



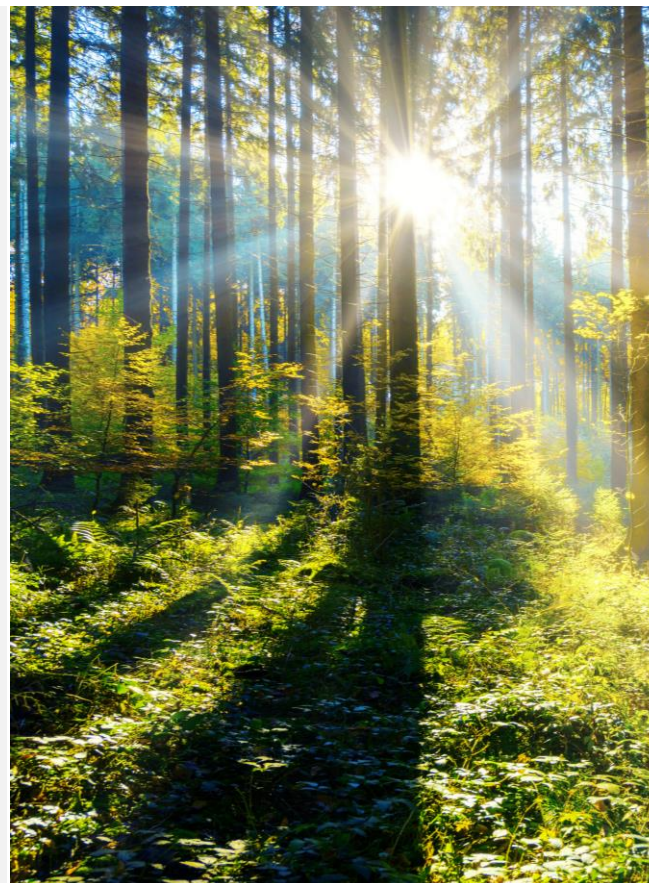
## Investor Presentation

### September 30th, 2022

*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.*

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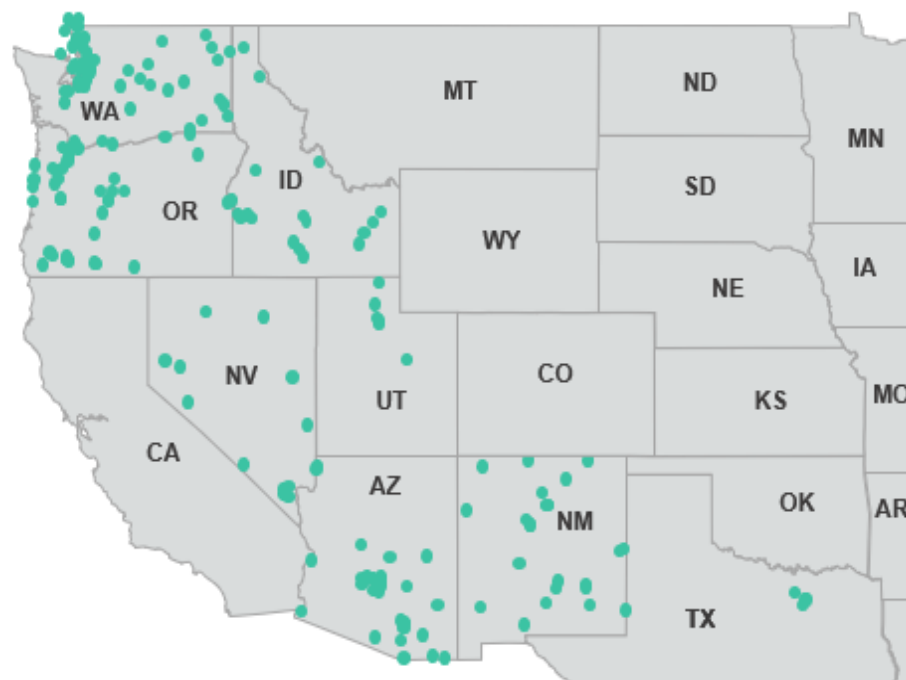


# Overview of WaFd Bank

## Overview

- Established in **1917**; IPO in 1982
- Washington State Charter Commercial Bank – WA DFI, FDIC, FRB, CFPB Regulated
- Headquartered in Seattle, WA; is the **second largest** bank headquartered in the Pacific Northwest
- Exited BSA Consent Order Dec 2021
- 201 branches** across 8 western states
- Full-service** consumer & commercial bank
- Strong capital, high asset quality, consistent results
- Portfolio mortgage lender
- Profitable **every year since 1965**
- Interest rate risk management – well controlled
- 159 consecutive** quarterly cash dividends
- 13,079% Total shareholder return since IPO

## Geographic Overview



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

Total Assets  
**\$20.77Bn**

Total Loans  
**\$16.11Bn**

Total Deposits  
**\$16.03Bn**

Stockholder Equity  
**\$2.27Bn**

Efficiency Ratio  
**49.52%**

<sup>1</sup> As of or for the quarter-ended 9/30/2022

# WaFd Bank Executive Management Committee



Brent Beardall  
*President and Chief Executive  
Officer*



Vincent Beatty  
*EVP Chief Financial Officer*



Cathy Cooper  
*EVP Chief Consumer Banker*



James Endrizzi  
*EVP Chief Commercial  
Banker*



Kim Robison  
*EVP Chief Operating Officer*



Ryan Mauer  
*EVP Chief Credit Officer*

# WaFd Bank Demographics

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

State	Number of Branches	Company Deposits in Market (\$000)	Deposit Market Share (%)	Percent of National Franchise (%)	Total Population 2022 (Actual)	Population Change 2010-2022 (%)	Projected Population Change 2022-2027 (%)	Median HH Income 2022 (\$)	Projected HH Income Change 2022-2027 (%)
Washington	72	7,209,123	3.06	45.0	7,858,401	16.86	6.10	88,405	14.17
Oregon	36	2,878,933	2.68	18.0	4,295,247	12.12	4.01	73,746	13.64
Arizona	28	1,625,957	0.74	10.1	7,185,732	12.42	(1.48)	70,139	13.99
New Mexico	19	1,363,525	2.93	8.5	2,126,179	3.25	1.86	55,697	9.85
Idaho	22	1,052,550	2.47	6.6	1,891,021	20.63	8.15	66,938	12.56
Utah	9	802,635	0.70	5.1	3,354,693	21.38	7.42	84,724	13.18
Nevada	9	534,655	0.47	3.3	3,176,325	17.62	5.12	71,353	14.43
Texas	6	562,192	0.05	3.5	29,801,205	18.51	5.30	70,957	11.16
<b>Totals:</b>	<b>201</b>	<b>16,029,570</b>		<b>100</b>	<b>59,688,803</b>				
<b>Weighted Average</b>						<b>14.93</b>	<b>4.76</b>	<b>78,211</b>	<b>13.44</b>
<b>Aggregate: National</b>					<b>334,279,739</b>	<b>8.27</b>	<b>3.21</b>	<b>72,465</b>	<b>12.10</b>

Deposit market share and percent of national franchise are from the FDIC's Summary of Deposit reports and is as of 06/30/2022. All other data is as of 9/30/2022.

# Vision 2025

## **Our Objective:**

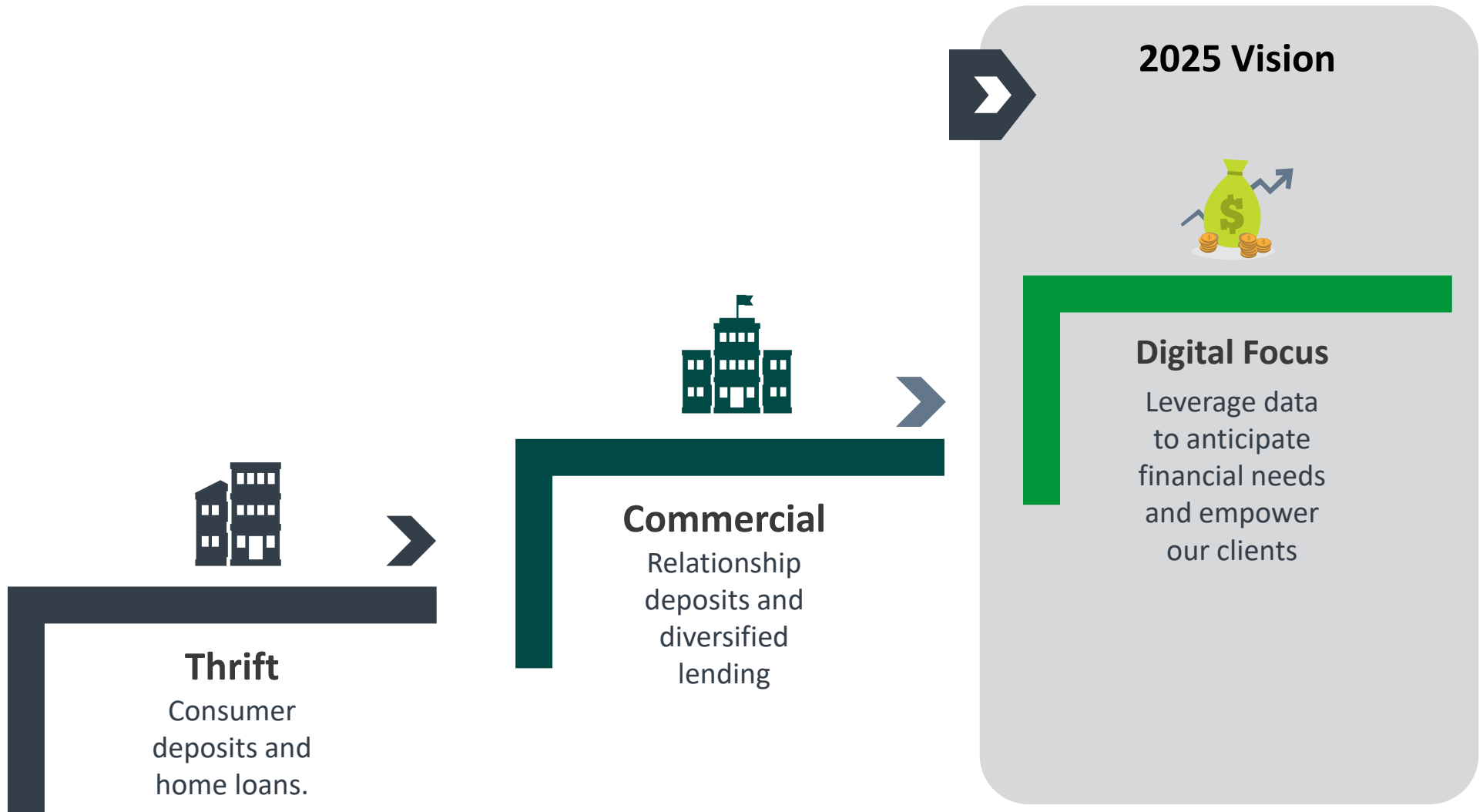
*A highly-profitable, digital-first bank that leverages data to anticipate financial needs and empower our clients by creating frictionless experiences across all interactions and devices.*

## **Our Values:**

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

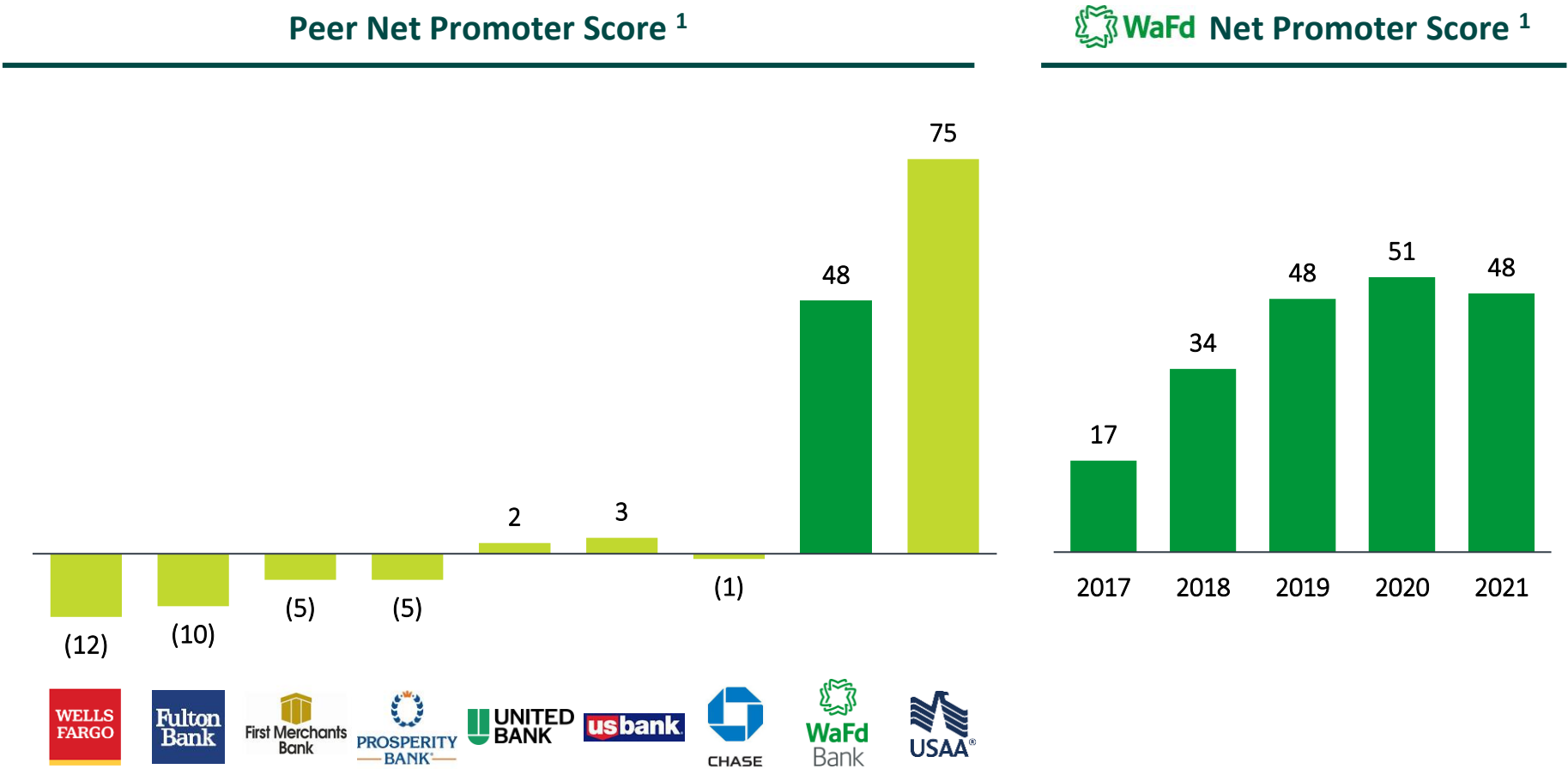
# Evolution of Our Franchise

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



# Net Promoter Score Approaching Best in Class

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

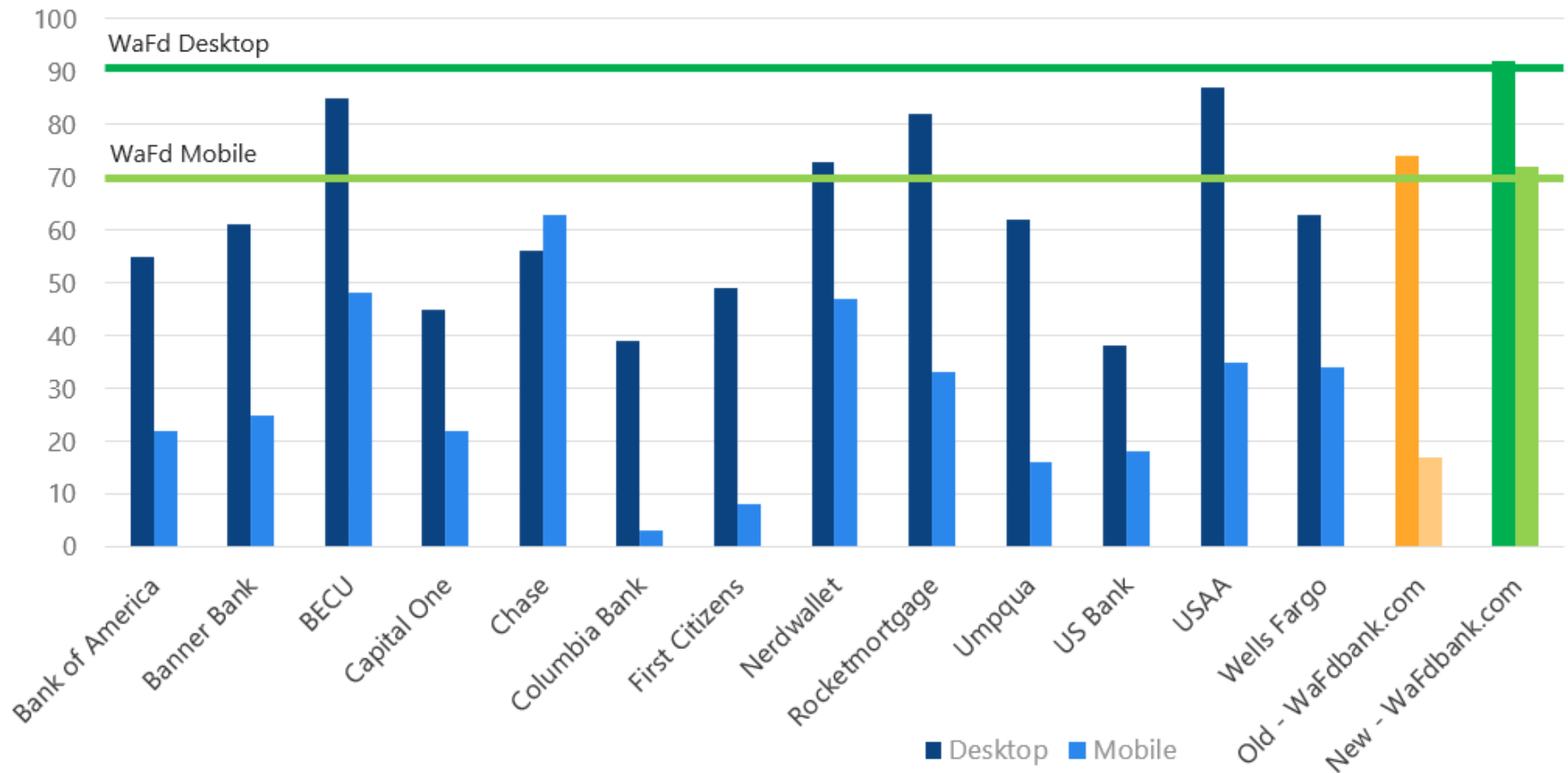


Source: Customer Guru  
<sup>1</sup> As of 10/19/2021



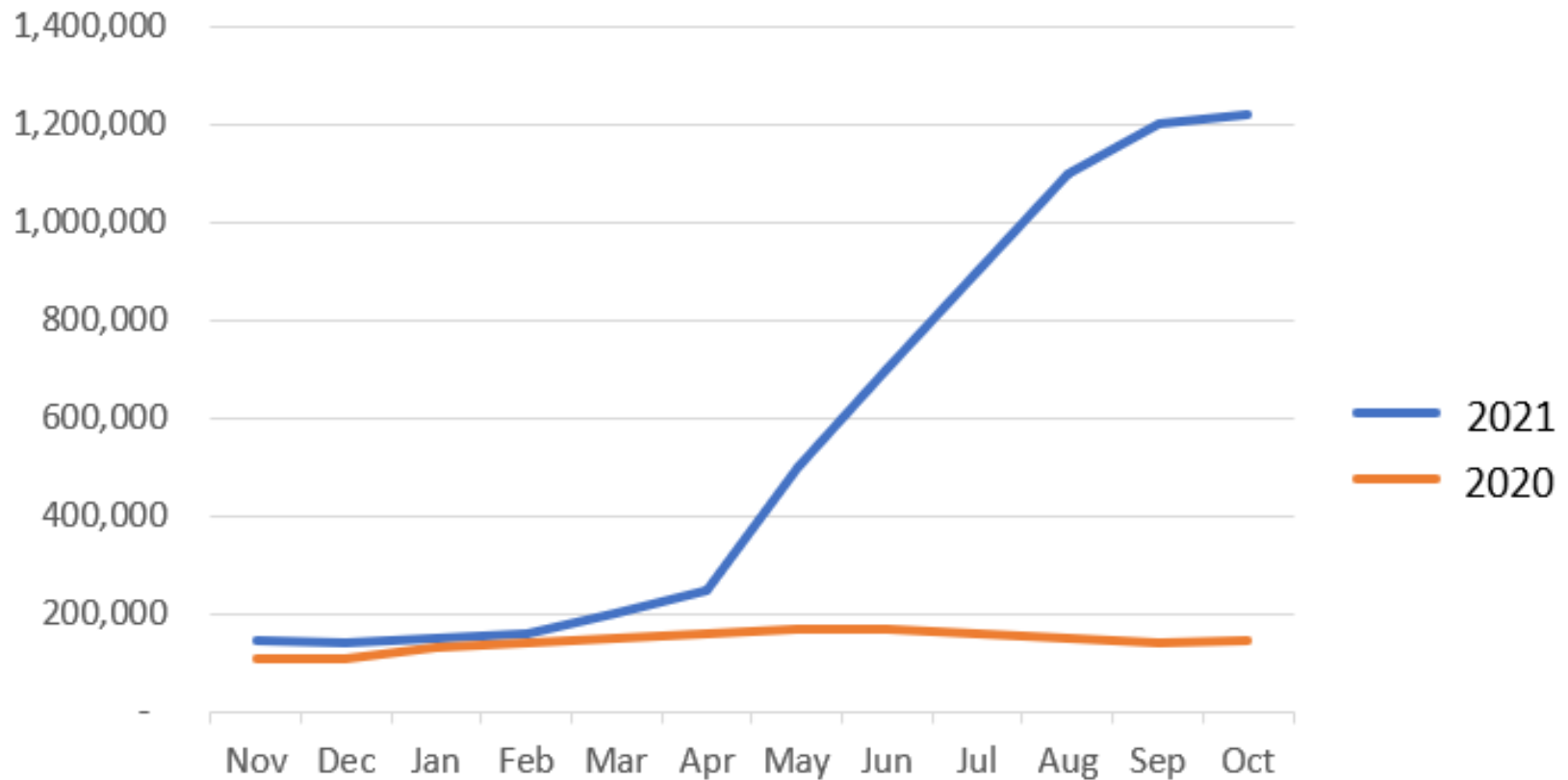
# Speed Matters – Website Is the New Storefront

New [wafdbank.com](https://www.wafdbank.com) Google page speed scores



# Getting Customers to Your Website is Mission Critical

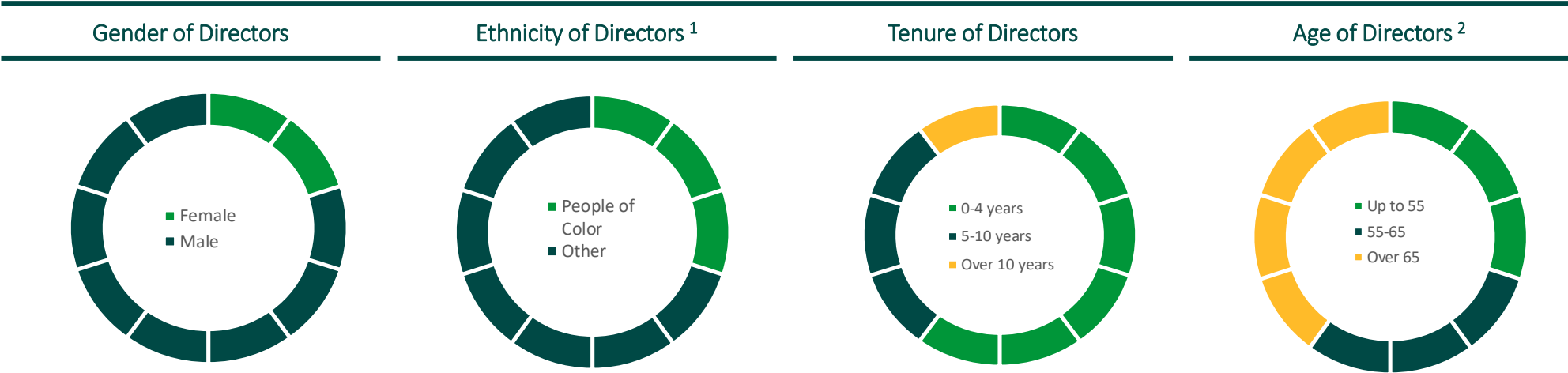
*Back links to WAFDbank.com vs. Washingtonfederal.com*



# Commitment to ESG & Diversity

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

## Board Composition



## ESG & Diversity Policy Highlights

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



**Community Development**  
Over \$248 million dollars invested towards community development lending and affordable housing investments

**Volunteerism**  
WaFd employees participated in 8,179 volunteer hours in support of more than 447 organizations and initiatives

**Washington Federal Foundation**  
The Washington Federal Foundation awarded 238 grants to local community organizations totaling \$746,050 for the fiscal year

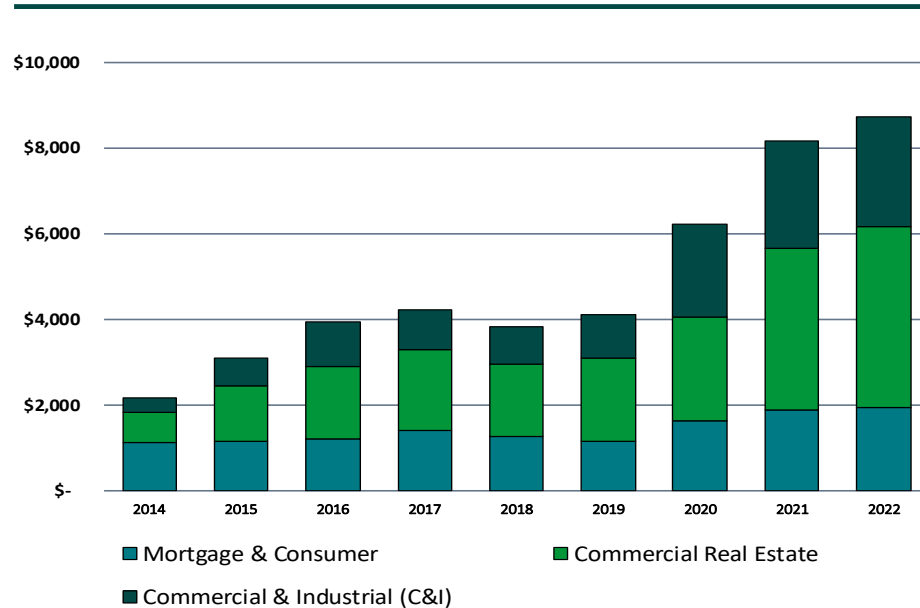
**United Way Matching Campaign**  
WaFd Bank matches employee contributions made to United Way agencies in all eight states. In fiscal year 2022 pledges from colleagues were \$402,109. WaFd matched \$3327,375 for a total of \$729,484

<sup>1</sup> Based on self-identification <sup>2</sup> As of 9/30/21

# Loan Growth – Through Different Interest Rate Environments

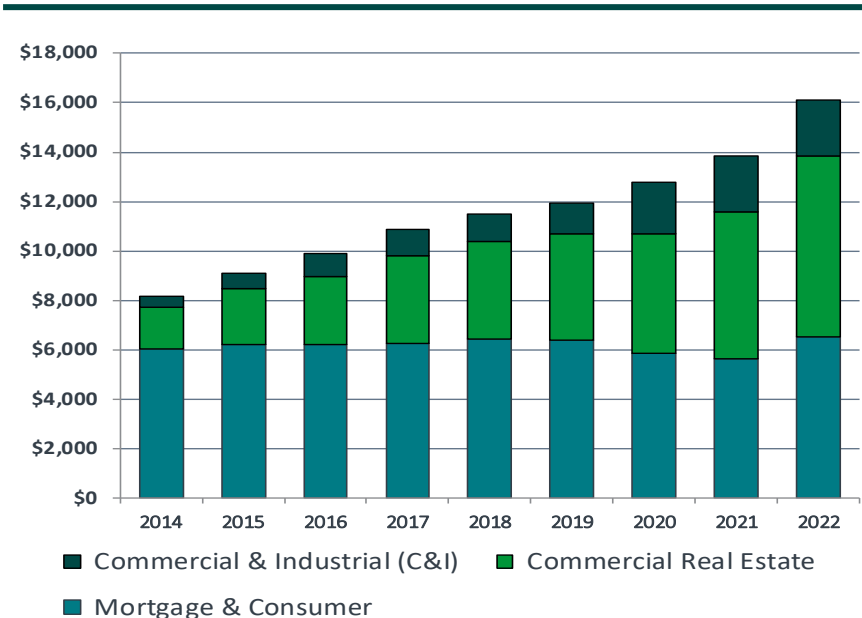
*\$ in millions.*

## New Loan Originations



- C&I and Commercial Real Estate loans made up 78% of all originations in 2022 compared to 49% in 2014
- Mortgage and Consumer Loans are largely holding flat in the current rate environment

## Loan Growth

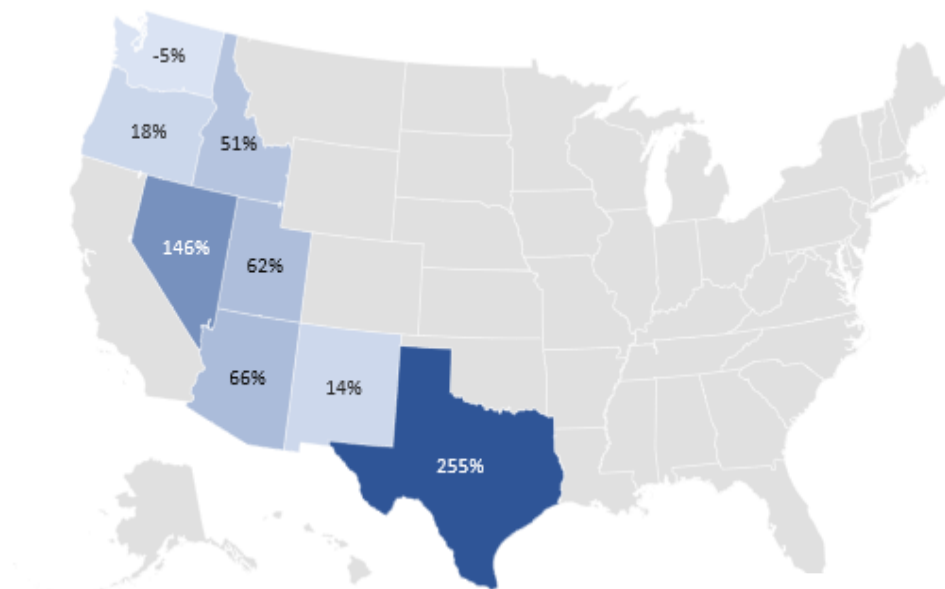


- Mortgage and Consumer loans - 40 % of total net loans
- Commercial loans growing fastest over last eight years
- Commercial growth is primary focus

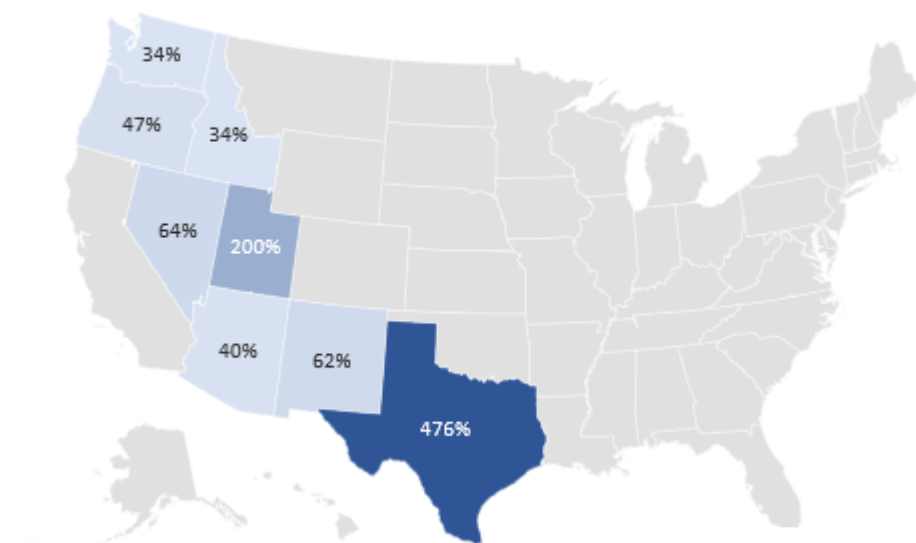
# 5 Year Change by Percentage in Each Geographical Area

*From September 30, 2017, to September 30, 2022*

5 Year percentage change in Loans by Geographical Area



5 Year percentage change in Deposits by Geographical Area

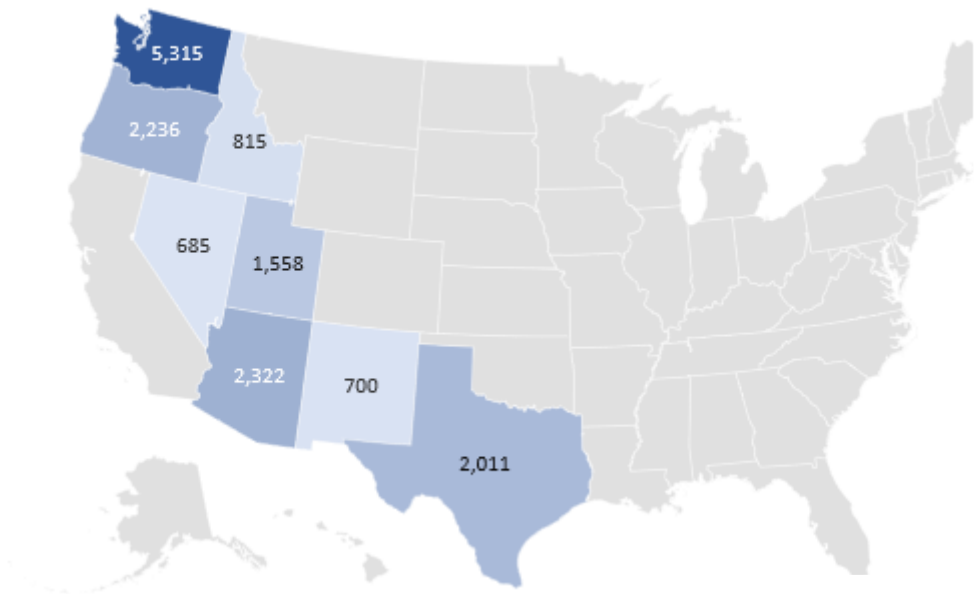


# Loan and Deposit Balances by Geographical Area

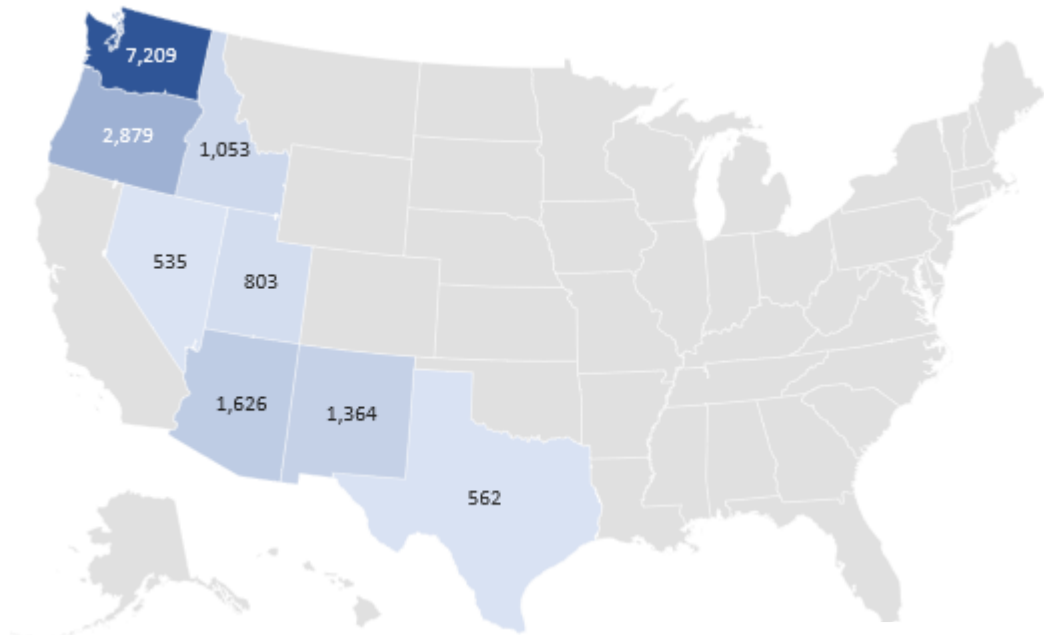
As of September 30, 2022

\$ In Millions

Loans Balances by Geographical Area

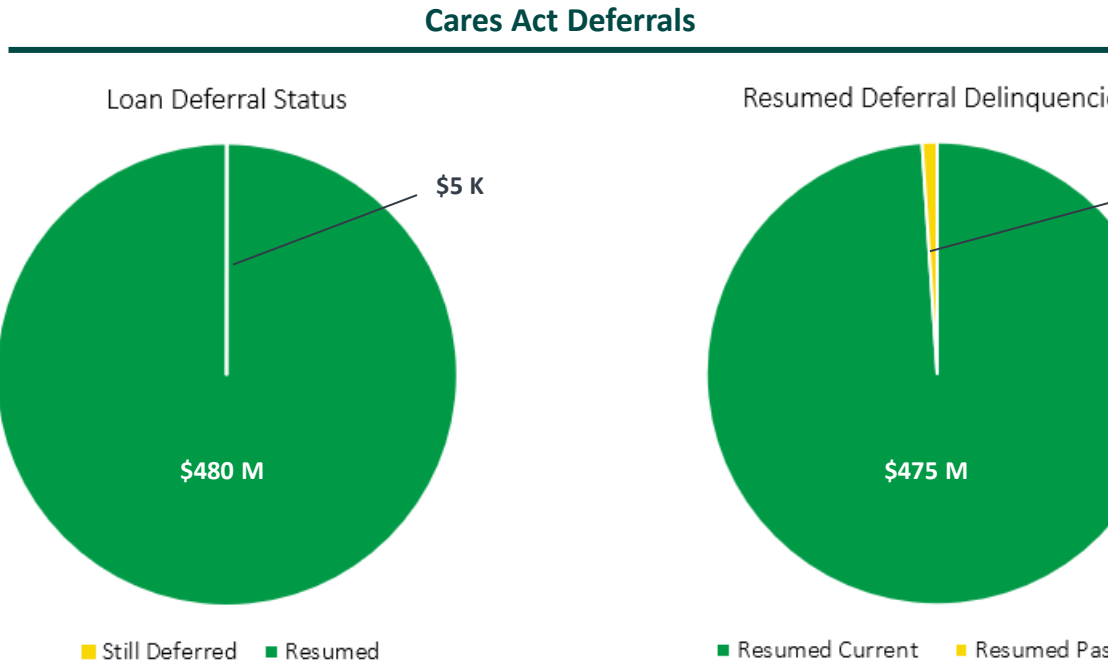


Deposits Balances by Geographical Area



# Helping Small Businesses and Individuals

*Deferred loan payments now resuming*



- Using nimbleness, technology and hard work to serve clients and communities
- PPP efforts providing benefit of strong organic growth and happy customers
- Approximately 45% of Round 1 PPP loans established a new client relationship for WaFd
- Deferral Program successful with only a small number of post deferral delinquencies
- Only 1 loan still in deferral

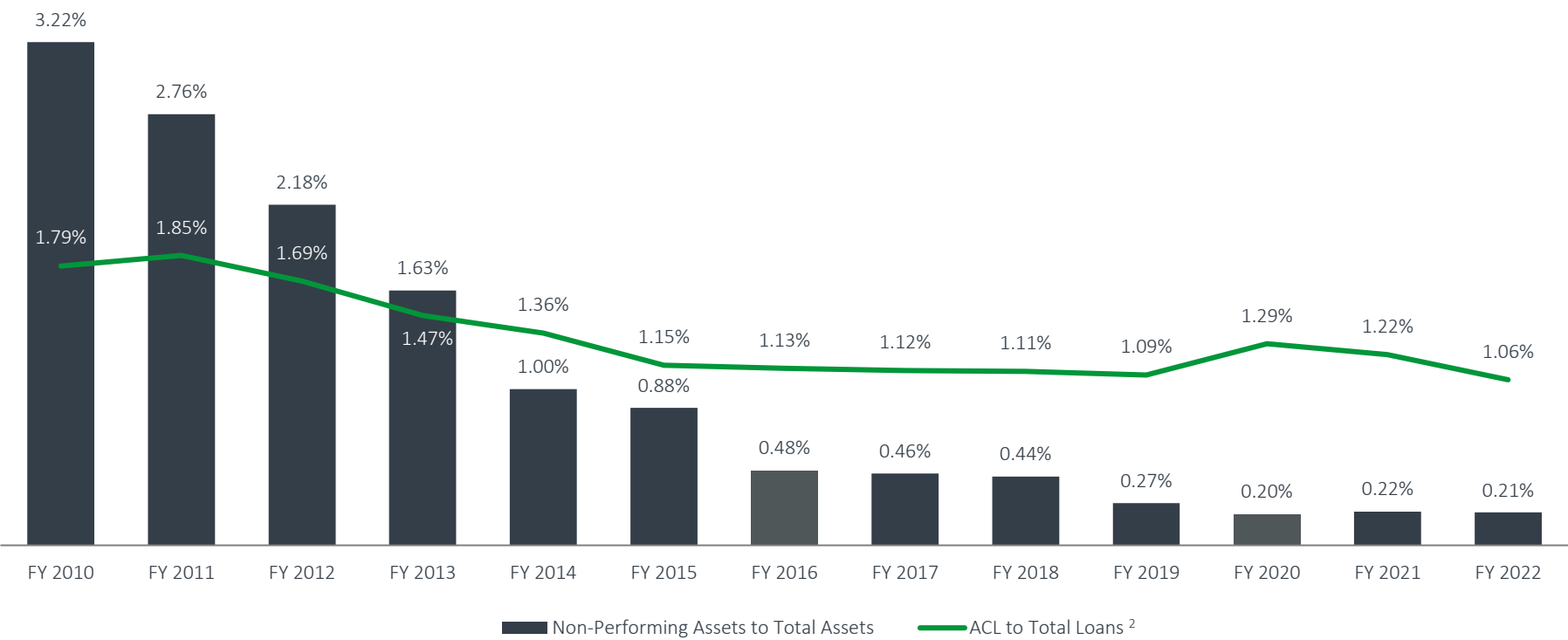
# Non-Performing Assets Near Record Lows

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

- ACL at 9/30/2022 amounted to \$172.8 million, representing 388% of total NPAs <sup>1</sup>
- Non-performing assets \$44.5 million as of 9/30/2022

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

For Fiscal Year End 9/30



<sup>1</sup> ACL to Total Loans does not include ACL related to unfunded commitments of \$32.5 million.

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



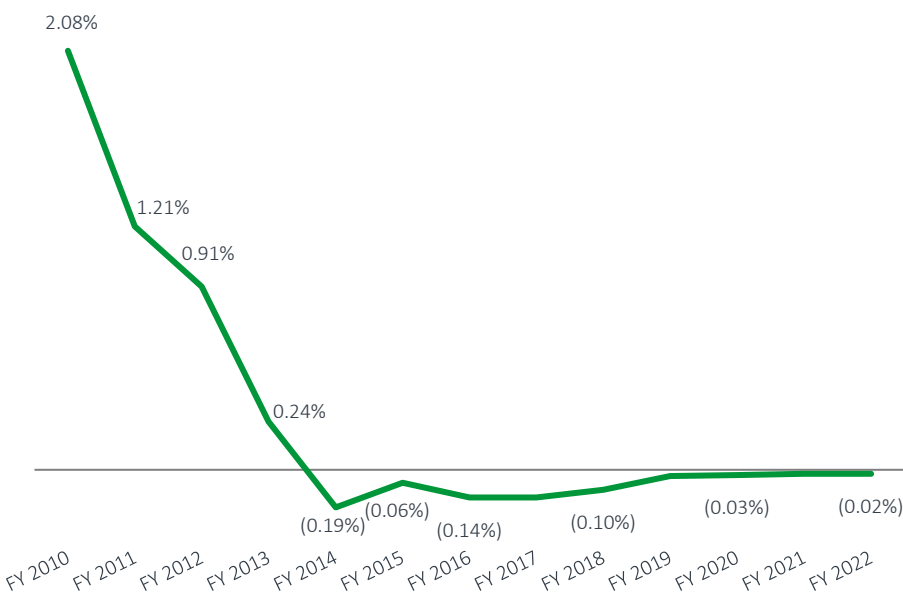
# Strong Credit Quality

*Strong Credit Quality Characterized by Limited Charge-Offs*

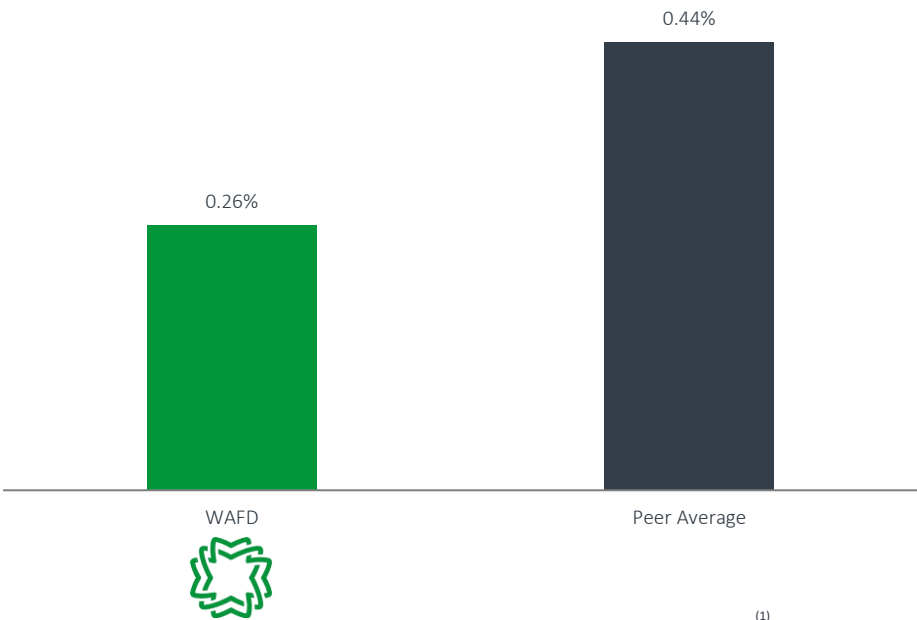
- Net Recoveries since 2013 total \$74.8 million
- The Bank continues to work \$50 million of loans previously charged off
- 9 Consecutive years of Net Recoveries

## Net Loan Charge-offs (Recoveries)

For Fiscal Year End 9/30



## Average NCOs Per Year – Last 20 Years

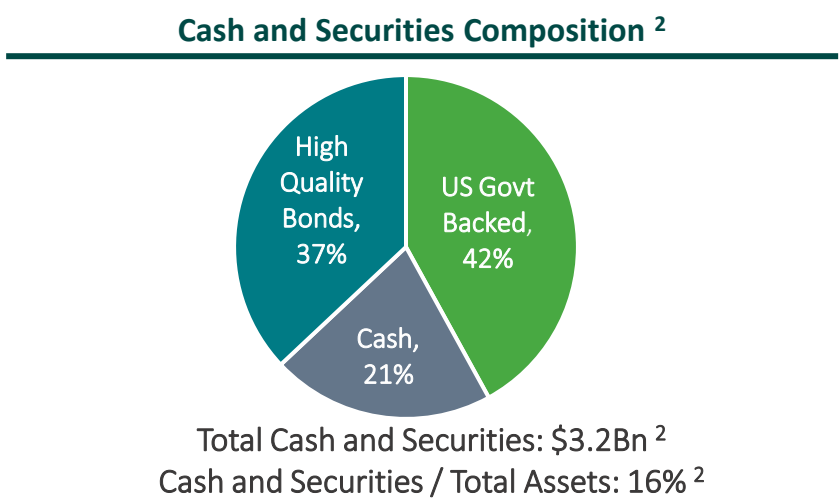
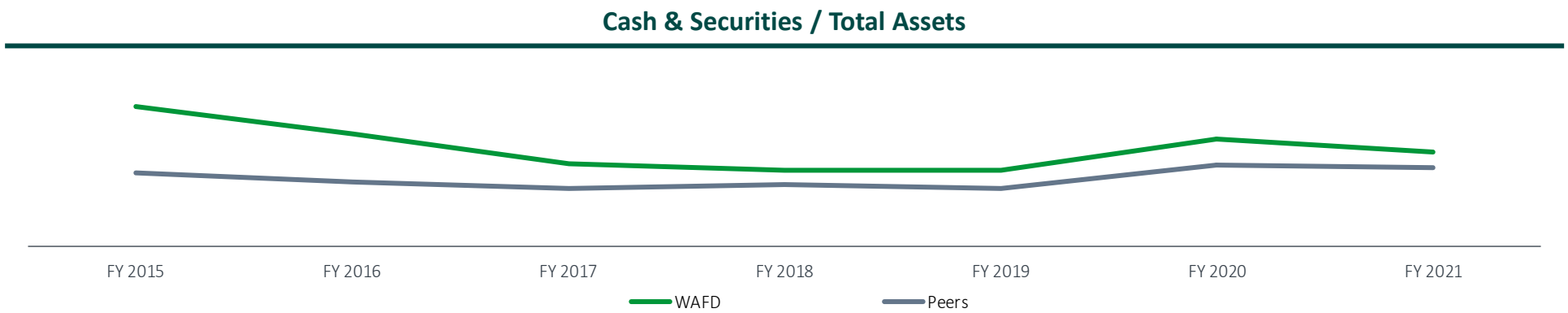


Source: SNL Financial, Company Filings

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

# Significant Liquidity and High-Quality Securities Portfolio

High quality, \$3.2 billion cash and investment portfolio with \$9.8 billion remaining collateral and lines as a source of additional potential liquidity



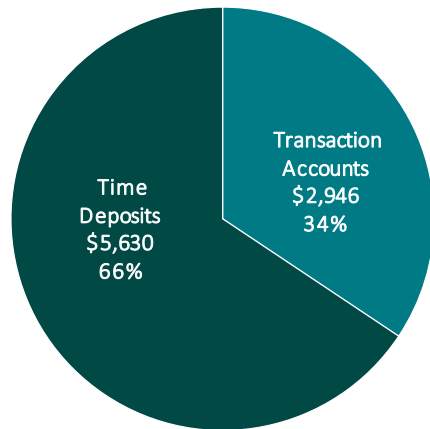
- As of 9/30/2022, WAFD maintains over \$3.2bn of balance sheet liquidity.
- Cash and Securities is 16% of assets
  - Investment Portfolio targets low credit risk / moderate duration
  - 63% Cash, US Government-backed Agency Bonds and MBS <sup>2</sup>
  - Yield on the Investment Portfolio is 3.2%

Source: SNL Financial, Company Filings  
<sup>1</sup> Peers represent Proxy Peers as specified in the Company's latest Proxy Statement  
<sup>2</sup> As of 9/30/2022

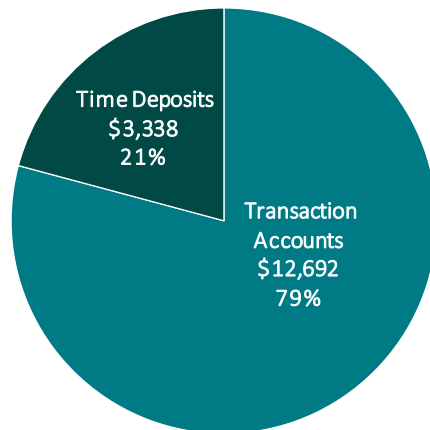
# Deposit Trends

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

As of 9/30/2012

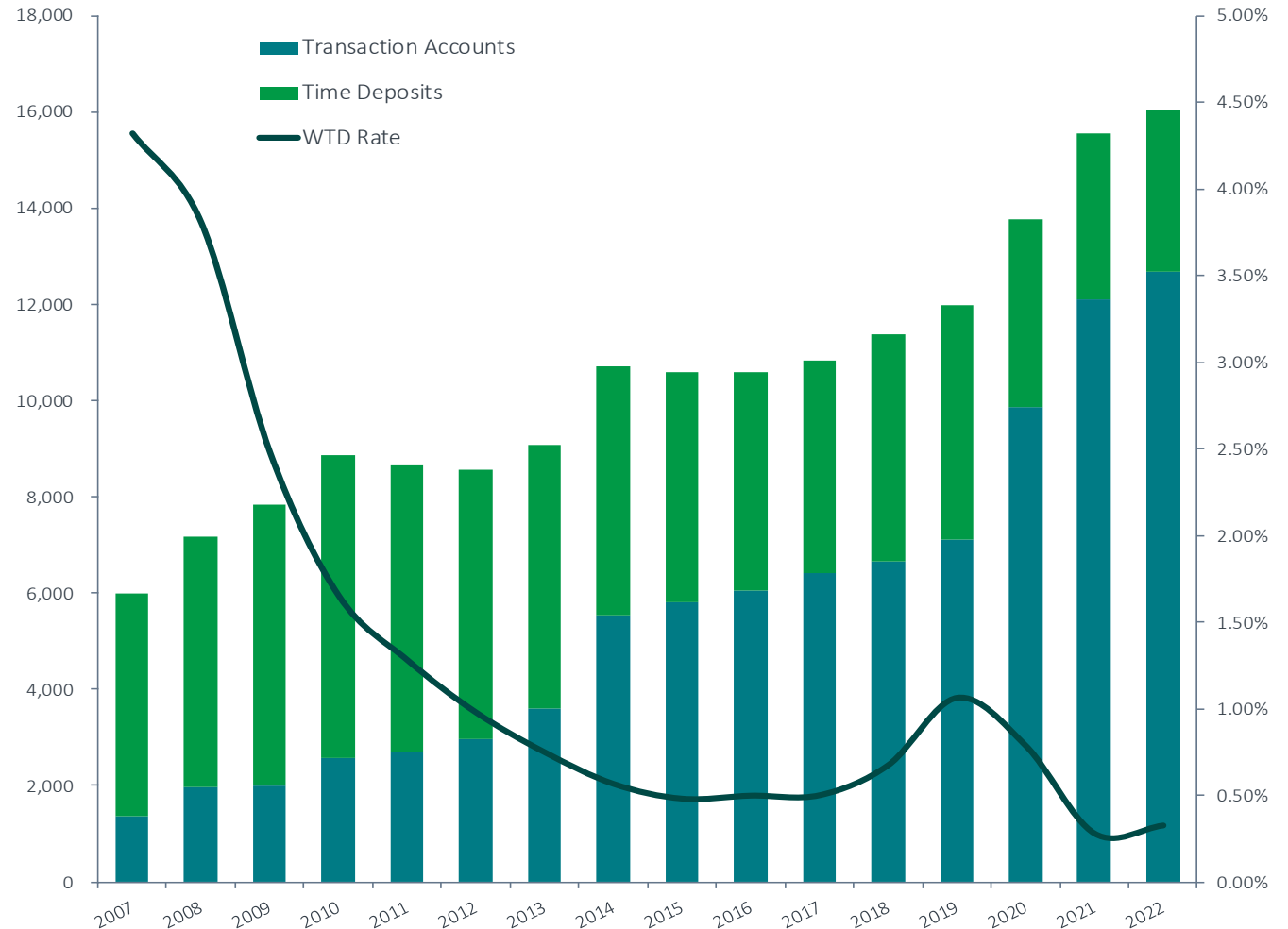


As of 9/30/2022



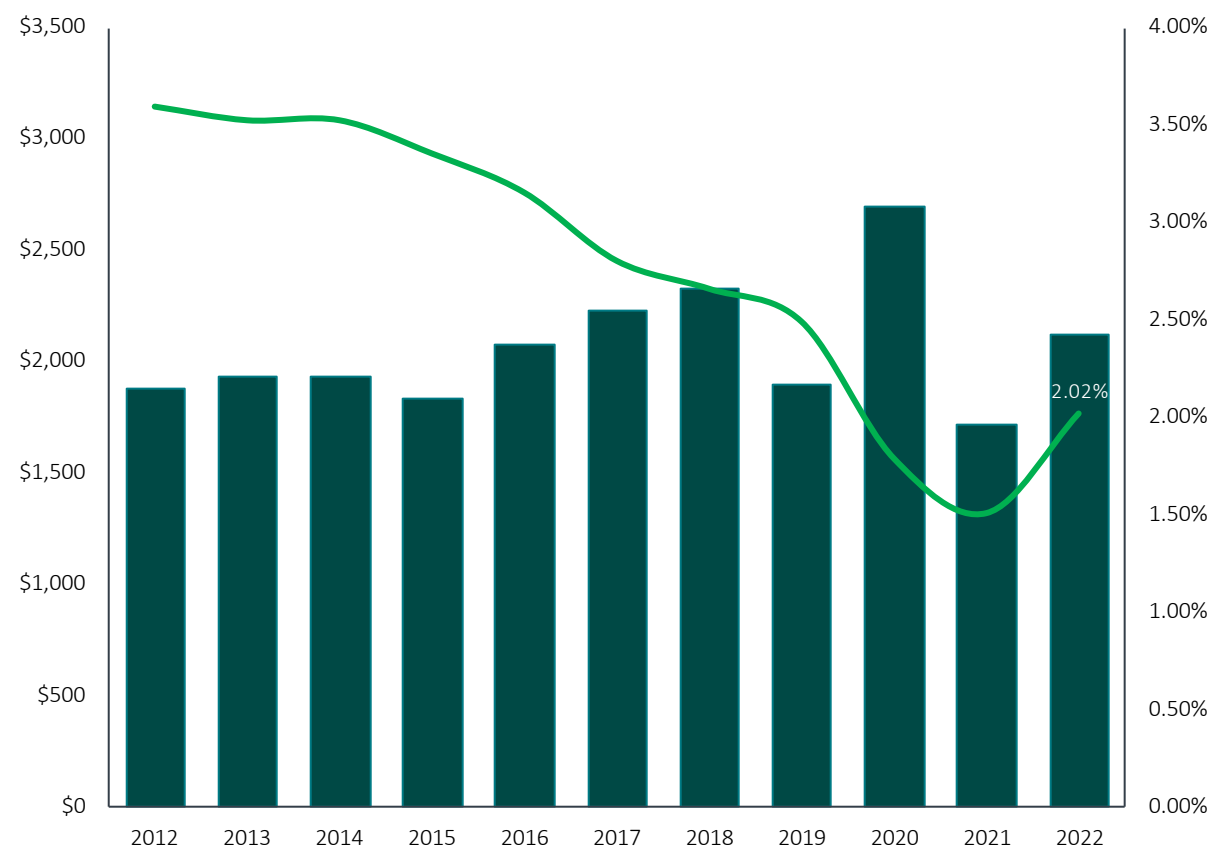
**Core Deposits = 95.2% of Total**

In Millions



# Borrowings Outstanding & Weighted Rate

*Borrowings are 100% FHLB and are used in part to manage interest rate risk. Rates have declined with market rates. Increase in borrowings for 2020 was from locking in \$1 billion of funding at a fixed rate of 66 bps for 10 years.*



FHLB Effective Maturity Schedule		
	Amount	
	\$ million	Rate
Within 1 year:	\$1,025	3.06%
1 to 3 years:	\$ 200	2.18%
3 to 5 years:	\$ 100	1.92%
5+ years:	\$ 800	0.67%

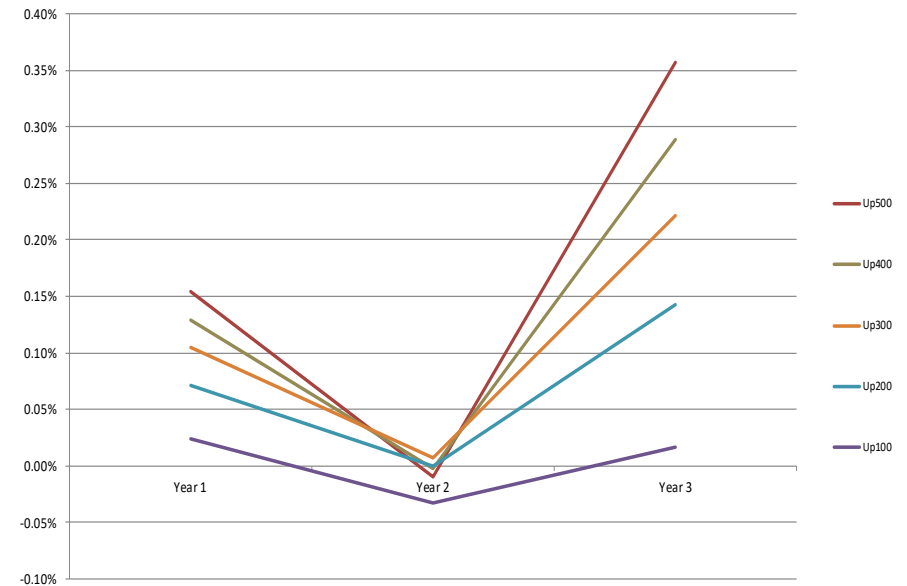
# Balanced Interest Rate Risk

*Interest Rate Risk is well managed and skewed toward the upside in the current environment given asset sensitivity*

Change in NPV (%)



Net Interest Margin Sensitivity vs. Base Case



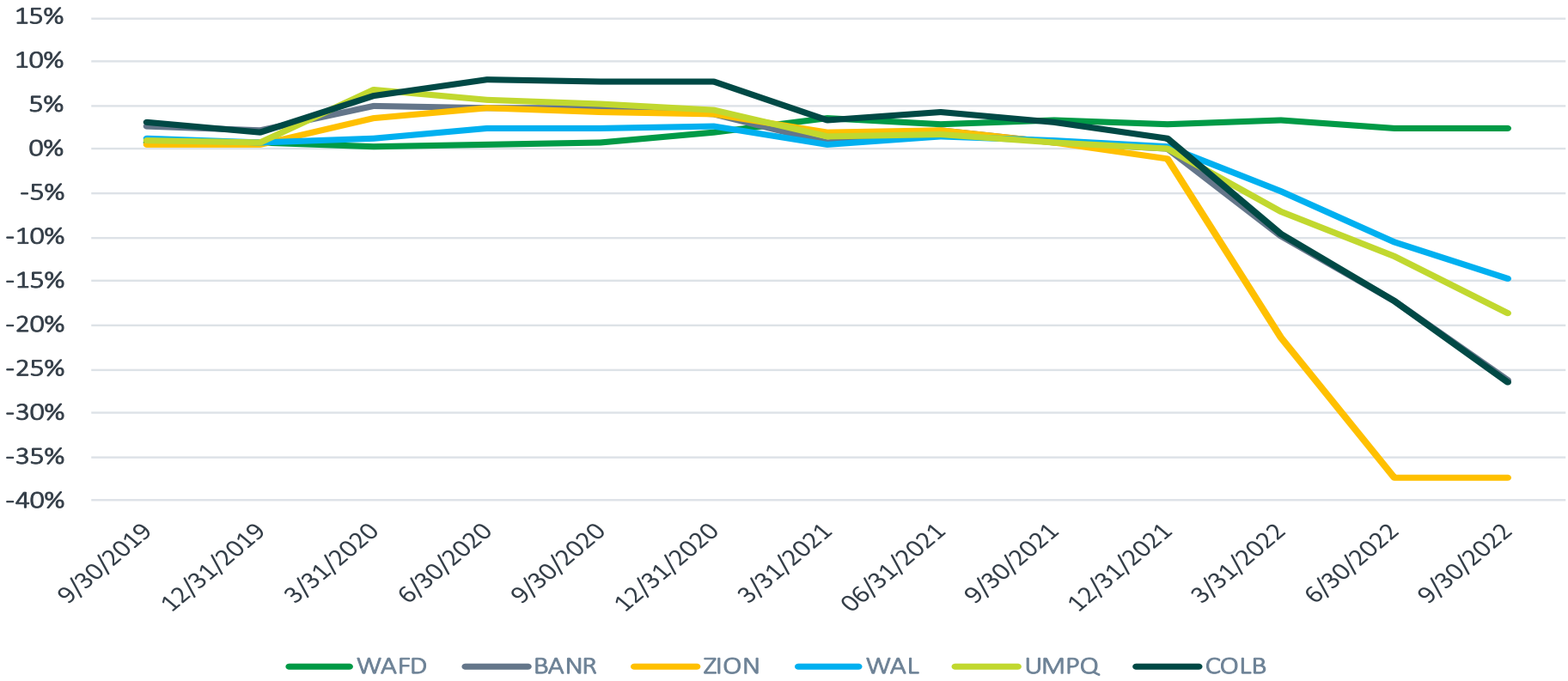
## IRR measures as of June 30, 2022:

- Net Interest Income (NII) would increase by 1.87% in +200 bps immediate and parallel shock
- Net Portfolio Value after +200bps shock is 21% lower (\$616mm) and at \$2.3 billion would be 12.5% of total assets

Scenarios assume no management actions taken. Flattening/inverted rates with short term up more than long term would result in a larger negative affect.

# AOCI vs our Peers

Total Accumulated Other Comprehensive Income as a percent of Equity



# Income Statement Comparison

	Fiscal YTD			
	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>INTEREST INCOME</b>				
Loans.....	\$ 601,592	\$ 537,660	\$ 63,932	11.9%
Mortgage-backed securities.....	26,332	24,708	1,624	6.6%
Investment securities and cash equivalents.....	38,435	29,242	9,193	31.4%
	<u>666,359</u>	<u>591,610</u>	<u>74,749</u>	12.6%
<b>INTEREST EXPENSE</b>				
Customer accounts.....	43,041	42,313	728	1.7%
FHLB advances and other borrowings.....	28,729	44,188	(15,459)	-35.0%
	<u>71,770</u>	<u>86,501</u>	<u>(14,731)</u>	-17.0%
<b>NET INTEREST INCOME .....</b>	<b>594,589</b>	<b>505,109</b>	<b>89,480</b>	<b>17.7%</b>
Provision (release) for credit losses.....	3,000	500	2,500	
<b>Net interest income after provision(reversal).....</b>	<b>\$ 591,589</b>	<b>\$ 504,609</b>	<b>\$ 86,980</b>	<b>17.2%</b>

# Income Statement Comparison

	Fiscal YTD			
	<u>9/30/2022</u>	<u>9/30/2022</u>	\$ Change	% Change
<b>OTHER INCOME</b>	\$ 66,372	\$ 60,561	\$ 5,811	9.6%
<b>OTHER EXPENSE</b>				
Compensation and benefits.....	193,917	176,106	17,811	10.1%
Occupancy.....	42,499	39,610	2,889	7.3%
FDIC insurance.....	9,531	14,368	(4,837)	-33.7%
Product delivery.....	19,536	18,505	1,031	5.6%
Information technology.....	47,202	42,737	4,465	10.4%
Other expense.....	45,890	41,133	4,757	11.6%
	<u>358,575</u>	<u>332,459</u>	<u>26,116</u>	7.9%
Gain (loss) on REO.....	<u>651</u>	<u>427</u>	<u>224</u>	52.5%
Income before income taxes.....	300,037	233,138	66,899	28.7%
Income taxes.....	<u>63,707</u>	<u>49,523</u>	<u>14,184</u>	28.6%
<b>NET INCOME.....</b>	<b><u>\$ 236,330</u></b>	<b><u>\$ 183,615</u></b>	<b><u>\$ 52,715</u></b>	<b>28.7%</b>
Dividends on preferred stock.....	<u>14,625</u>	<u>10,034</u>	<u>4,591</u>	
<b>Net Income available to common shareholders.....</b>	<b><u>\$ 221,705</u></b>	<b><u>\$ 173,581</u></b>	<b><u>\$ 48,124</u></b>	<b>27.7%</b>

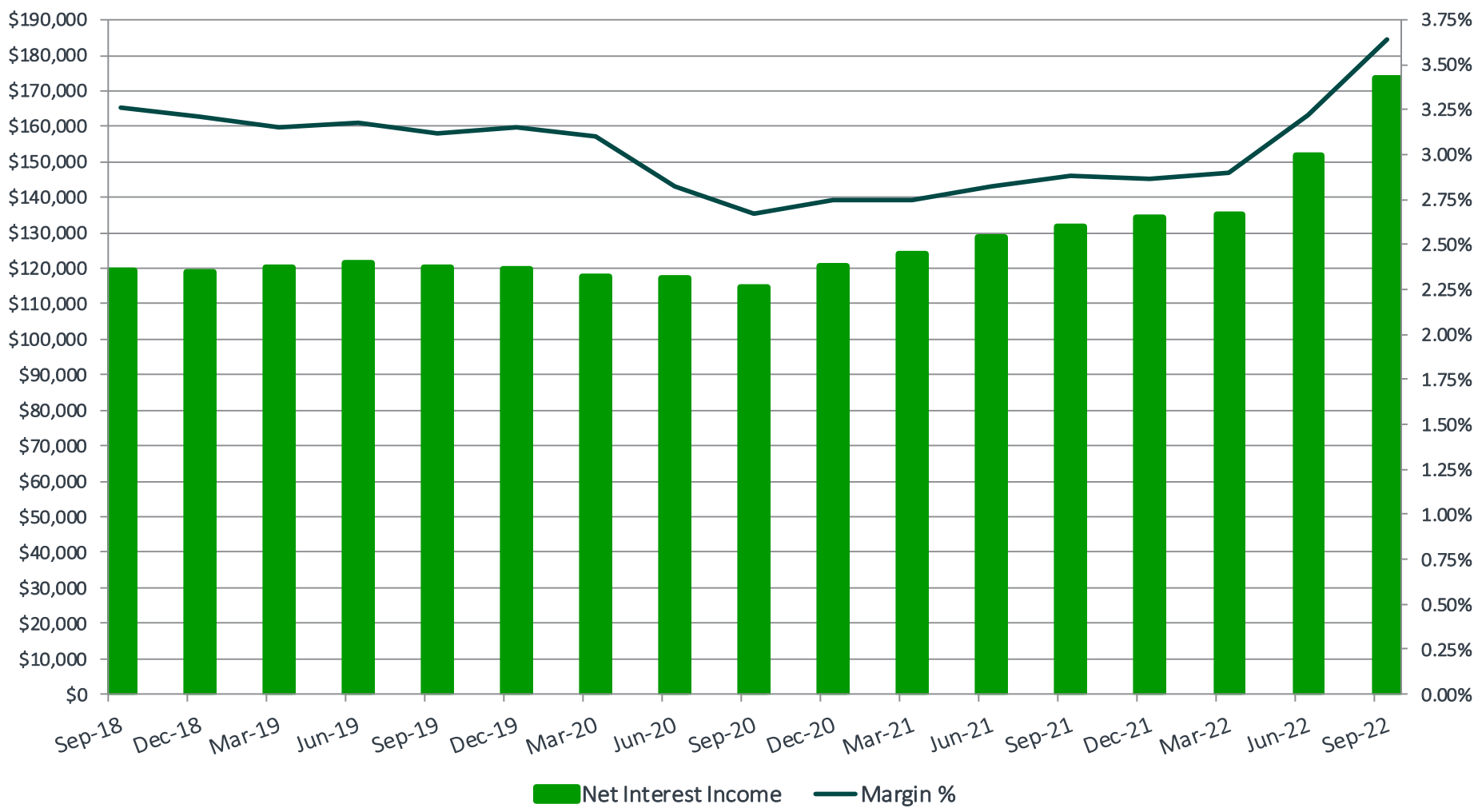
Efficiency Ratio of 54.25% for YTD fiscal year 2022 down from 58.77% for the same period of prior year.

Effective tax rate year to date ended September 2022 is 21.23% compared to 21.24% from the same period ended September 2021



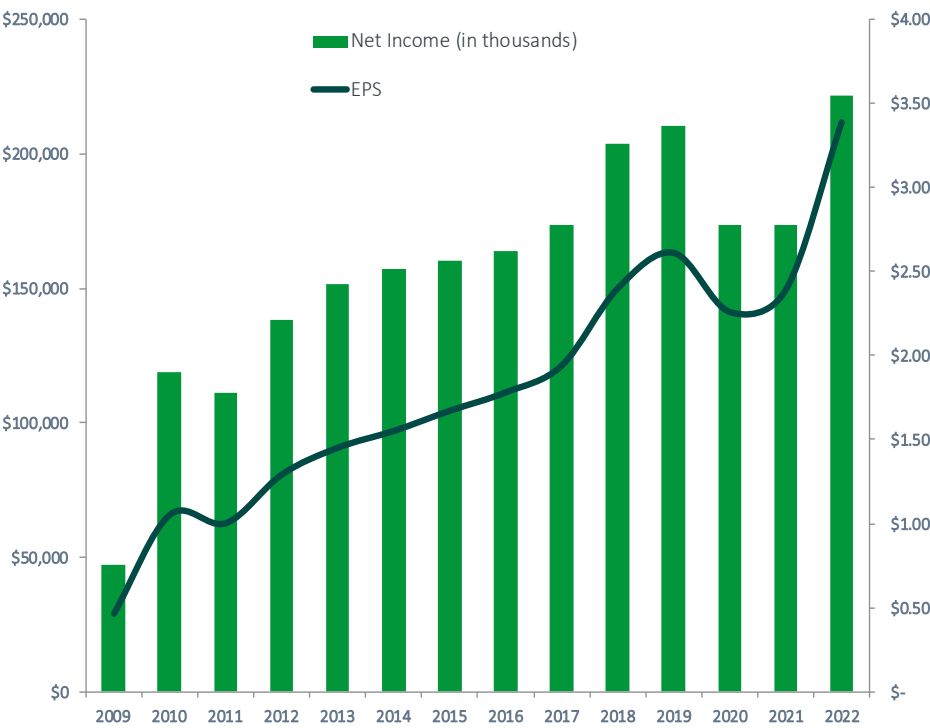
# Net Interest Income and Net Interest Margin

Net interest income in thousands.

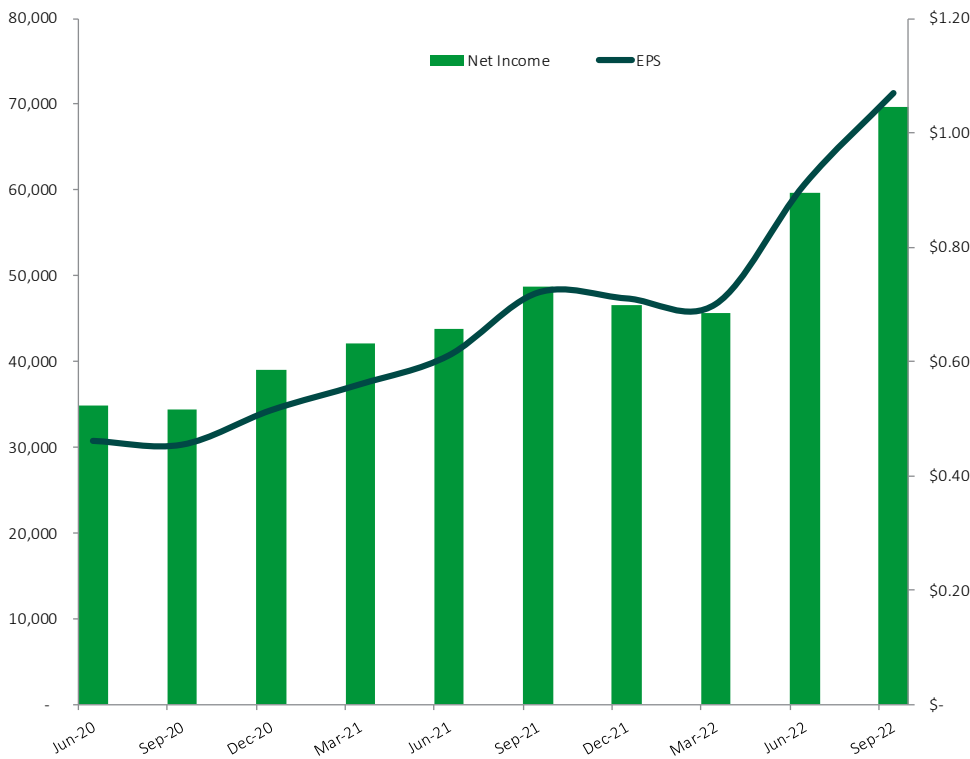


# Net Income and Common Earnings Per Share

Annual



Quarterly

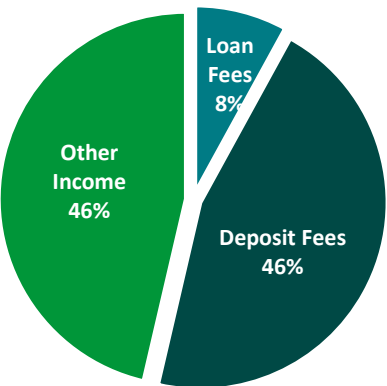


Issued \$300 million of Preferred Stock in February 2021  
with a dividend of 4.875%

# Non-Interest Income

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

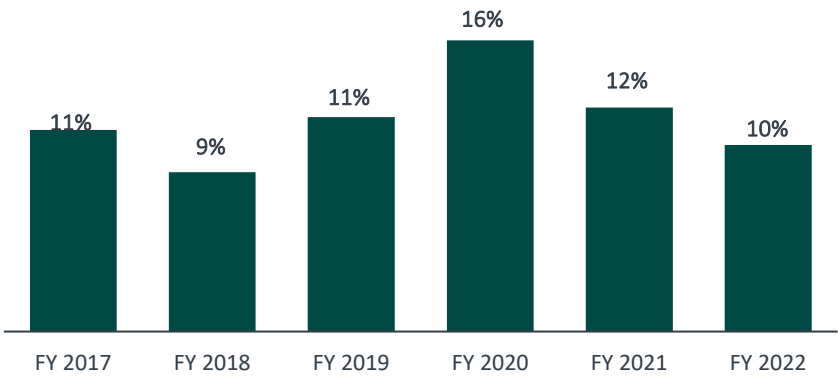
Non-Interest Income for Quarter-Ended 9/30/2022



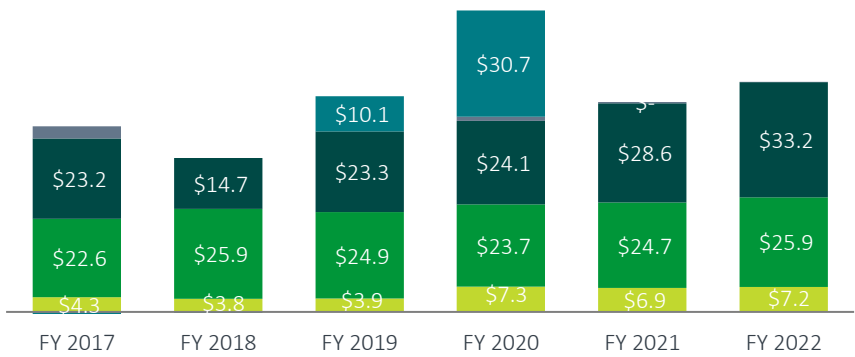
Other Income includes:

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

Non-Interest Income / Total Loan Revenue



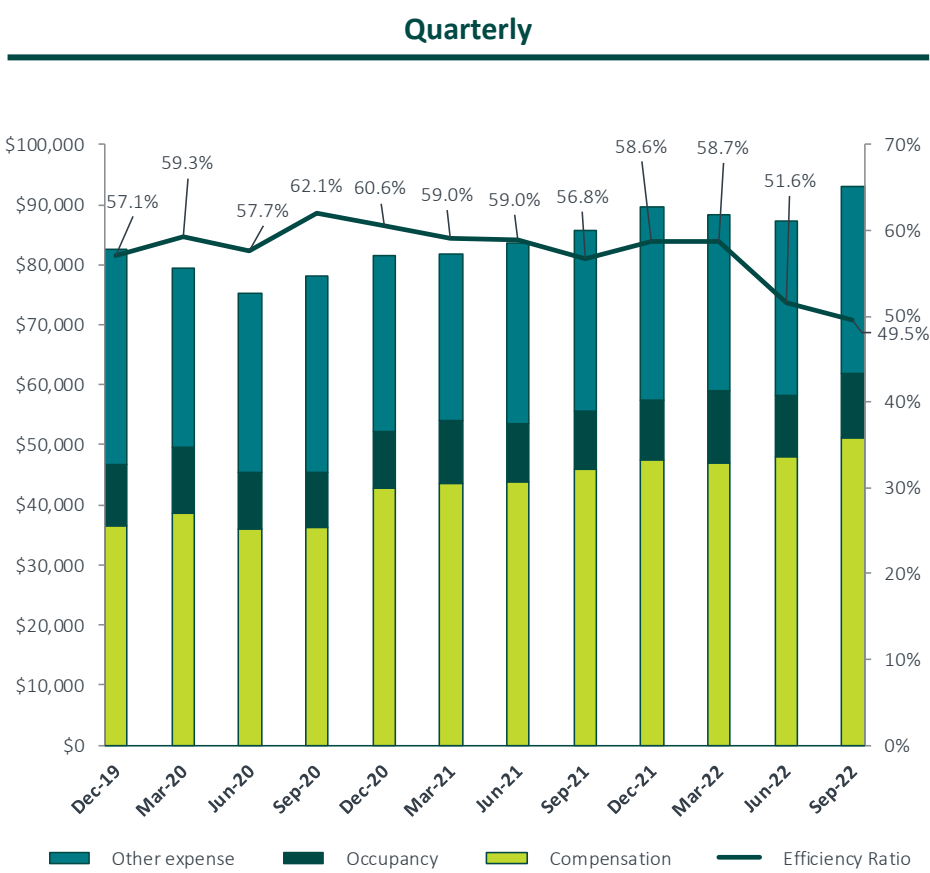
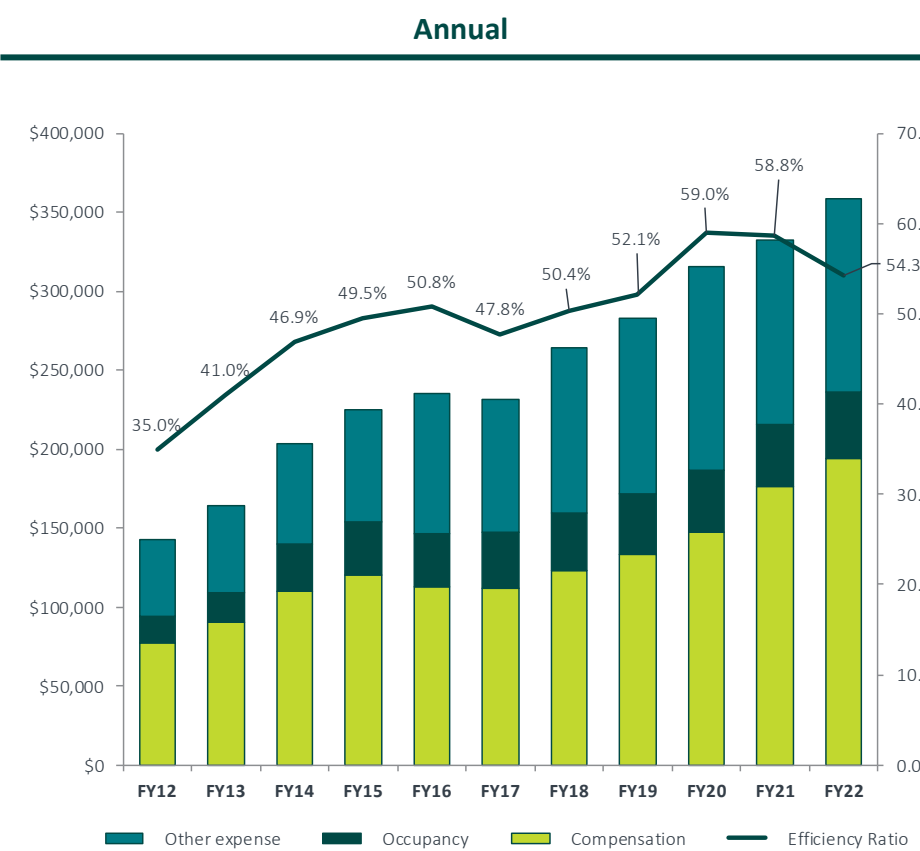
Non-Interest Income Over Time (\$MM)



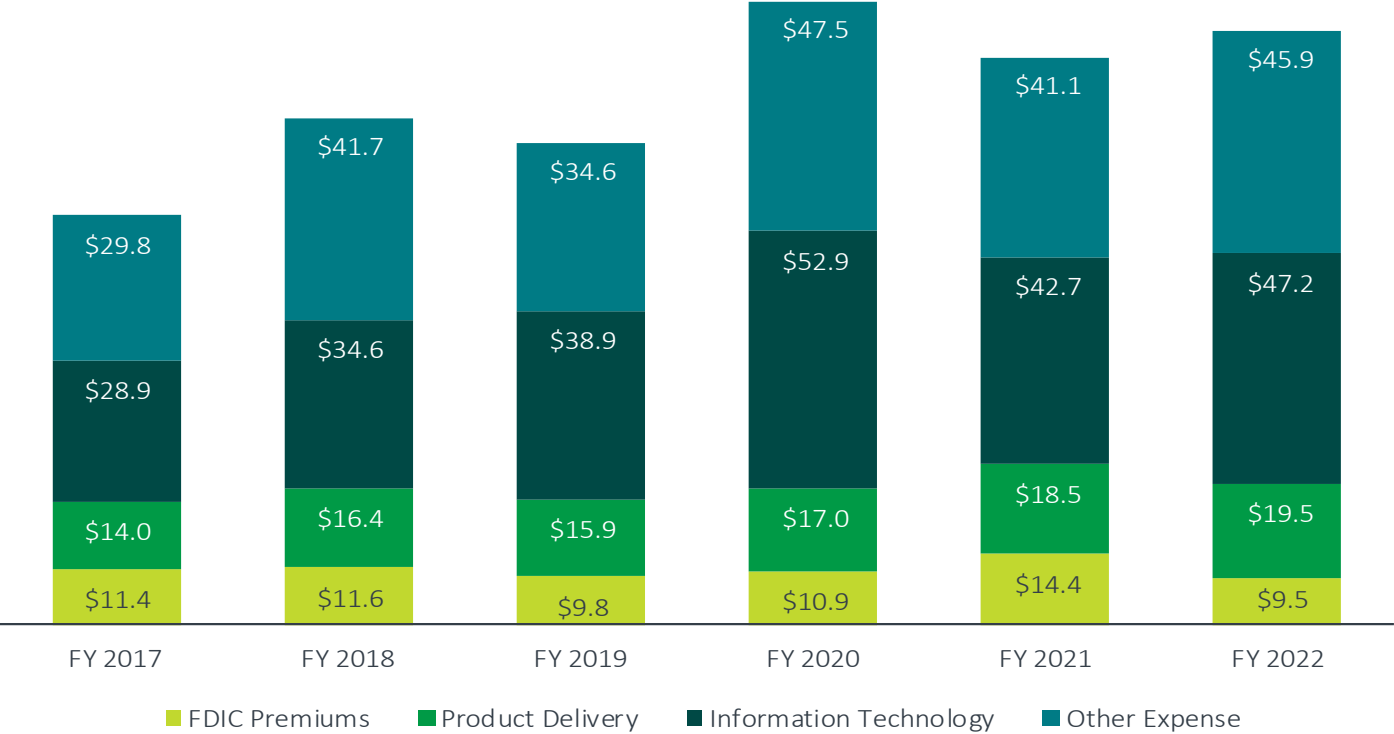
Loan Fees      Deposit Fees      Other Income  
Gain on Sale of Investments      Gain on Sale of Buildings

# Non-Interest Expense Over Time

Annual and Quarterly - Expenses in millions



# Breakout of Other Expense

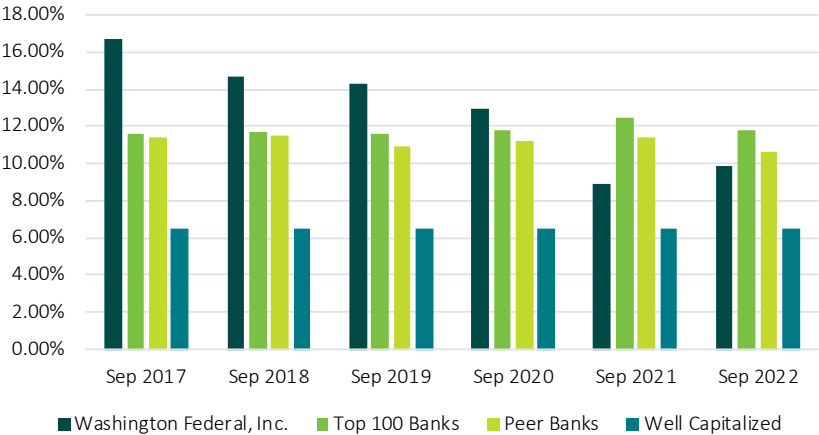


Other Expense includes:

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

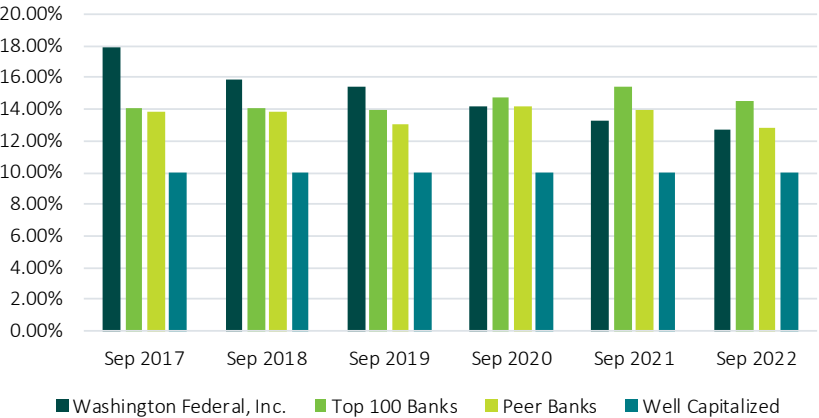
# Capital Ratios

Common Equity Tier 1 Ratio

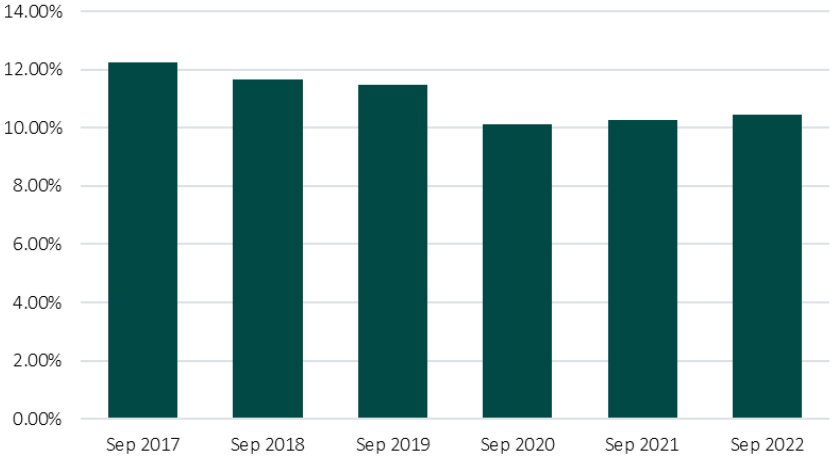


*WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.*

Total Risk-Based Capital



TCE+ACL/Tang Assets



Source: SNL Financial, Company Filings

# Impact of February 2021 Preferred Stock Issuance

Net Preferred Proceeds Raised	\$293 Million
Cash Reserved	\$25 Million
Proceed available for Repurchases	\$268 Million
Average repurchase price	\$32.25
Proforma Shares Repurchased	8,310,078

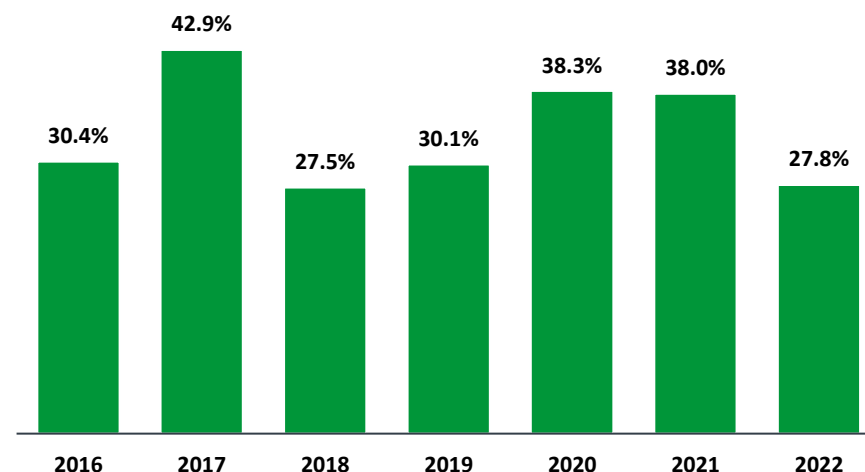
	<i>FY 2021 Plan at</i> <b>12/31/2020</b>	<i>FY 2021 Proforma Plan at</i> <b>12/31/2020</b>
Common Shares Outstanding	75,689,364	67,379,286
Common Stock Price Per Share	\$28.75	\$32.25
Market Cap	2,176,069,215	2,172,981,974
Net Income	\$175,000,000	\$175,000,000
Annual Preferred Dividend	-	\$14,625,000
Net Income to Common	\$175,000,000	\$160,375,000
EPS Per Common Share	\$2.31	\$2.38

# Returning Capital to Shareholders

## Return of Income to Common Shareholders

	Net Income	Stock Buyback & Dividends	Percent of Income returned to Shareholders
2015	\$160,316	\$177,791	111%
2016	\$164,049	\$137,808	84%
2017	\$173,532	\$172,892	100%
2018	\$203,850	\$220,246	108%
2019	\$210,256	\$187,163	89%
2020	\$173,438	\$178,629	103%
2021	\$173,581	\$414,527	239%
2022	\$221,705	\$64,837	29%

## Common Dividend as a % of Net Income



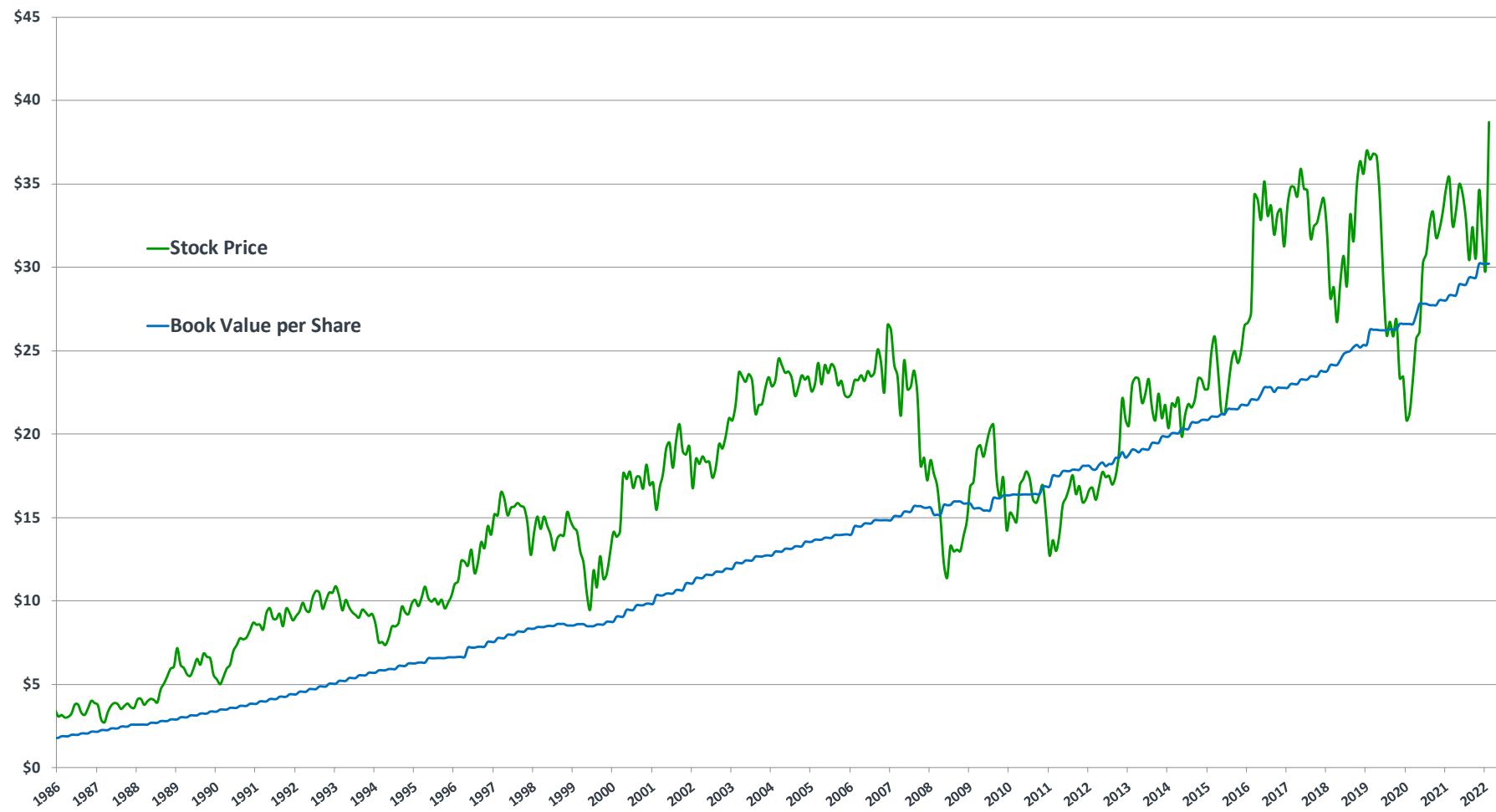
	# of Shares	Wtd Price Paid	% Outstanding at beginning of the year
2015	5,841,204	\$21.70	6%
2016	3,867,563	\$22.72	4%
2017	3,137,178	\$31.36	3%
2018	4,865,357	\$33.74	6%
2019	4,065,352	\$30.46	5%
2020	3,339,530	\$33.58	4%
2021	10,810,113	\$32.25	14%
2022	92,774	\$35.14	0.1%

## Recent Capital Activities

- Current cash dividend of \$0.24 provides a yield of 2.51% based on the current stock price
- Since 2013, 47 million shares repurchased which is 44% of total outstanding shares as of 9/30/2012
- 3.7 million shares remaining in buyback authorization
- During the 3<sup>rd</sup> and 4<sup>th</sup> Fiscal Quarters of 2021, the Company used additional proceeds from the preferred stock issuance to repurchase 7,952,529 shares of common stock.



# Stock Price & Book Value Per Share



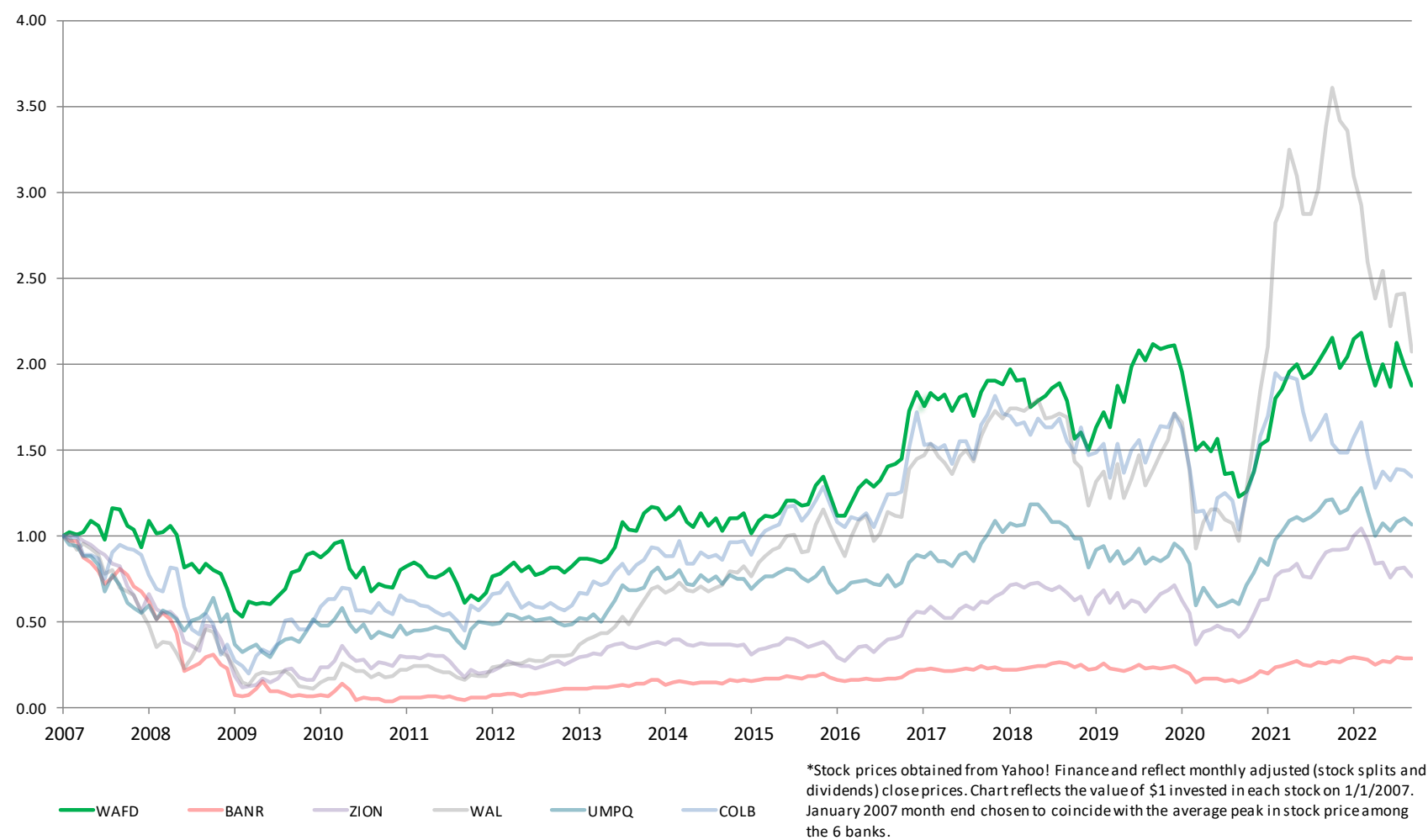
**As of 9/30/2022:**

Book Value per Share \$30.22  
Price to BV: .99

Tangible Book Value per Share \$25.49  
Price to TBV: 1.18

# Perspective through the last Credit Cycle

Stock Performance Comparison as of 9/30/2022





EXCLUSIVE BANK OF SOUNDERS FC AND THE SEATTLE KRAKEN

*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.*