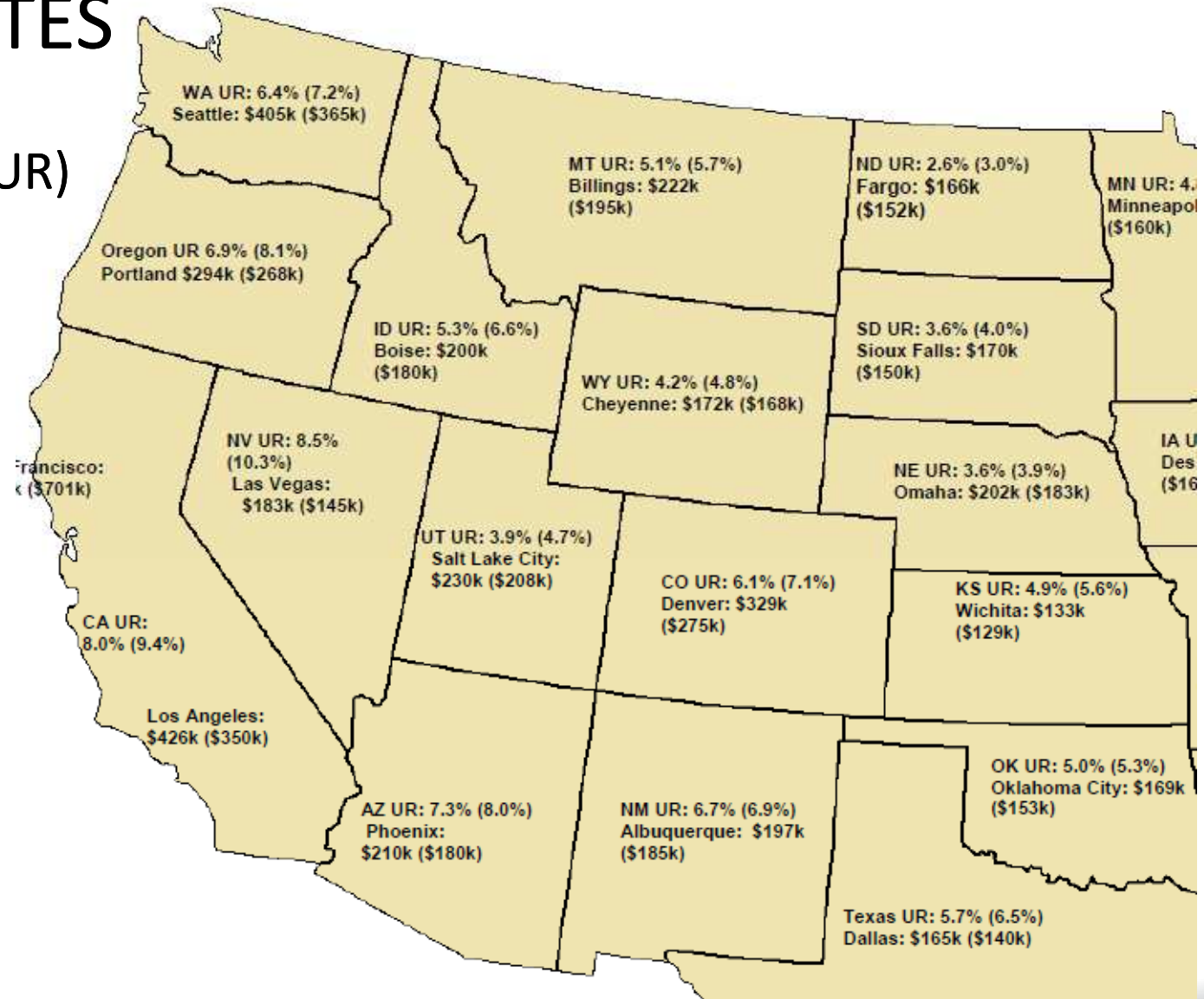


As of May 8, 2014

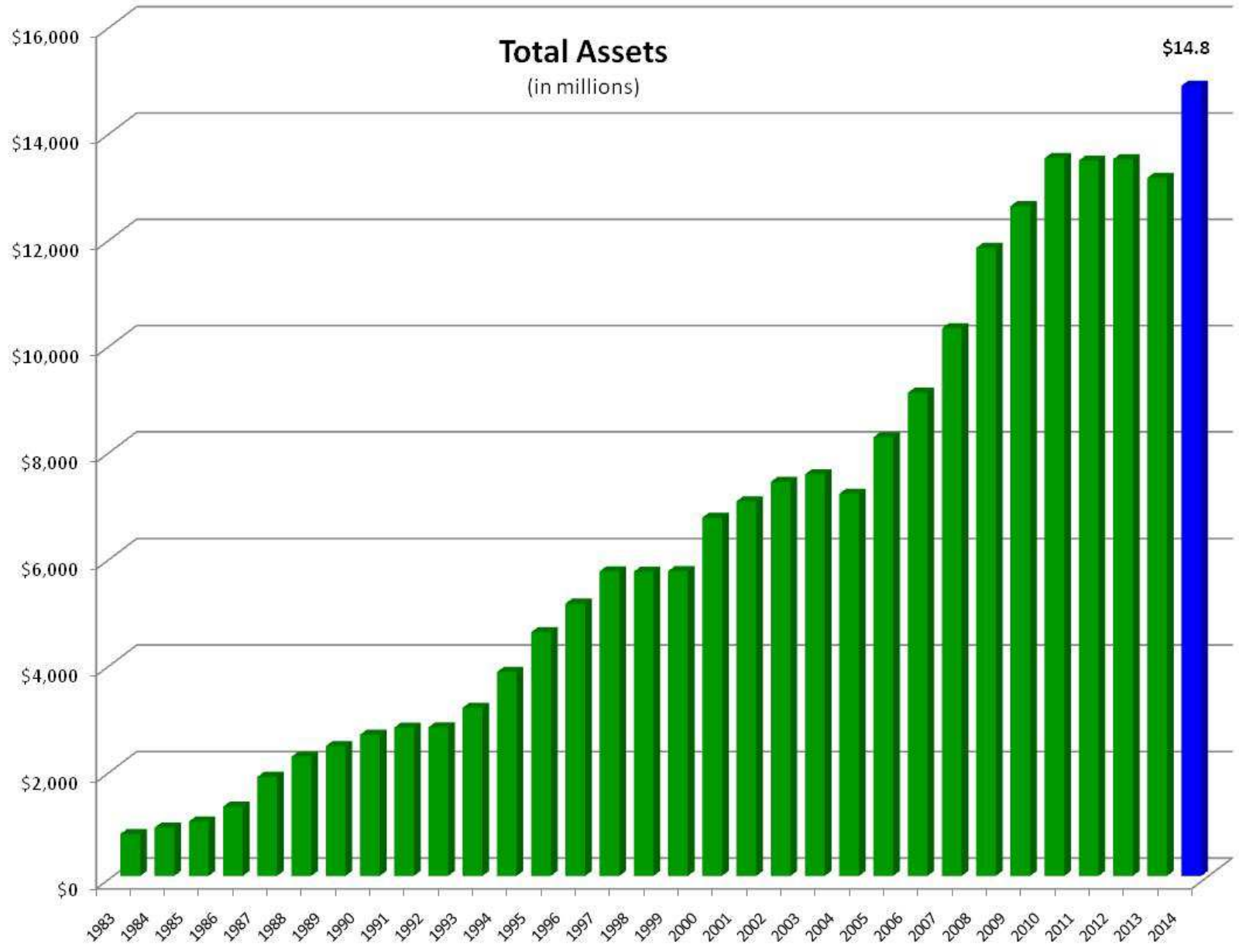


MARKET UPDATES

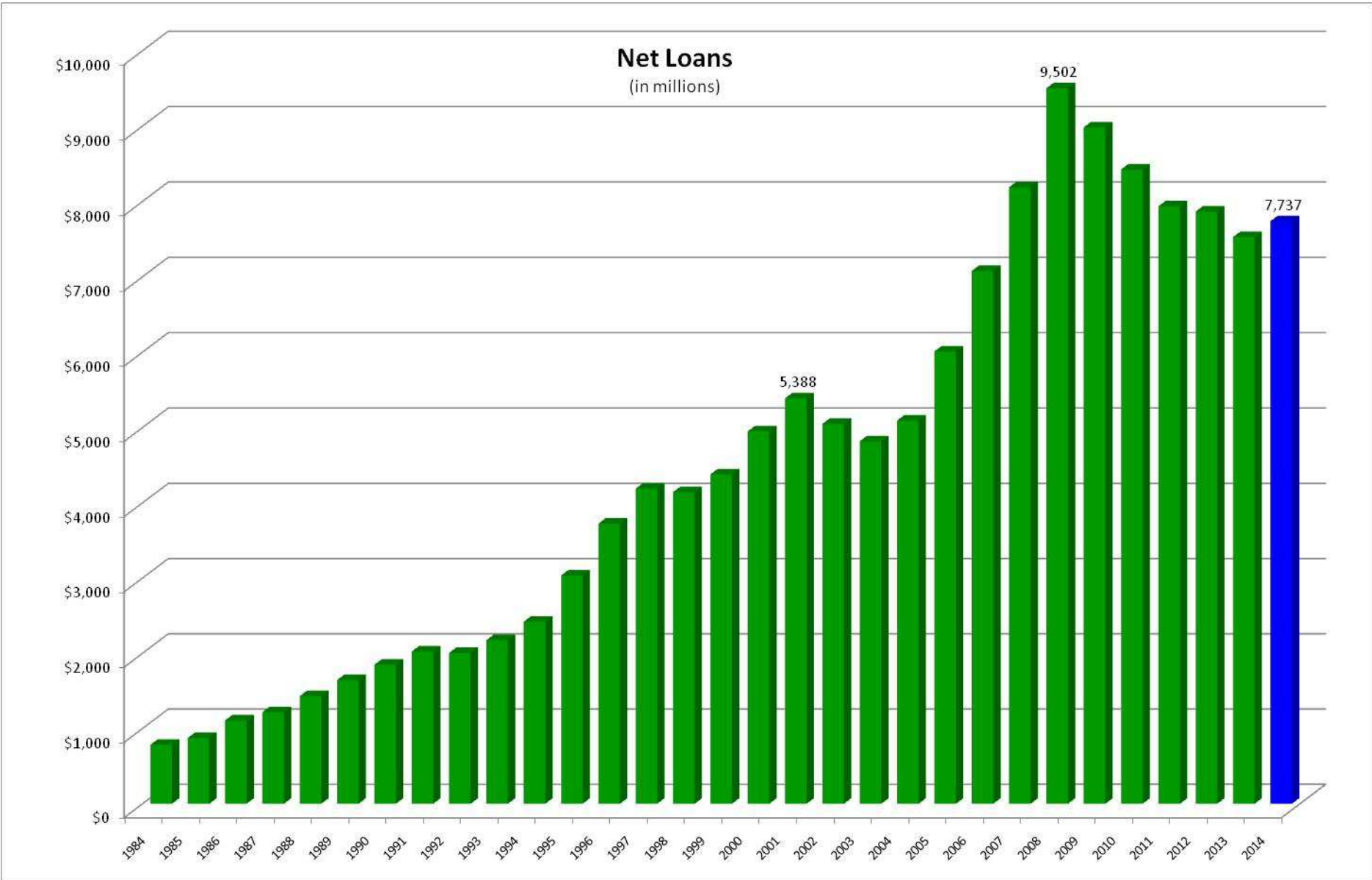
Current vs. Prior Year
Unemployment Rate (UR)
Median Home Price



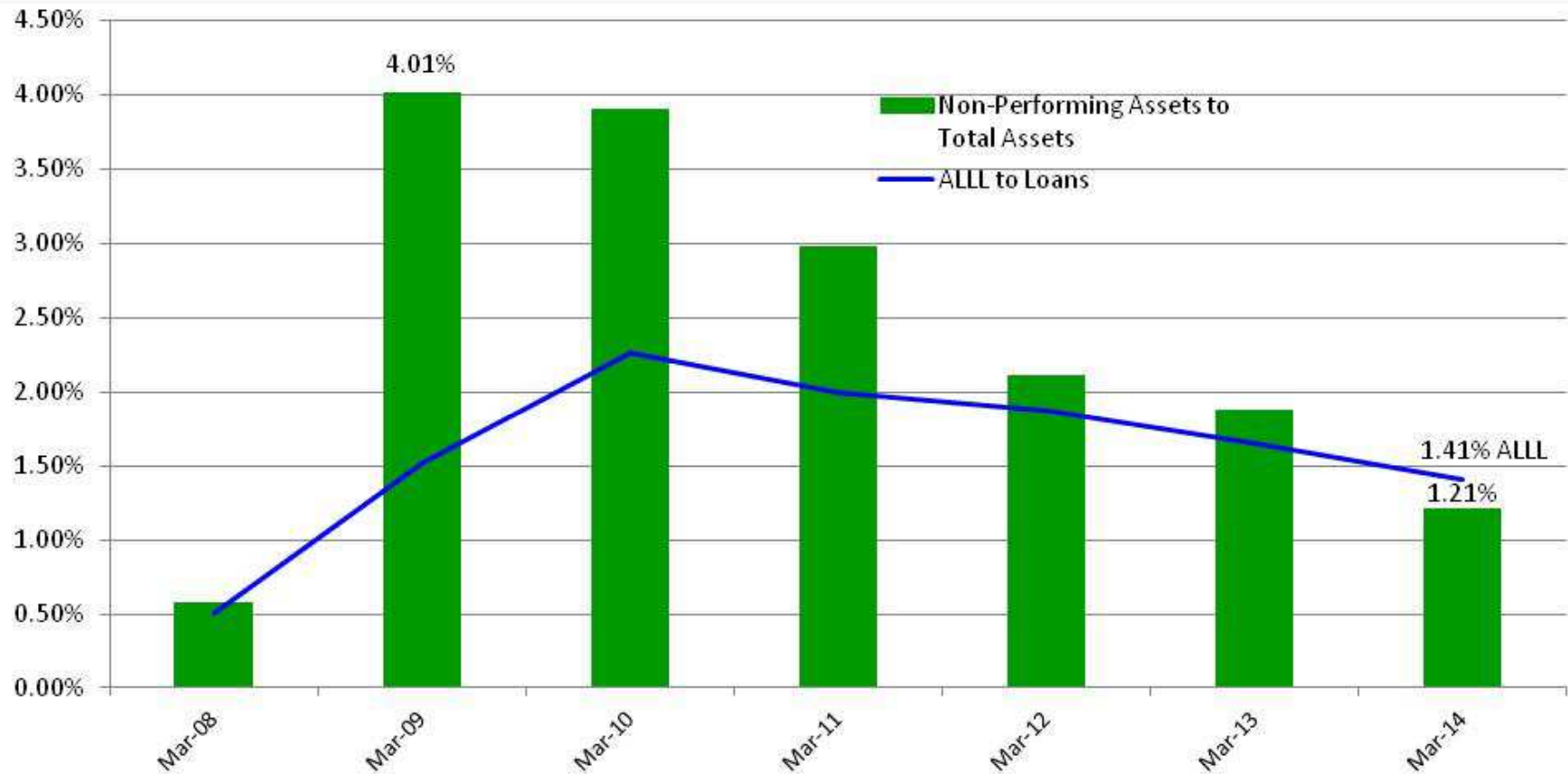
Source: DA Davidson Research
Report 4/10/14

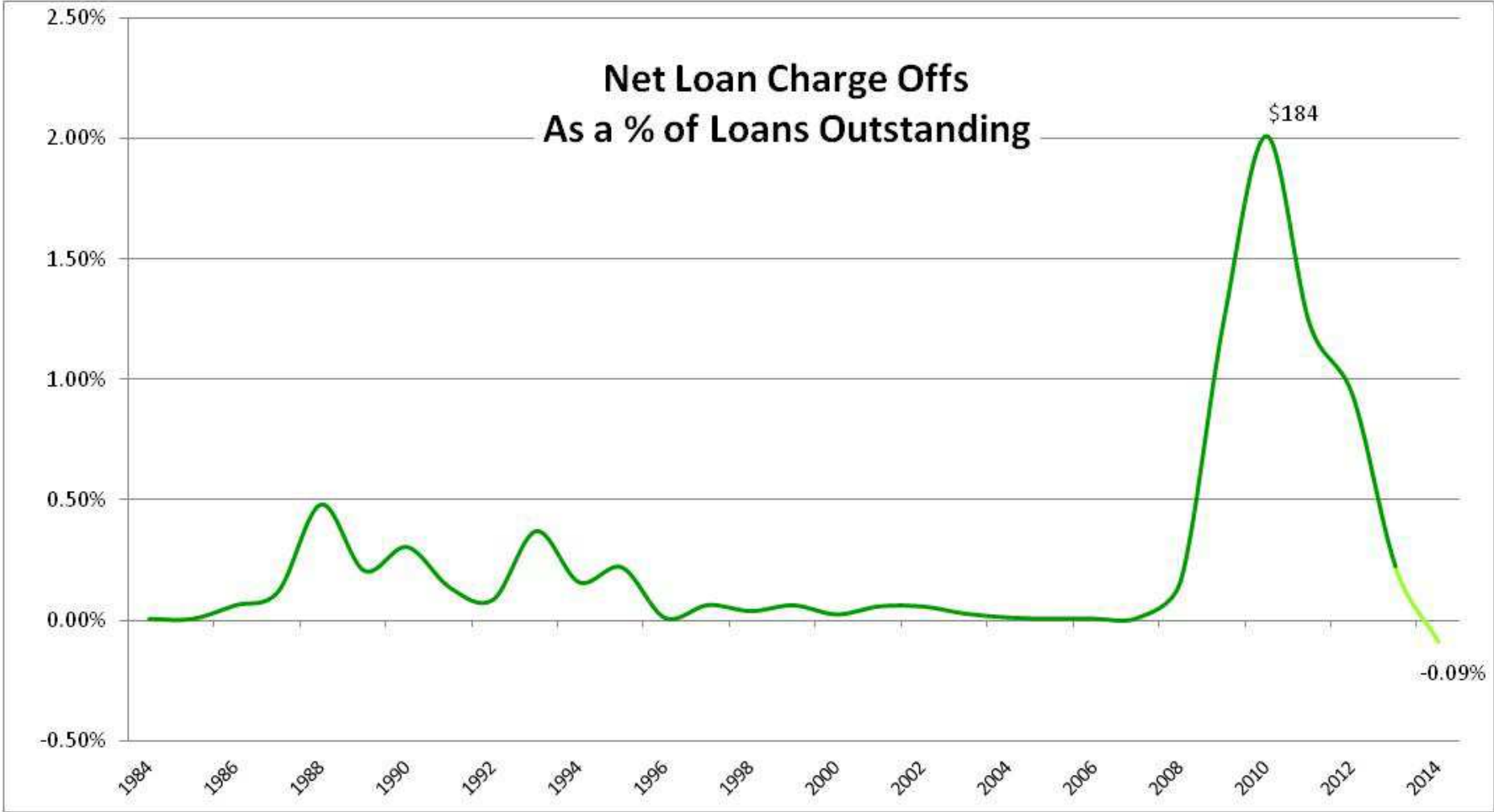


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Non-Performing Assets & Allowance Trends





Accounting Guidance –

A modification is a Troubled Debt Restructuring if:

- 1) Borrower is experiencing financial difficulties
- 2) A concession is made.

Most importantly – Current GAAP says once a TDR, always a TDR

94% of WAFD TDR's are performing

Financial Performance		More >>
Period Ended		3/31/2014
Assets (\$000)		14,364,599
Tangible Common Equity/ Tangible Assets (%)		11.95
Book Value (\$)		19.46
Tangible Book Value (\$)		16.51
LTM ROAA (%)		1.18
LTM ROAE (%)		8.16
LTM Efficiency Ratio (%)		43.70
LTM Net Int Margin (%)		3.12
NPAs/Assets (%)		3.88
NPA Excl. Rest/ Assets (%)		1.22
LTM NCOs/Loans (%)		(0.05)
Reserves/Loans (%)		1.42

Income Statement Trends

	<u>Six Months Ended March 31,</u>		<u>Change</u>	
	<u>2014</u>	<u>2013</u>	\$	%
Loans & covered assets.....	\$ 213,561	\$ 229,722	(16,161)	-7.0%
Mortgage-backed securities.....	40,440	22,374	18,066	80.7%
Investment securities and cash equivalents.....	<u>9,608</u>	<u>5,717</u>	3,891	68.1%
Interest Income.....	<u>263,609</u>	257,813	<u>5,796</u>	2.2%
INTEREST EXPENSE				
Customer accounts.....	30,279	35,466	(5,187)	-14.6%
FHLB advances and other borrowings.....	<u>34,383</u>	<u>33,890</u>	493	1.5%
Interest Expense.....	<u>64,662</u>	<u>69,356</u>	<u>(4,694)</u>	-6.8%
Net interest income.....	198,947	188,457	10,490	5.6%
Provision (reversal) for loan losses.....	<u>(8,936)</u>	<u>3,600</u>	<u>(12,536)</u>	-348.2%
NII after provision for loan losses.....	207,883	184,857	<u>23,026</u>	12.5%

Income Statement Trends

	<u>Six Months Ended March 31,</u>		<u>Change</u>	
	<u>2014</u>	<u>2013</u>	\$	%
Other Income.....	<u>12,490</u>	<u>11,003</u>	1,487	13.5%
	12,490	11,003	1,487	13.5%
OTHER EXPENSE				
Compensation and benefits.....	52,962	44,149	8,813	20.0%
Occupancy	11,607	9,272	2,335	25.2%
FDIC premiums	5,701	6,450	(749)	-11.6%
Information technology	6,860	5,290	1,570	29.7%
Amortization of intangible assets	1,549	726	823	113.4%
Other.....	<u>17,500</u>	<u>13,575</u>	3,925	28.9%
	96,179	79,462	16,717	21.0%
Gain (loss) on REO, net.....	<u>(1,398)</u>	<u>(7,322)</u>	5,924	-80.9%
Income before income taxes.....	122,796	109,076	13,720	12.6%
Income taxes provision.....	<u>43,903</u>	<u>37,816</u>	6,087	16.1%
NET INCOME.....	<u>\$ 78,893</u>	<u>\$ 71,260</u>	7,633	10.7%

Efficiency Ratio of 46% for the 6 months ended March 31, 2014

Interest Rate Risk

Historically we have taken a significant amount of IRR

Based on where rates are today, we have less IRR than WAFD has historically taken. IRR measures as of March 31, 2014

- One Year Negative Gap of 13.9%
- Net Portfolio Value after +200 bps shock at 15.22%
- Net Interest Income would decrease by 2.1% in +200 bps shock

Lower IRR due to:

- Increase in transaction accounts
- Substantial cash position
- Increase in variable / shorter duration loans & Investments

Capital at March 21, 2014

We will never seek to maximize leverage. Rather we aspire to be the bank that can best weather the next storm on the horizon.

Tangible Common Equity to Tangible Assets 11.95%

Tier 1 Risk Based Capital Ratio 23.99%

Total Risk Based Capital Ratio 25.25%

Returning Capital to Shareholders

WAFD has paid 125 consecutive quarterly cash dividends

Current cash dividend of \$.10 provides a yield of 1.90% based on recent prices

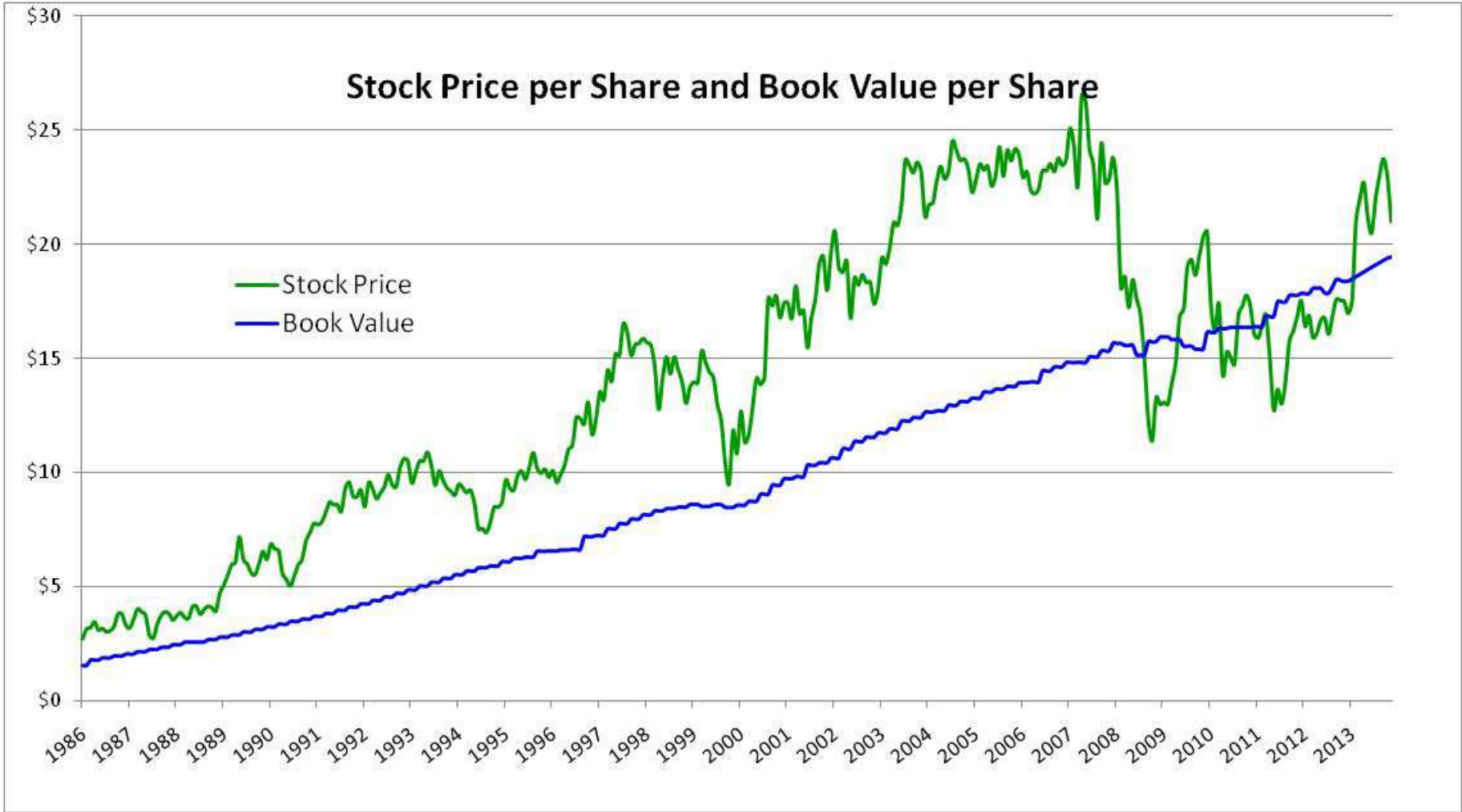
Year to date through March 31st the Company has returned 66% of net income to shareholders

For the 3rd Quarter through May 8nd, we have repurchased 918,000 shares at a wtd avg price of \$21.80

Going Forward:

Our focus will be on:

- **Growing loans – both commercial and mortgages**
- **Growing transaction accounts**
- **Investing liquidity**
- **Integrating the 70+ branches acquired within the last 6 months**
- **Core system conversion that will occur in Dec 2015 qtr**
- **Right sizing the expense base**



Book Value per Share \$19.46

Price to BV: 1.07

Tangible Book Value per Share \$16.41

Price to TBV: 1.28

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