



2022 Piper Sandler Western Financial Services Conference March 8th, 2022

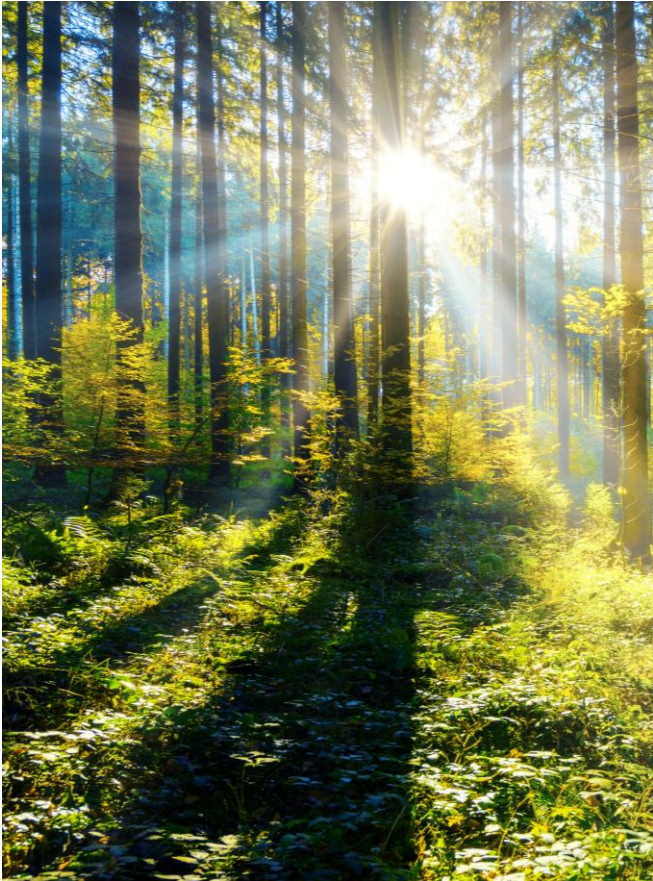


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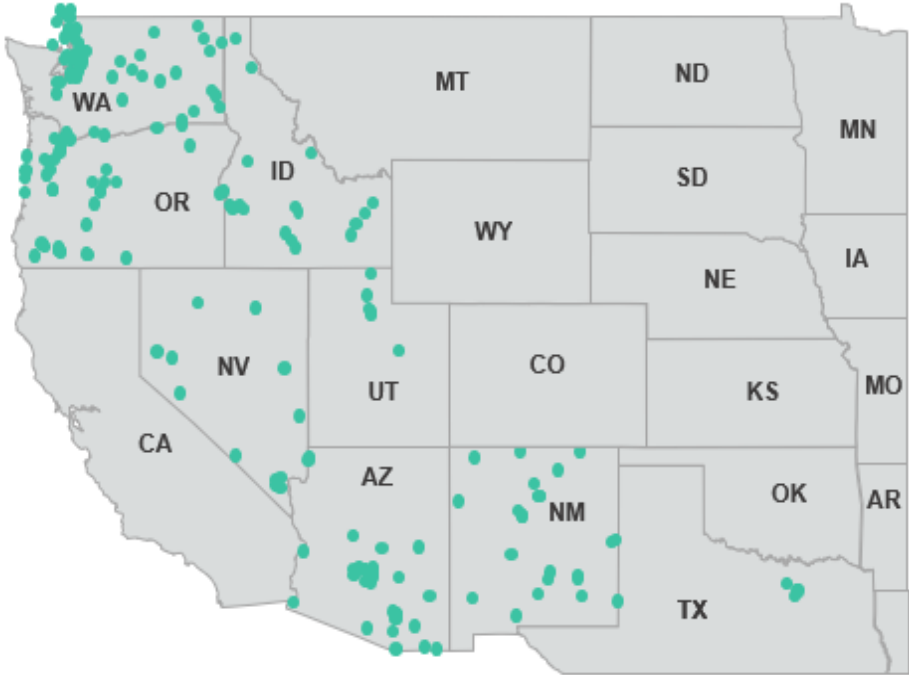


Overview of Washington Federal

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
- **219 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
- **156 consecutive** quarterly cash dividends
- 19,544% Total shareholder return since IPO

Geographic Overview



Company Highlights¹

Total Assets	Total Loans	Total Deposits	Stockholder Equity	Efficiency Ratio
\$19.9Bn	\$14.6Bn	\$15.9Bn	\$2.1Bn	58.64%

¹ As of or for the quarter-ended 12/31/2021

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	77	6,891,632	2.99	43.4	7,858,401	16.86	6.10	88,405	14.17
Oregon	39	3,034,176	2.66	19.4	4,295,247	12.12	4.01	73,746	13.64
Arizona	30	1,635,767	0.77	10.1	7,185,732	12.42	(1.48)	70,139	13.99
New Mexico	25	1,311,627	2.99	8.3	2,126,179	3.25	1.86	55,697	9.85
Idaho	22	1,097,962	2.65	6.9	1,891,021	20.63	8.15	66,938	12.56
Utah	9	891,221	0.89	6.4	3,354,693	21.38	7.42	84,724	13.18
Nevada	11	541,184	0.47	3.3	3,176,325	17.62	5.12	71,353	14.43
Texas	6	498,477	0.03	2.4	29,801,205	18.51	5.30	70,957	11.16
Totals:	219	15,902,046		100	59,688,803				
Weighted Average						14.98	4.76	78,338	13.45
Aggregate: National					334,279,739	8.27	3.21	72,465	12.10

Deposit and share data is from the FDIC's Summary of Deposit reports and is as of 12/31/2021

Vision 2025

Our Objective:

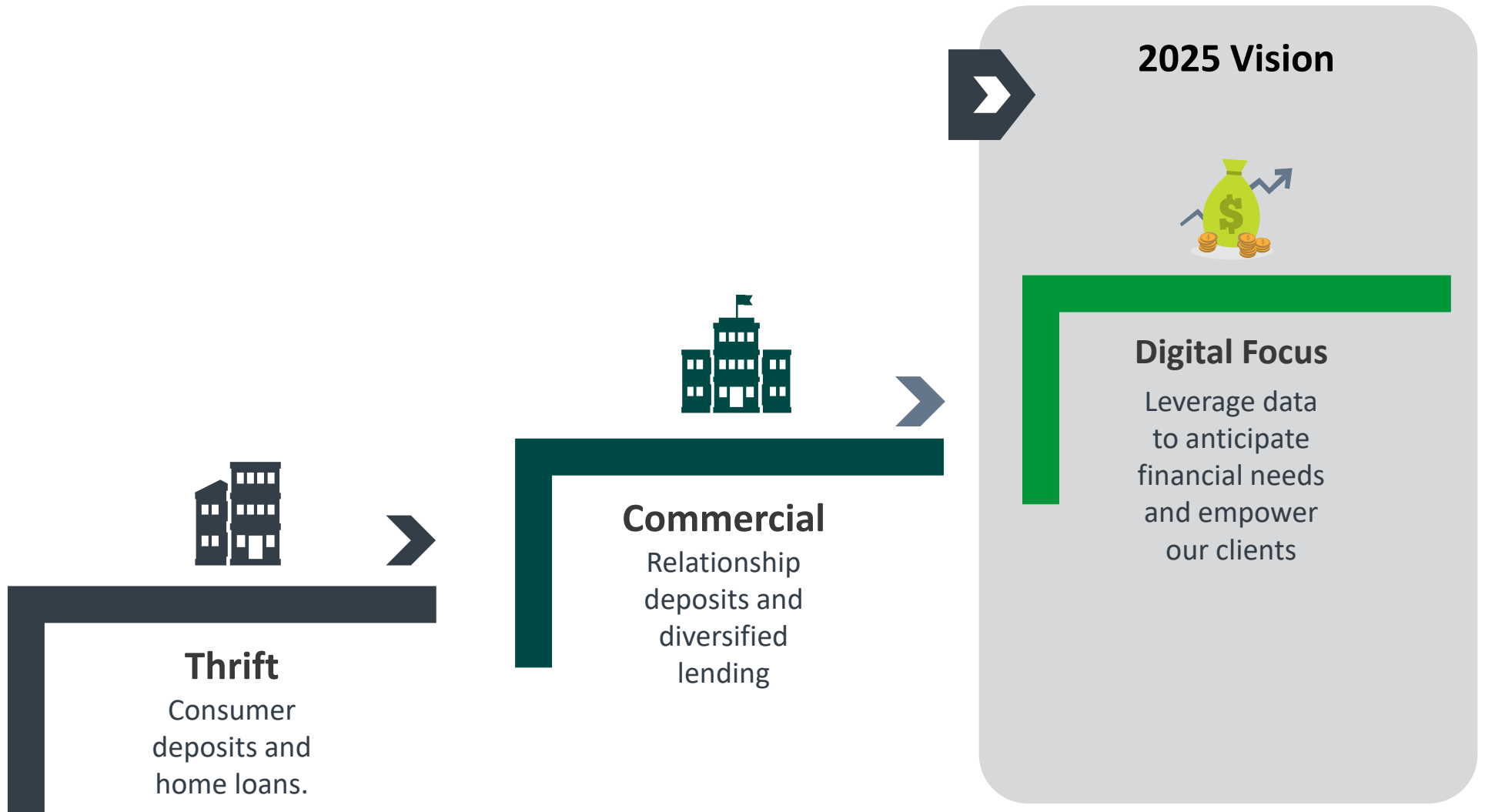
A highly-profitable, digital-first bank that leverages data to anticipate financial needs and empower our clients by creating frictionless experiences across all interactions and devices.

Our Values:

Integrity, Teamwork, Ownership, Service, Simplicity & Discipline

Evolution of Our Franchise

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

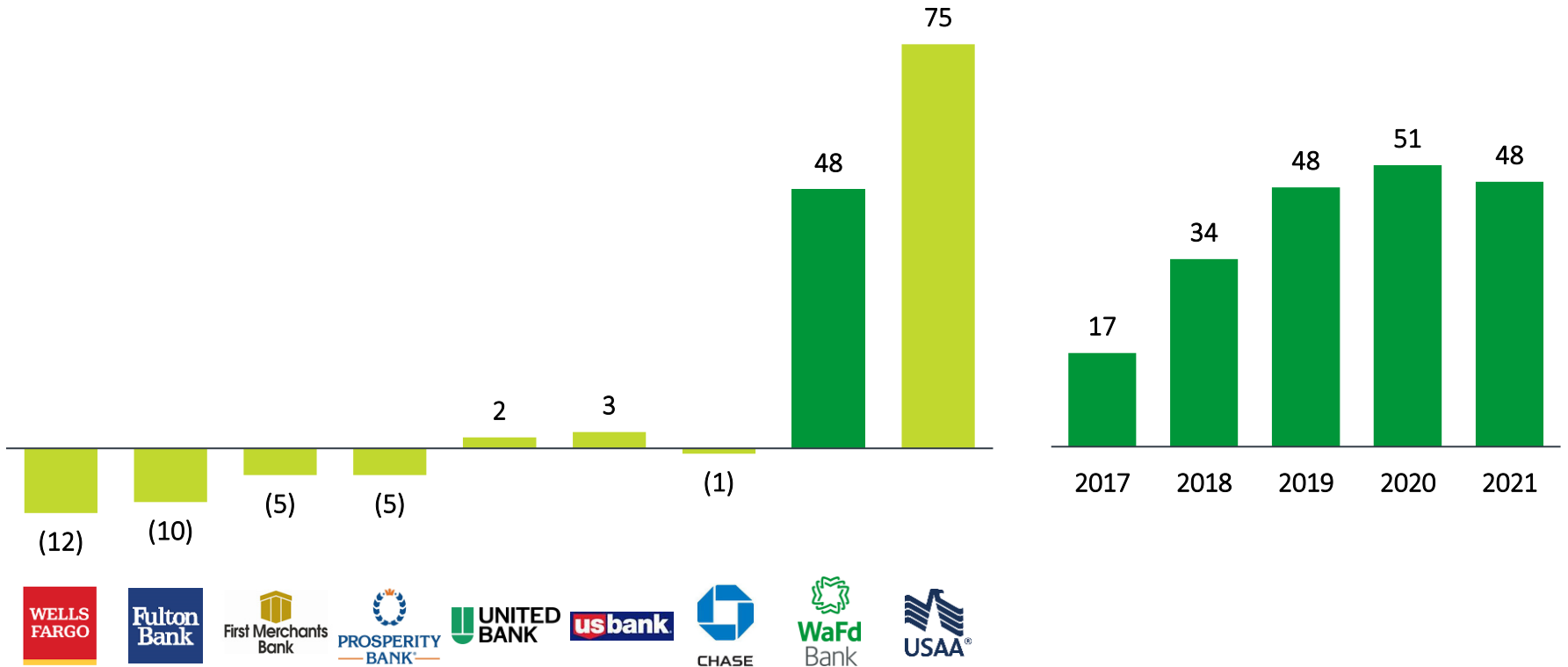


Net Promoter Score Approaching Best In Class

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

Peer Net Promoter Score ¹

WaFd Net Promoter Score ¹

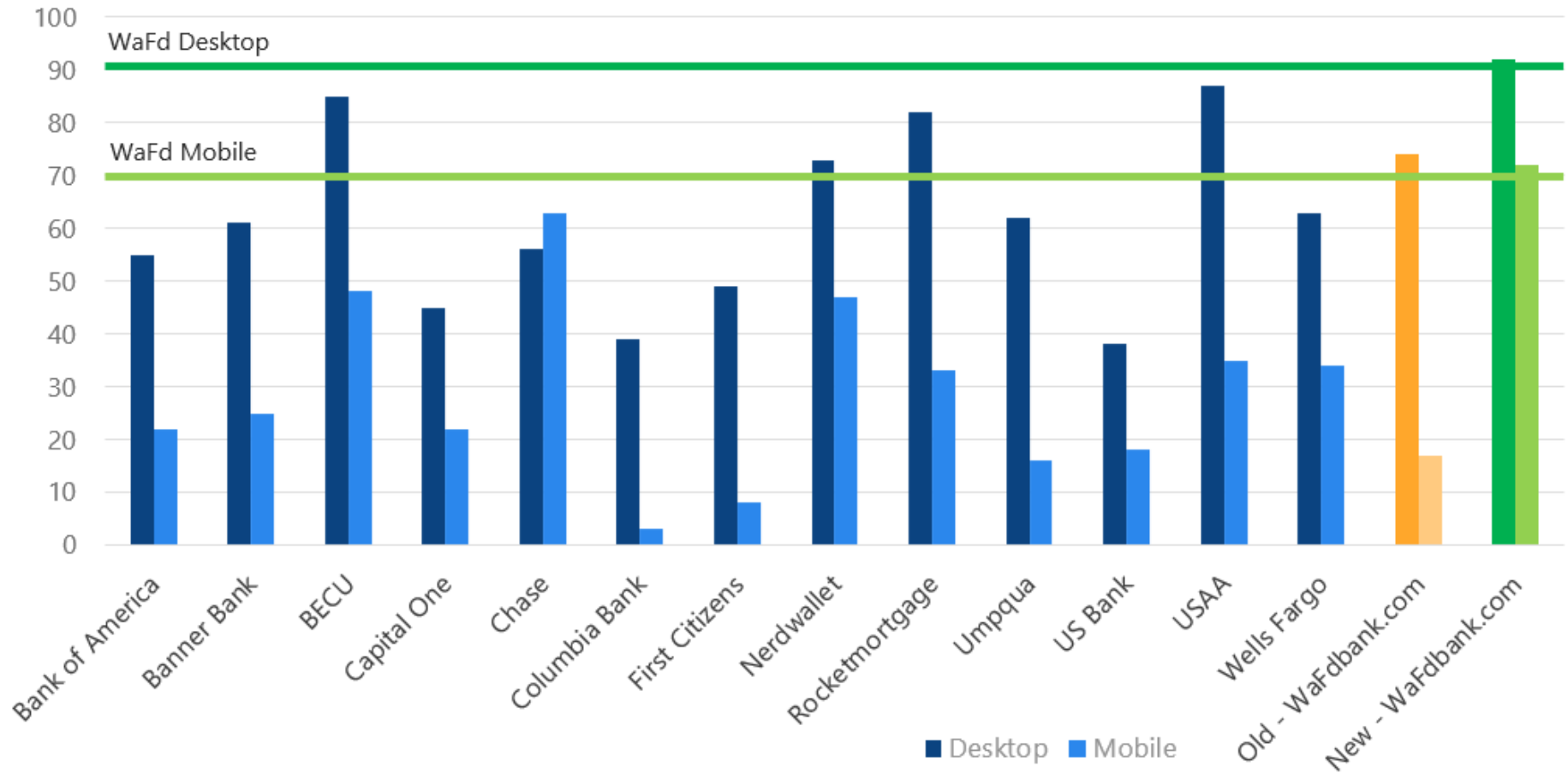


Source: Customer Guru

¹ As of 10/19/2021

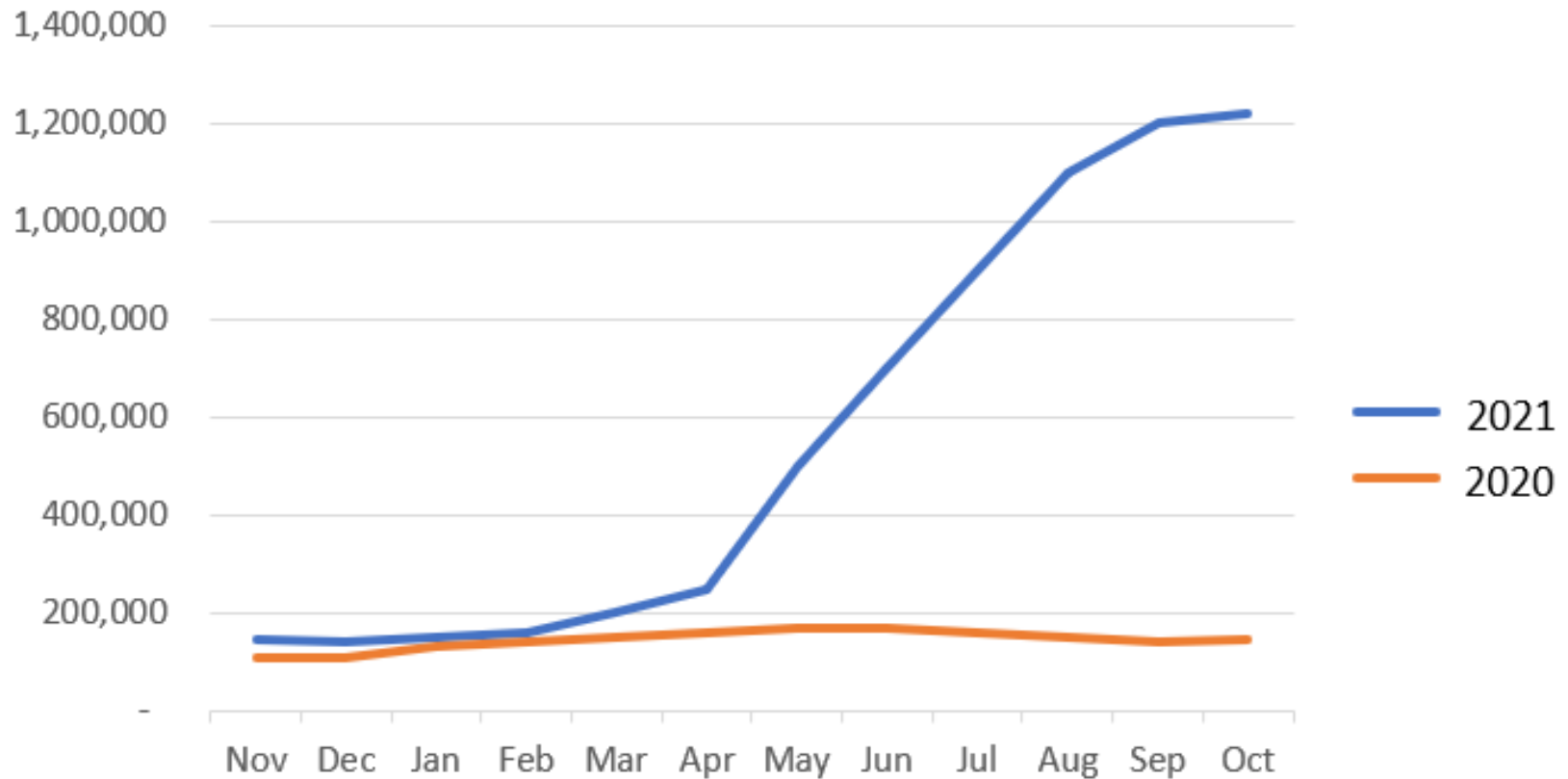
Speed Matters – Website is the New Storefront

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

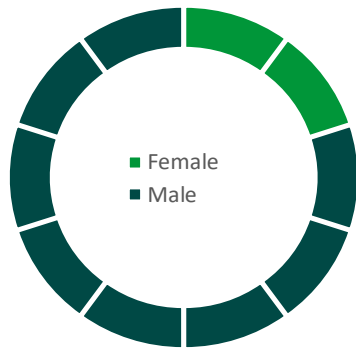


Commitment to ESG & Diversity

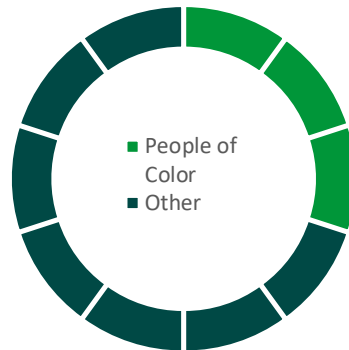
We believe our enduring franchise comes from core principles focused on helping the neighborhoods we serve and creating long-term value for all stakeholders led by a Board, management and employee base that bring together a diversity of backgrounds

Board Composition

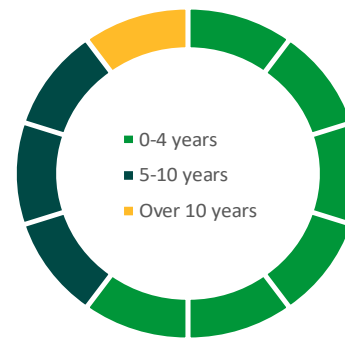
Gender of Directors



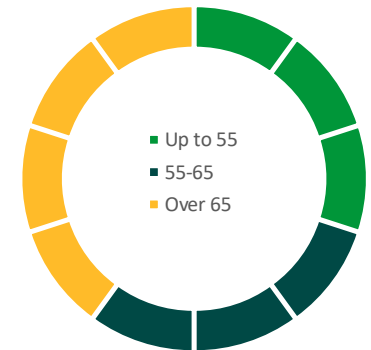
Ethnicity of Directors ¹



Tenure of Directors



Age of Directors ²



ESG & Diversity Policy Highlights

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

Resolve to create long-term value for all stakeholders

Maintain transparency in its business practices



To provide common-sense banking that helps neighborhoods flourish

Adhere to the primary corporate value of integrity

Exercise prudent risk management



Community Development
Over \$289 million dollars invested towards community development lending and affordable housing investments



Volunteerism
WaFd employees participated in 8,138 volunteer hours in support of more than 513 organizations and initiatives



Washington Federal Foundation
The Washington Federal Foundation awarded 234 grants to local community organizations totaling \$969,640 for the fiscal year



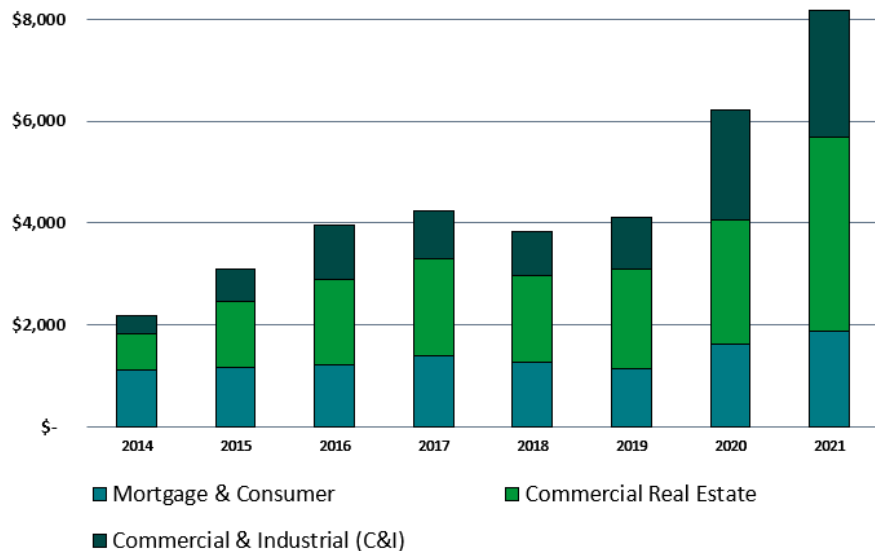
United Way Matching Campaign
WaFd Bank matches employee contributions made to United Way agencies in all eight states. In fiscal year 2020 pledges from colleagues were \$332,010. WaFd matched \$275,877 for a total of \$607,887

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

Loan Growth – Through Different Interest Rate Environments

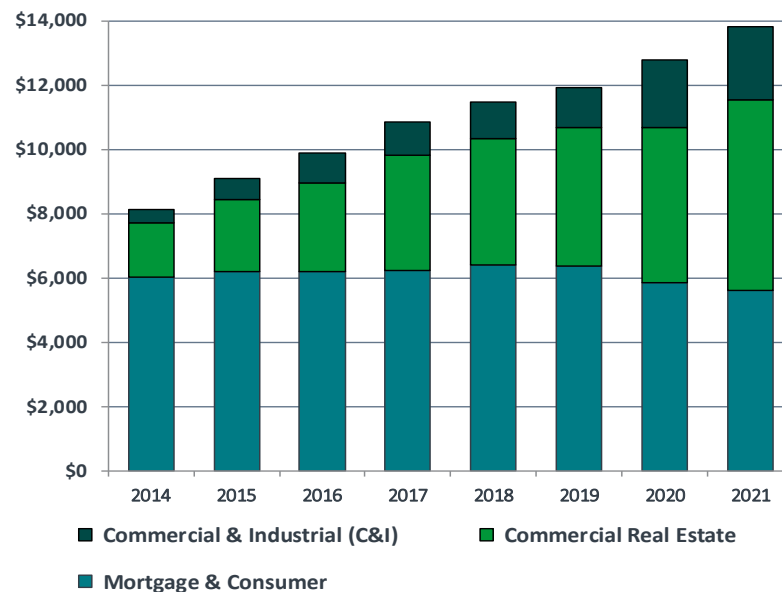
\$ in millions.

New Loan Originations



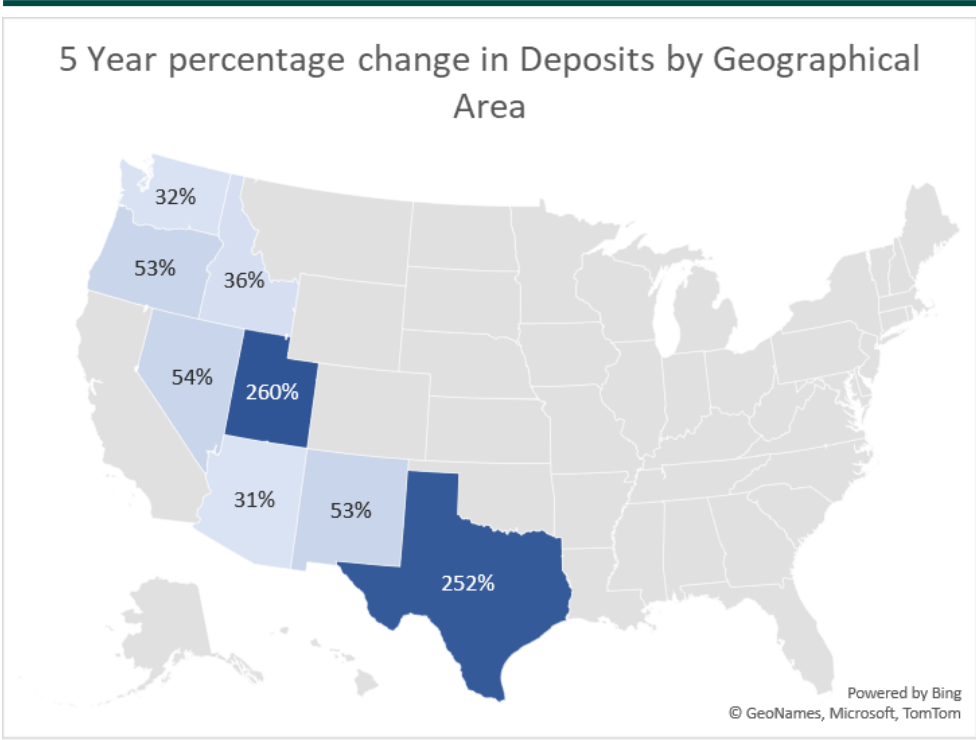
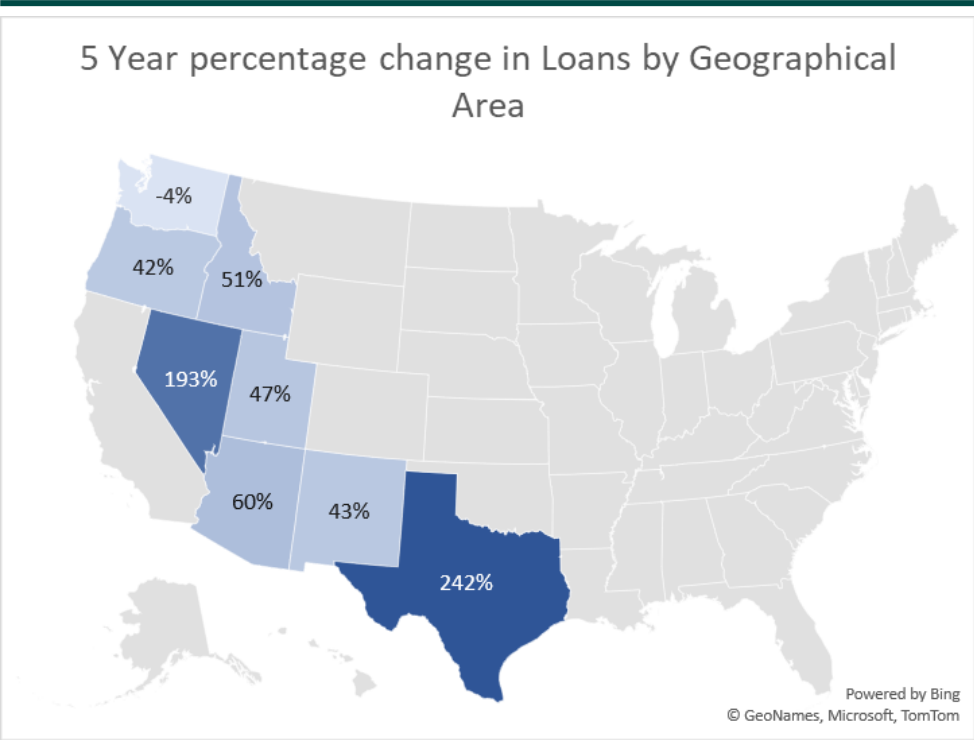
- C&I and Commercial Real Estate loans made up 77% of all originations in 2021 compared to 49% in 2014
- Mortgage and Consumer Loans are largely holding flat in the current rate environment

Loan Growth



- Mortgage and Consumer loans - 38 % of total net loans
- Commercial loans growing fastest over last six years
- Commercial growth is primary focus

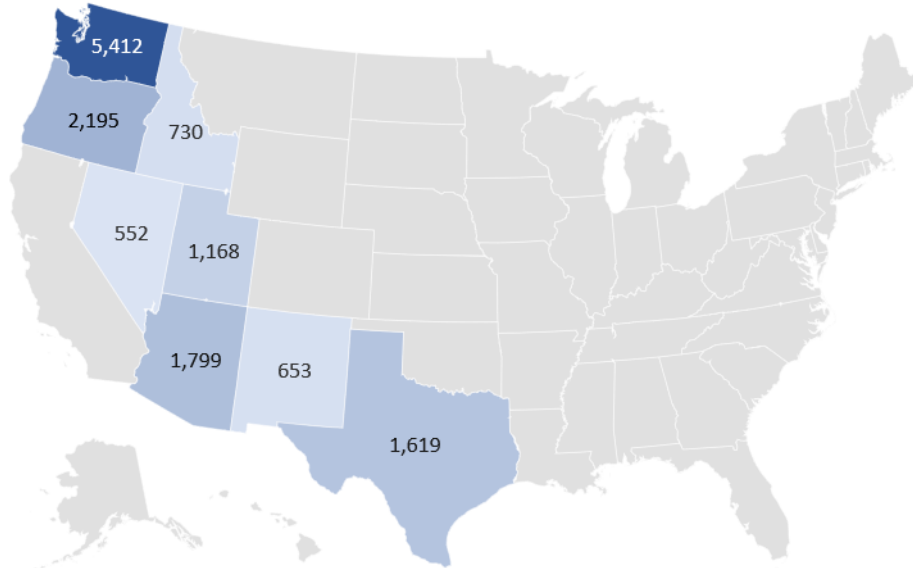
5 Year change by Percentage in each Geographical Area



Loan and Deposit balances by Geographical Area

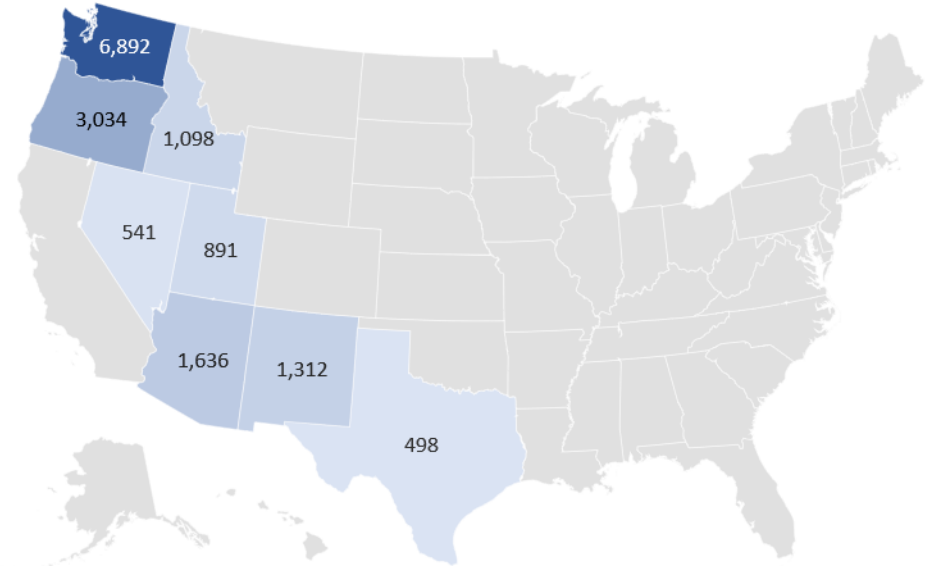
\$ in millions.

Loan Balances by Geographical Area



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Deposit Balances by Geographical Area



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Helping Small Businesses and Individuals

Deferred loan payments now resuming

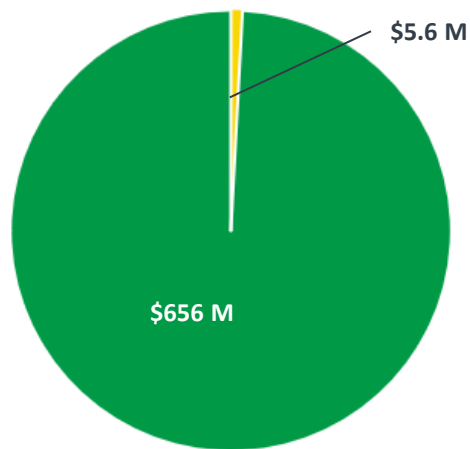
Paycheck Protection Program

9,000 approved loans

Over \$1 billion in lending

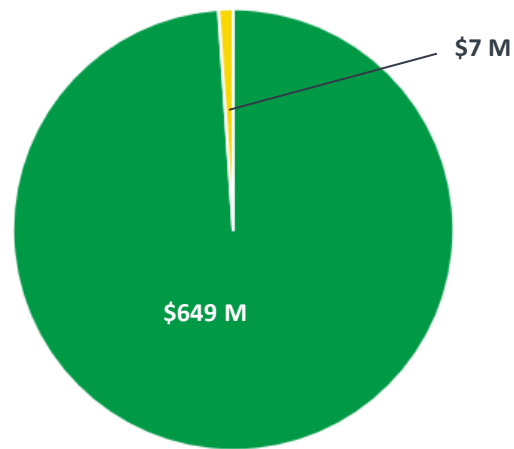
Cares Act Deferrals

Loan Deferral Status



■ Still Deferred ■ Resumed

Resumed Deferral Delinquencies



■ Resumed Current ■ Resumed Past Due

- 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 18 Consumer Mortgage loans still in deferral

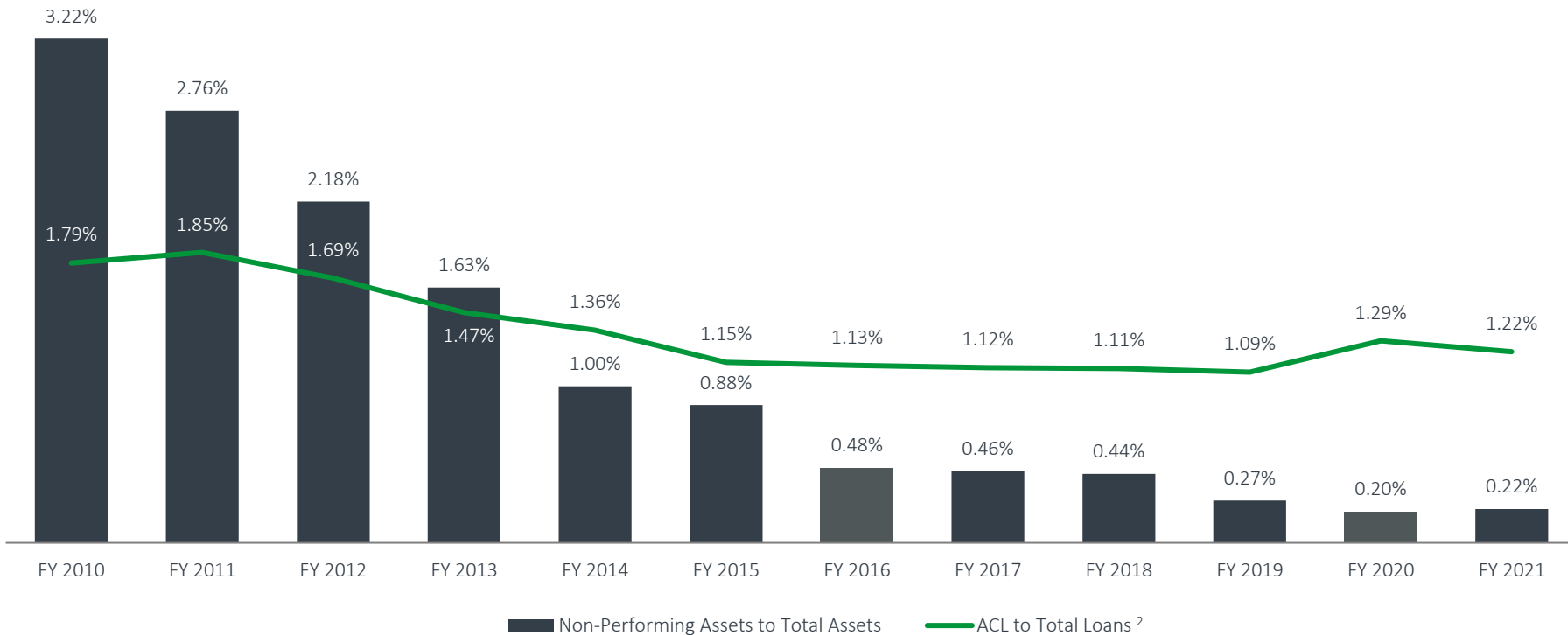
Non-Performing Assets Near Record Lows

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

- ACL at 12/31/2021 amounted to \$171.4 million, representing 313% of total NPAs¹
- Non-performing assets \$54.7 million as of 12/31/2021

Non-Performing Assets to Total Assets and ACL to Total Loans¹

For Fiscal Year End 9/30



¹ ACL to Total Loans does not include ACL related to unfunded commitments of \$30 million.

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

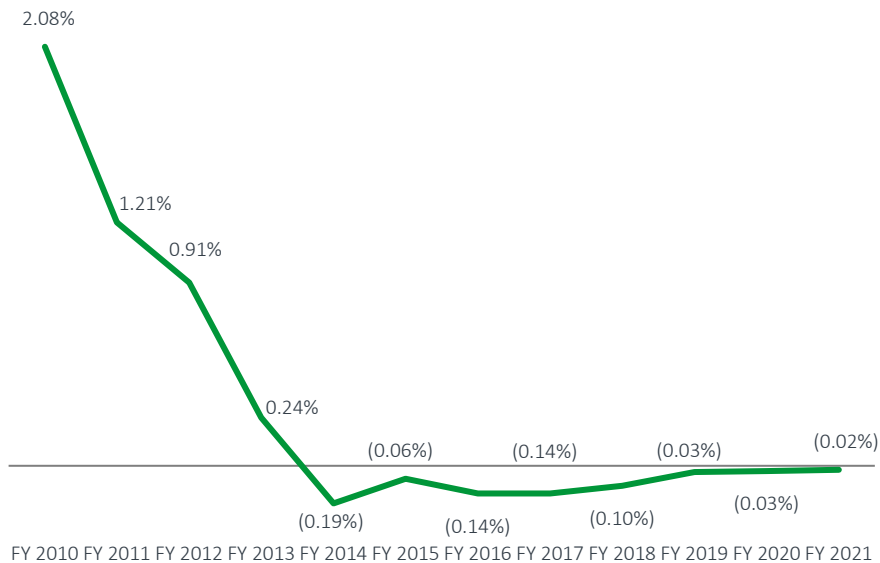
Strong Credit Quality

Strong Credit Quality Characterized by Limited Charge-Offs

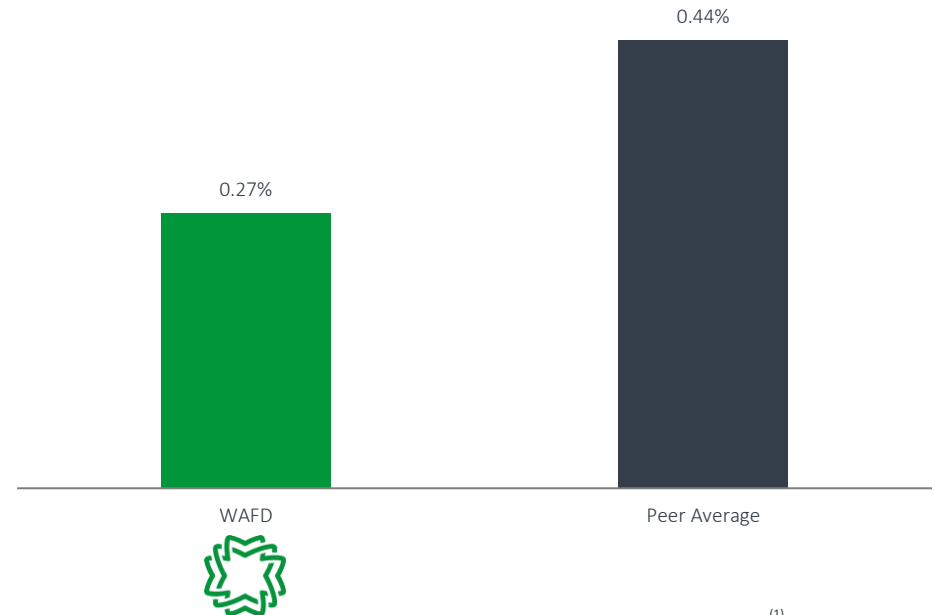
- Net Recoveries since 2013 total \$71 million
- The Bank continues to work \$50 million of loans previously charged off
- 8 Consecutive years of Net Recoveries

Net Loan Charge-offs (Recoveries)

For Fiscal Year End 9/30



Average NCOs Per Year – Last 20 Years



(1)

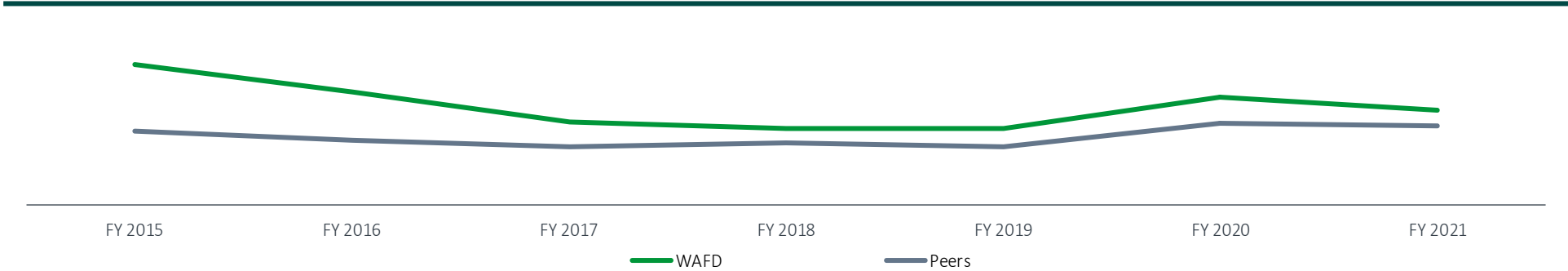
Source: SNL Financial, Company Filings

¹ Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

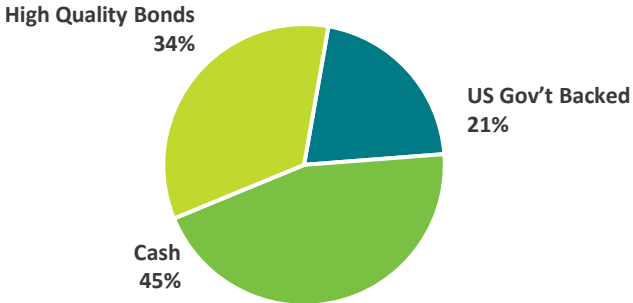
Significant Liquidity and High-Quality Securities Portfolio

High quality, \$4.1 billion cash and investment portfolio with \$10.9 billion remaining collateral and lines as a source of additional potential liquidity

Cash & Securities / Total Assets



Cash and Securities Composition ²



Total Cash and Securities: \$4.1Bn ²
 Cash and Securities / Total Assets: 21% ²

As of 12/31/2021, WAFD maintains over \$4bn of balance sheet liquidity

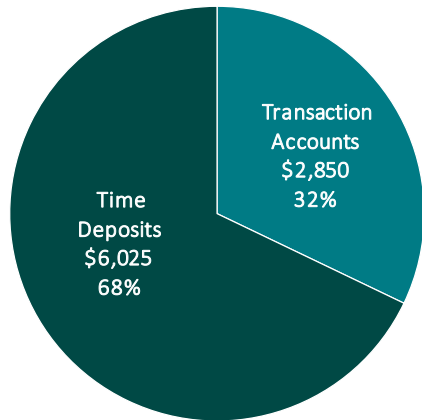
- Cash and Securities is 20% of assets
- Investment Portfolio targets low credit risk / moderate duration
- 66% Cash, US Government backed Agency Bonds and MBS ²
- Yield on the Investment Portfolio is 1.58%

Source: SNL Financial, Company Filings
¹ Peers represent Proxy Peers as specified in the Company's latest Proxy Statement
² As of 12/31/2021

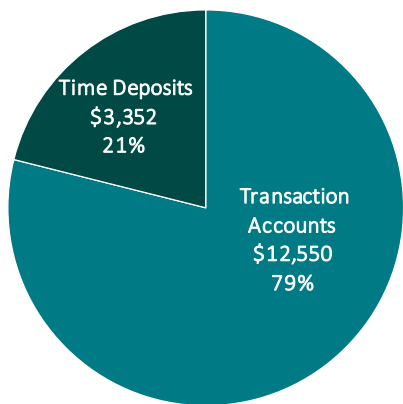
Deposit Trends

Shifting away from time deposits in favor of transaction accounts. Checking accounts now make up 44%.

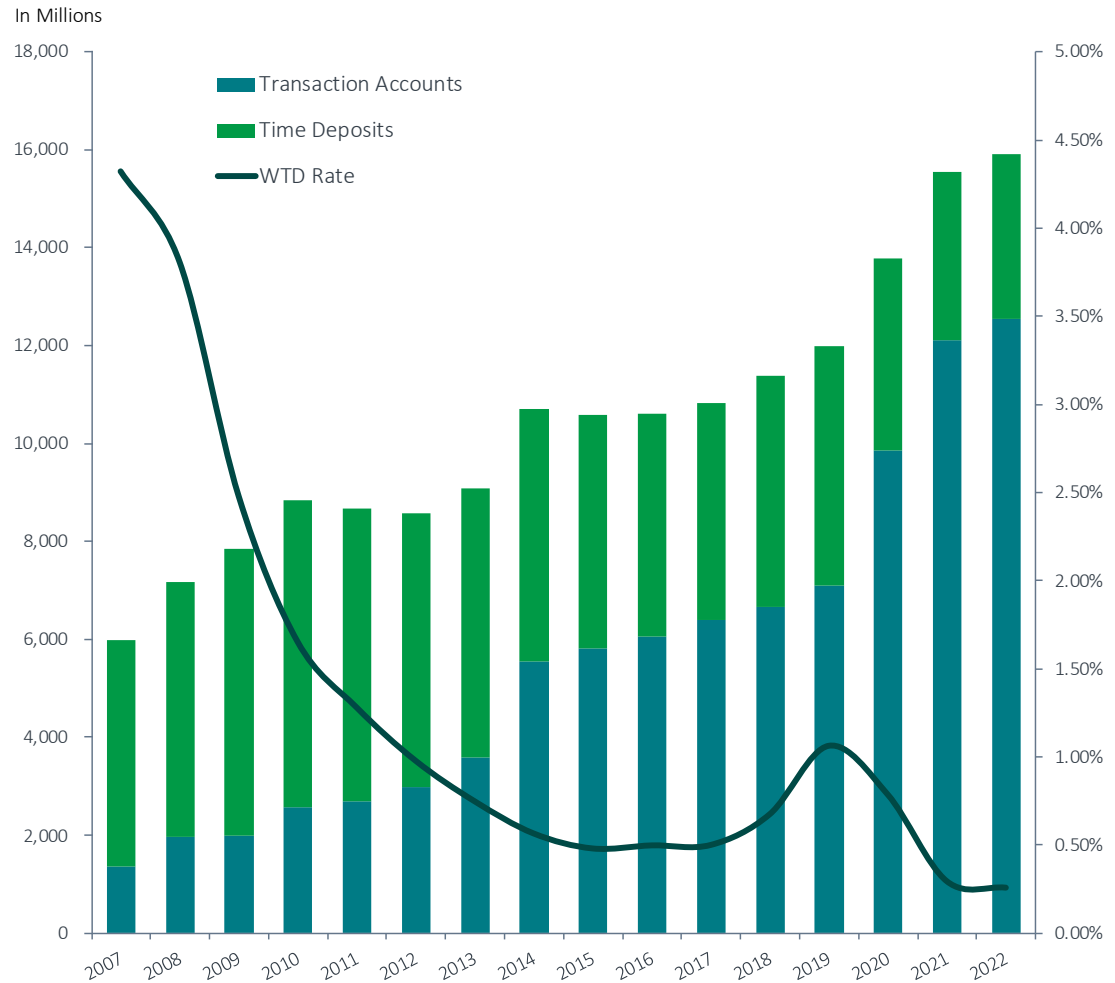
As of 12/31/2011



As of 12/31/2021

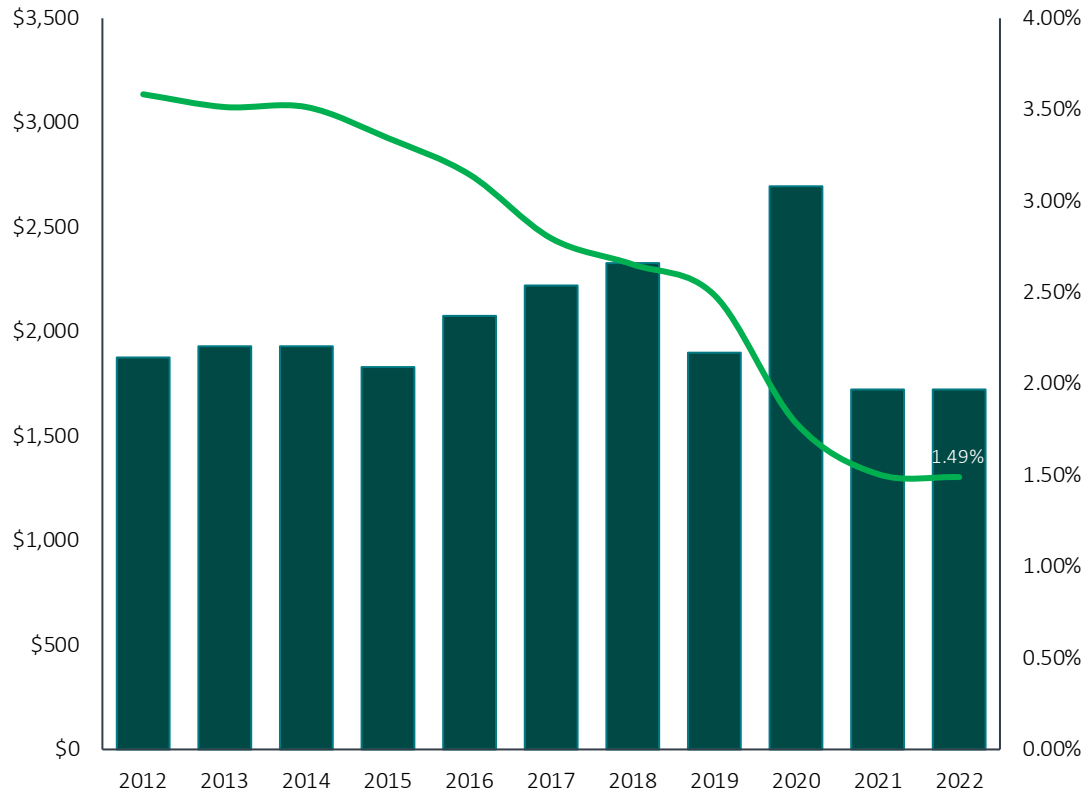


Core Deposits = 96.6% of Total



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. In 2021, strong growth in deposits allowed the Company to Reduce FHLB borrowings.



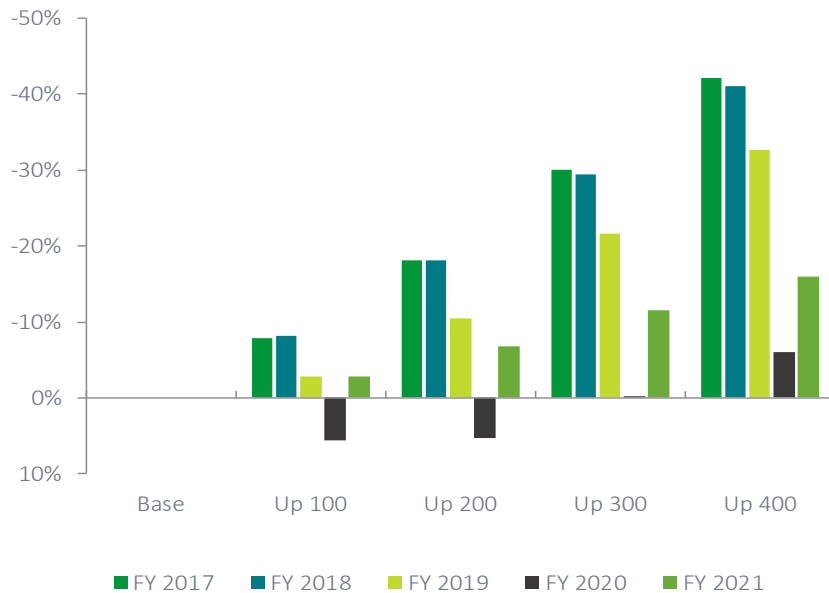
FHLB Effective Maturity Schedule

	Amount \$ million	Rate
Within 1 year:	\$ 320	2.08%
1 to 3 years:	\$ 500	2.16%
3 to 5 years:	\$ 100	1.85%
5+ years:	\$ 800	0.80%

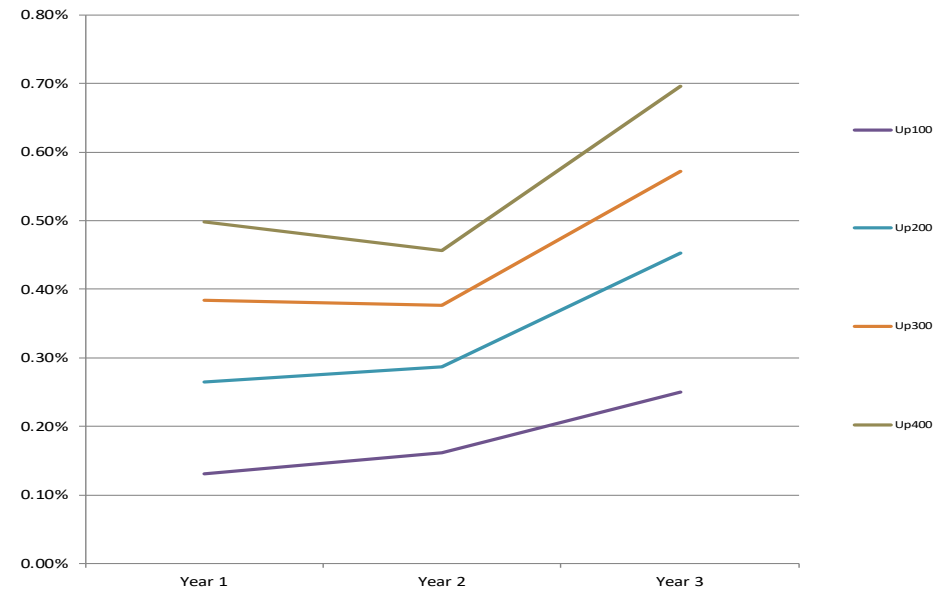
Balanced Interest Rate Risk

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 December 31, 2021:

- Net Interest Income (NII) would increase by 8.4% in +200 bps immediate and parallel shock
- Net Portfolio Value after +200bps shock is 14% lower (\$472mm) and at \$2.82 billion would be 14.8% 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.

Income Statement Comparison

	Fiscal YTD		<u>\$ Change</u>	<u>% Change</u>
	<u>12/31/2021</u>	<u>12/31/2020</u>		
INTEREST INCOME				
Loans.....	\$ 138,509	\$ 133,671	\$ 4,838	3.6%
Mortgage-backed securities.....	4,792	7,230	(2,438)	-33.7%
Investment securities and cash equivalents.....	7,139	6,921	218	3.1%
	<u>150,440</u>	<u>147,822</u>	<u>2,618</u>	<u>1.8%</u>
INTEREST EXPENSE				
Customer accounts.....	8,461	14,110	(5,649)	-40.0%
FHLB advances and other borrowings.....	7,843	13,198	(5,355)	-40.6%
	<u>16,304</u>	<u>27,308</u>	<u>(11,004)</u>	<u>-40.3%</u>
NET INTEREST INCOME	134,136	120,514	13,622	11.3%
Provision (release) for credit losses.....	500	3,000	(2,500)	
Net interest income after provision(reversal).....	<u>\$ 133,636</u>	<u>\$ 117,514</u>	<u>\$ 16,122</u>	13.7%

Income Statement Comparison

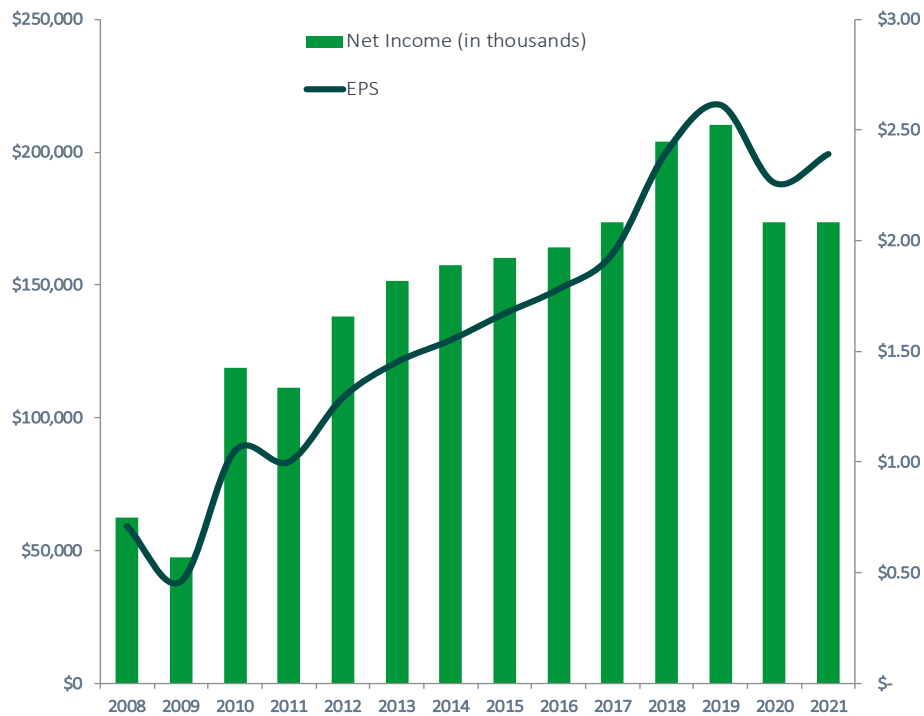
	Fiscal YTD		\$ Change	% Change
	<u>12/31/2021</u>	<u>12/31/2020</u>		
OTHER INCOME	\$ 18,681	\$ 13,870	\$ 4,811	34.7%
OTHER EXPENSE				
Compensation and benefits.....	47,425	42,723	4,702	11.0%
Occupancy.....	10,090	9,592	498	5.2%
FDIC Insurance.....	3,100	3,263	(163)	-5.0%
Product Delivery.....	4,721	4,937	(216)	-4.4%
Information technology.....	11,421	11,831	(410)	-3.5%
Other Expense.....	12,856	9,064	3,792	41.8%
	<u>89,613</u>	<u>81,410</u>	<u>8,203</u>	10.1%
Gain (loss) on REO.....	<u>562</u>	<u>(449)</u>	<u>1,011</u>	-225.2%
Income before income taxes.....	63,266	49,525	13,741	27.7%
Income taxes.....	<u>12,985</u>	<u>10,574</u>	<u>2,411</u>	22.8%
NET INCOME.....	<u>\$ 50,281</u>	<u>\$ 38,951</u>	<u>11,330</u>	29.1%
Dividends on preferred stock.....	<u>3,656</u>	<u></u>	<u>3,656</u>	
Net Income available to common shareholders.....	<u>\$ 46,625</u>	<u>\$ 38,951</u>	<u>7,674</u>	19.7%

Efficiency Ratio of 58.64% for YTD fiscal year 2022 down from 60.58% for the same period of prior year.

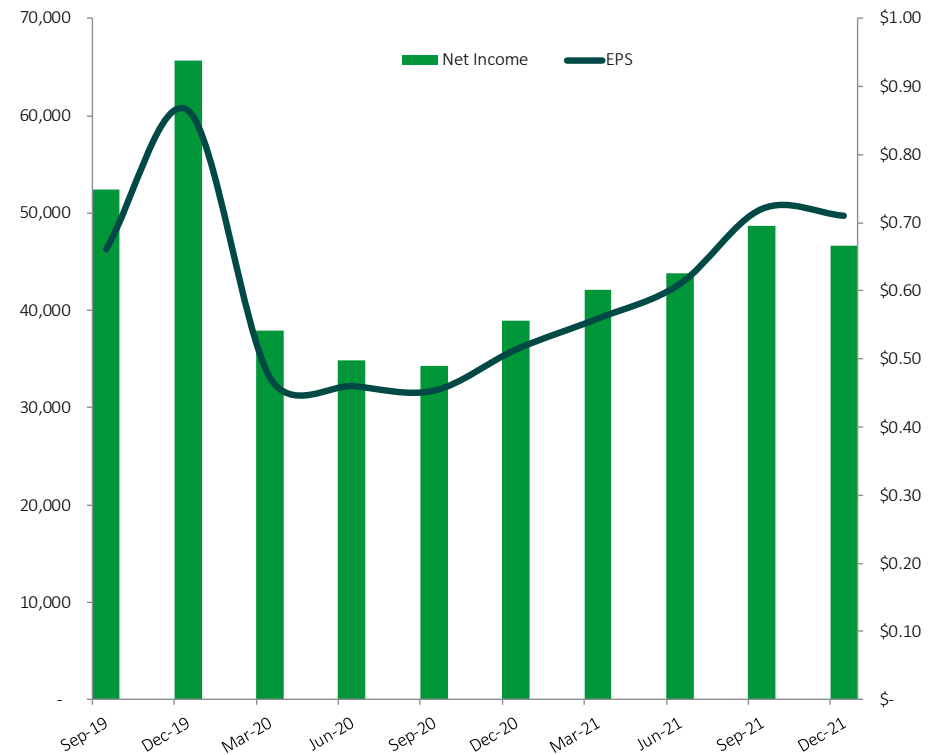
Effective tax rate year to date ended December 2021 is 20.52% compared to 21.35% from the same period ended December 2020

Net Income and Common Earnings Per Share

Annual



Quarterly

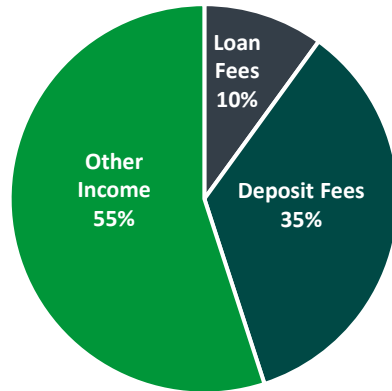


Issued \$300 million of Preferred Stock in February 2021
with a dividend of 4.875%

Non-Interest Income

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

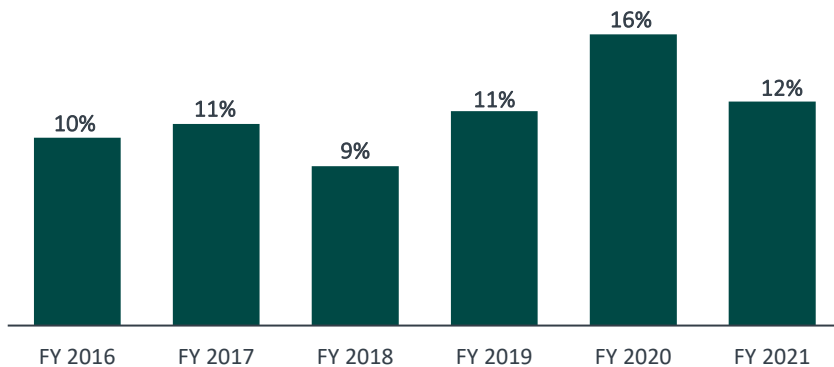
Non-Interest Income for Quarter-Ended 12/31/2021



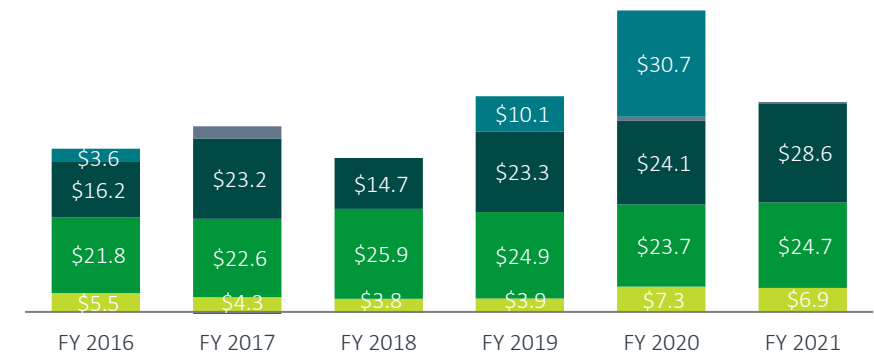
Other Income includes:

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

Non-Interest Income / Total Loan Revenue



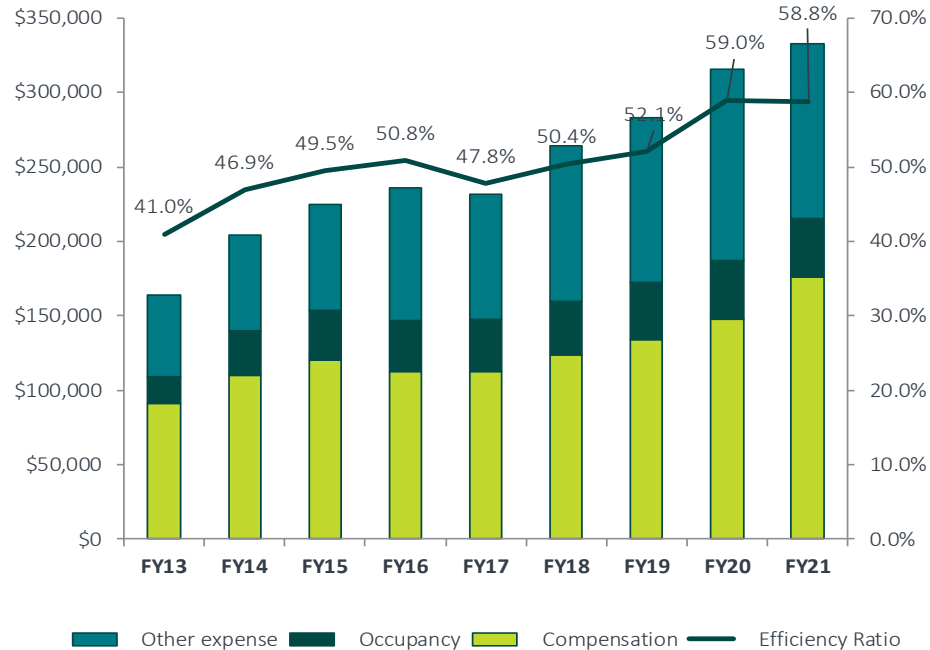
Non-Interest Income Over Time (\$MM)



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

Non-Interest Expense

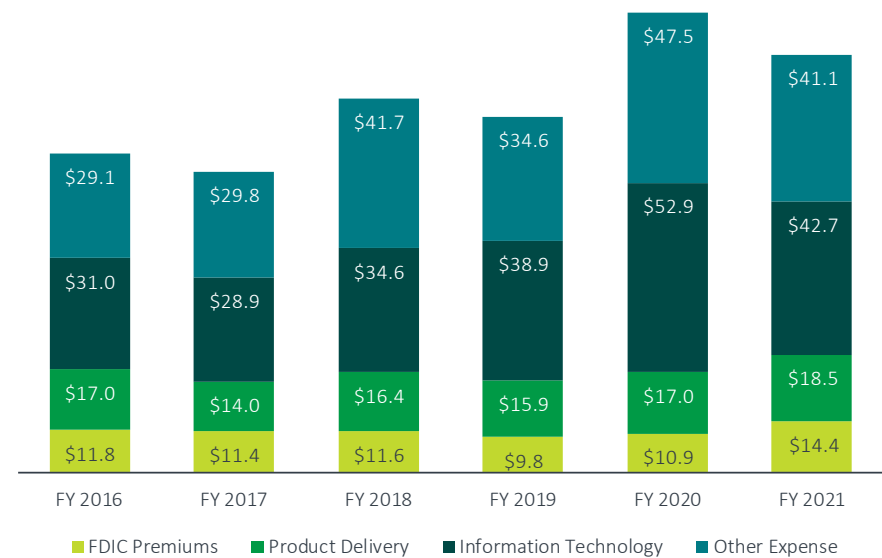
Non-Interest Expense Over Time (\$MM)



Other Expense includes:

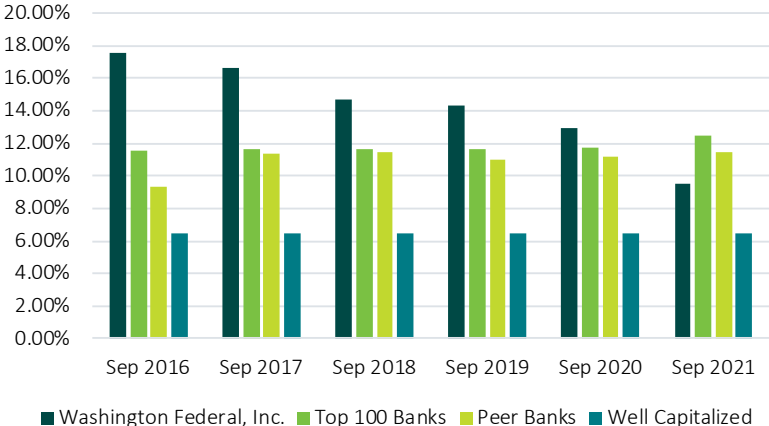
- FDIC Premiums
- Product Delivery
- Information Technology
- Miscellaneous 'Other' line-item expenses include professional services, marketing and administrative costs.

Breakout of Other Expense



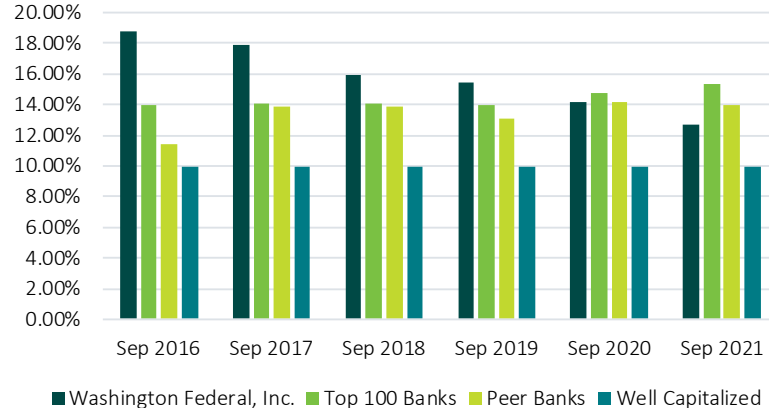
Capital Ratios

Common Equity Tier 1 Ratio

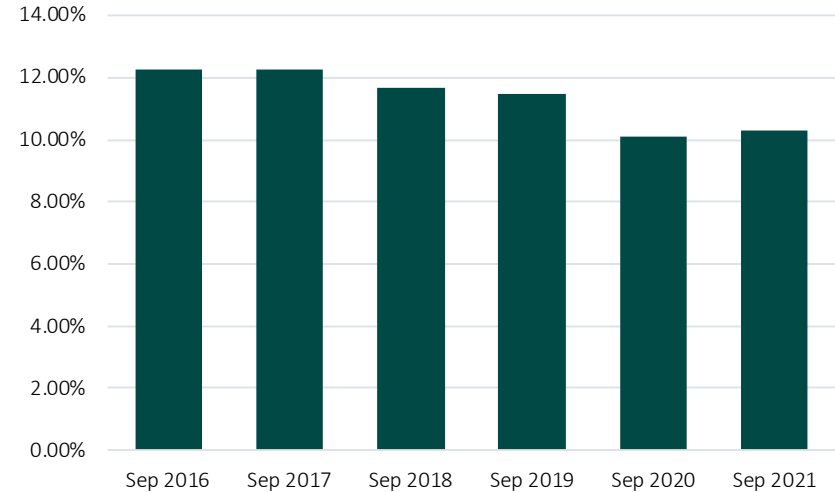


WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.

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> 12/31/2020	<i>FY 2021 Proforma Plan at</i> 12/31/2020
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

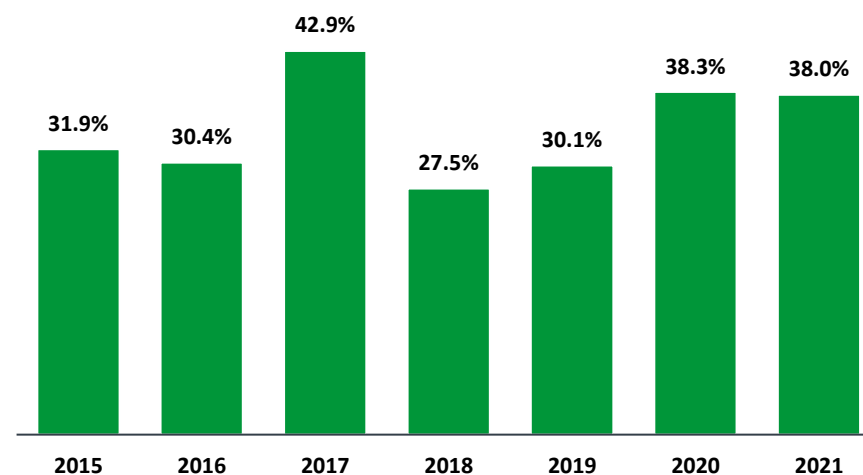
Returning Capital to Shareholders

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%

	# 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	84,114	\$ 35.34	0.1%

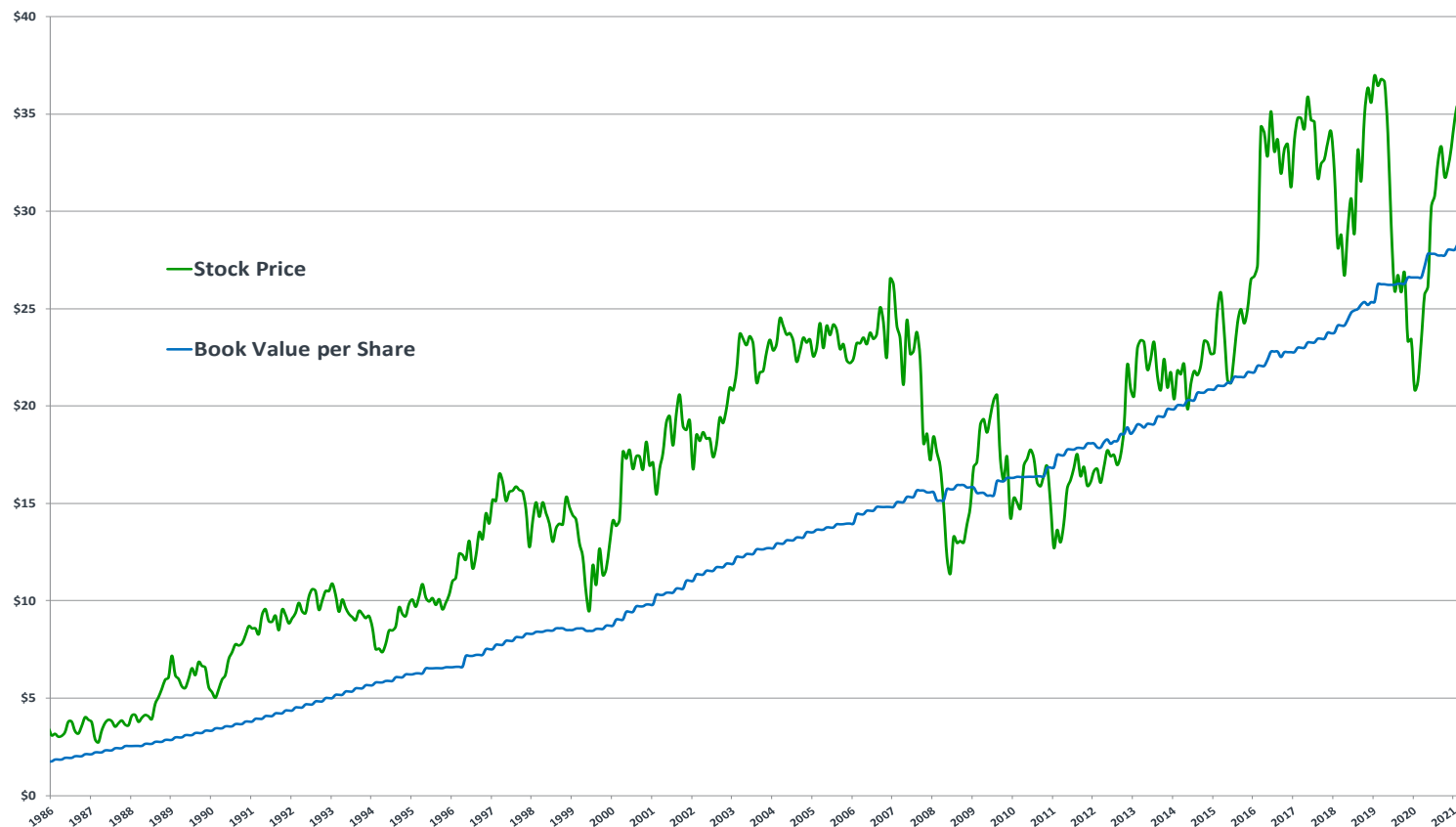
Common Dividend as a % of Net Income



Recent Capital Activities

- Current cash dividend of \$0.24 provides a yield of 2.74% 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 3rd and 4th 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 12/31/2021:

Book Value per Share \$28.33

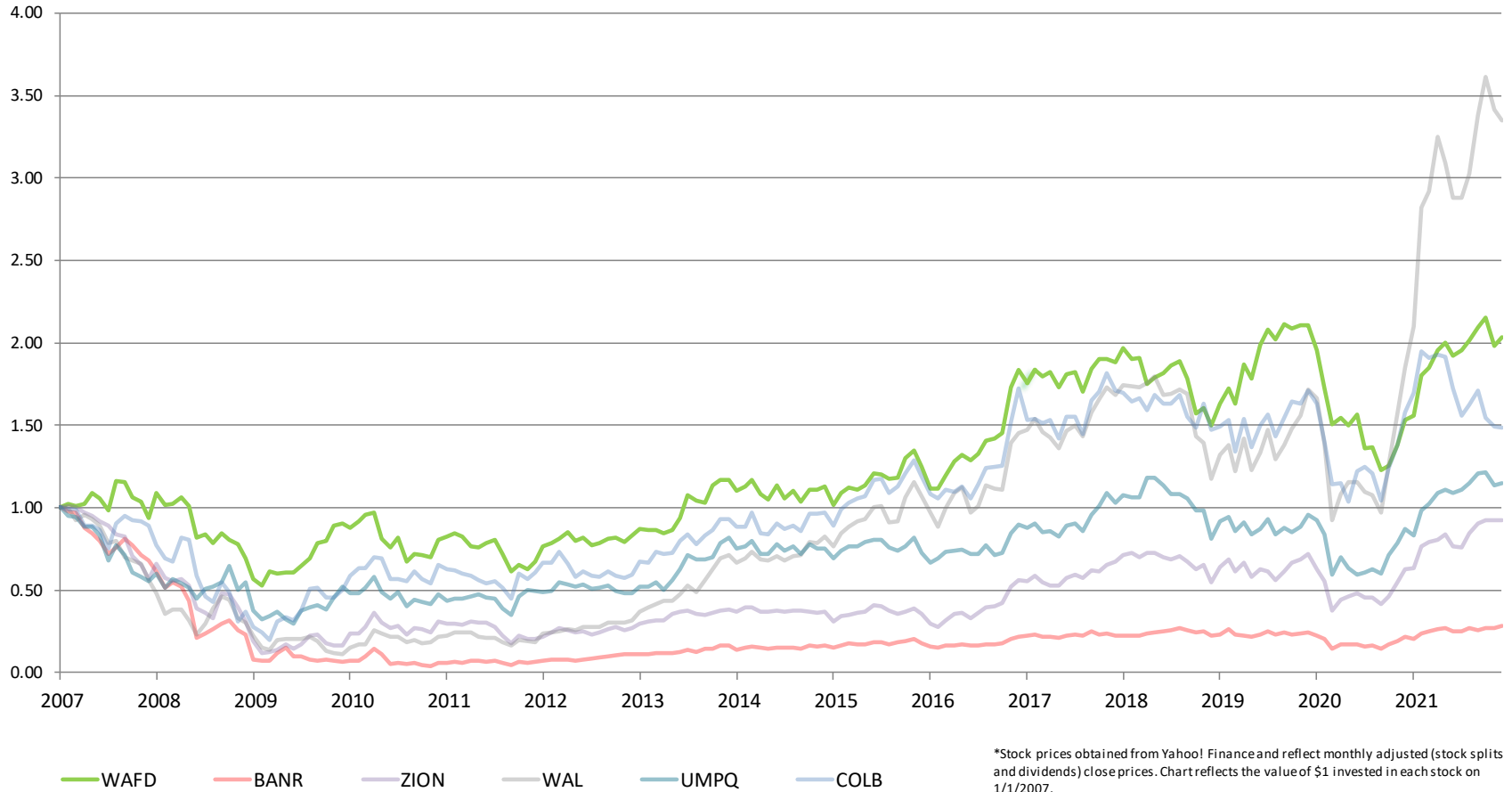
Price to BV: 1.178

Tangible Book Value per Share \$23.59

Price to TBV: 1.42

Perspective through the last Credit Cycle

Stock Performance Comparison as of 12/31/2021



*Stock prices obtained from Yahoo! Finance and reflect monthly adjusted (stock splits and dividends) close prices. Chart reflects the value of \$1 invested in each stock on 1/1/2007. January 2007 month end chosen to coincide with the average peak in stock price among the 6 banks.



3 years in a row!



EXCLUSIVE BANK OF SOUNDERS FC AND THE SEATTLE KRAKEN

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