



DA Davidson 23rd Annual Financial Institutions Conference

May 5, 2021

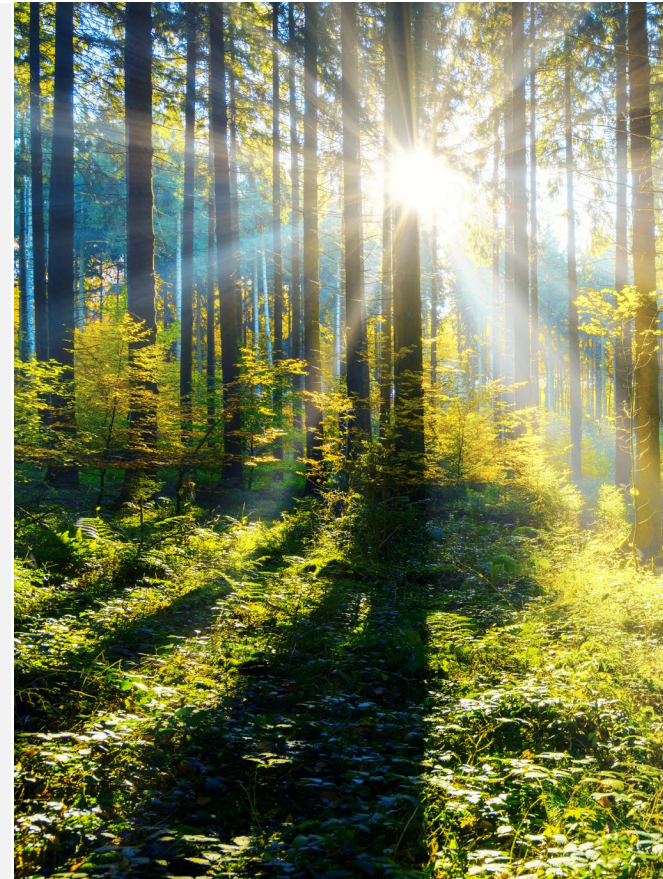


This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking 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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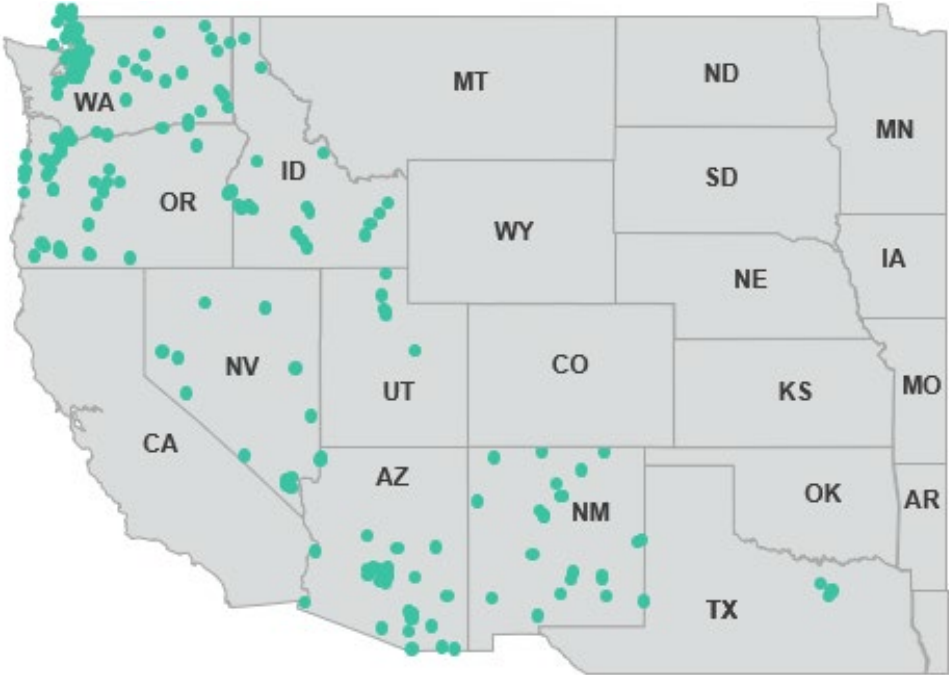


Overview of Washington Federal

Overview

- Established in **1917**; IPO in 1982
- National Bank Charter – OCC, Fed, CFPB Regulated
- Headquartered in Seattle, WA; is the **second largest** bank headquartered in the Pacific Northwest
- **232 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
- **153 consecutive** quarterly cash dividends
- 12,919% Total shareholder return since IPO

Geographic Overview



Company Highlights¹

Total Assets \$19.5Bn	Total Loans \$13Bn	Total Deposits \$14.8Bn	Stockholder Equity \$2.3Bn	Efficiency Ratio 59%
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¹ For the quarter-ended 2/31/2021

WaFd Bank Executive Management Committee



Brent Beardall
President and Chief Executive Officer



Vincent Beatty
EVP Chief Financial Officer



Cathy Cooper
EVP Retail Banking Group Manager



James Endrizzi
EVP of Commercial Banking



Kim Robison
EVP of Operations



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 2021 (Actual)	Population Change 2010-2021 (%)	Projected Population Change 2021-2026 (%)	Median HH Income 2021 (\$)	Projected HH Income Change 2021-2026 (%)
Washington	80	6,381,399	2.97	43.9	7,765,146	15.47	6.29	81,728	13.01
Oregon	46	2,837,657	2.68	20.0	4,281,747	11.76	4.91	69,640	12.85
Arizona	30	1,569,498	0.83	10.8	7,438,466	16.37	6.05	65,279	11.17
New Mexico	26	1,252,782	2.97	8.7	2,099,133	1.94	0.69	49,690	5.09
Idaho	24	1,012,507	2.87	7.2	1,832,352	16.89	6.48	60,757	10.40
Utah	9	970,056	0.65	4.4	3,282,329	18.76	6.72	78,645	12.65
Nevada	11	496,213	0.46	3.3	3,154,232	16.80	6.34	65,110	10.55
Texas	6	299,309	0.02	1.7	29,570,729	17.60	6.78	65,383	6.59
Totals:	232	14,819,421		100	59,424,134				
Weighted Average						13.98	5.54	72,286	11.70
Aggregate: National					330,946,040	7.19	2.91	67,761	9.01

As of or for the quarter-ended 3/31/2021

Vision 2025

Our Objective:

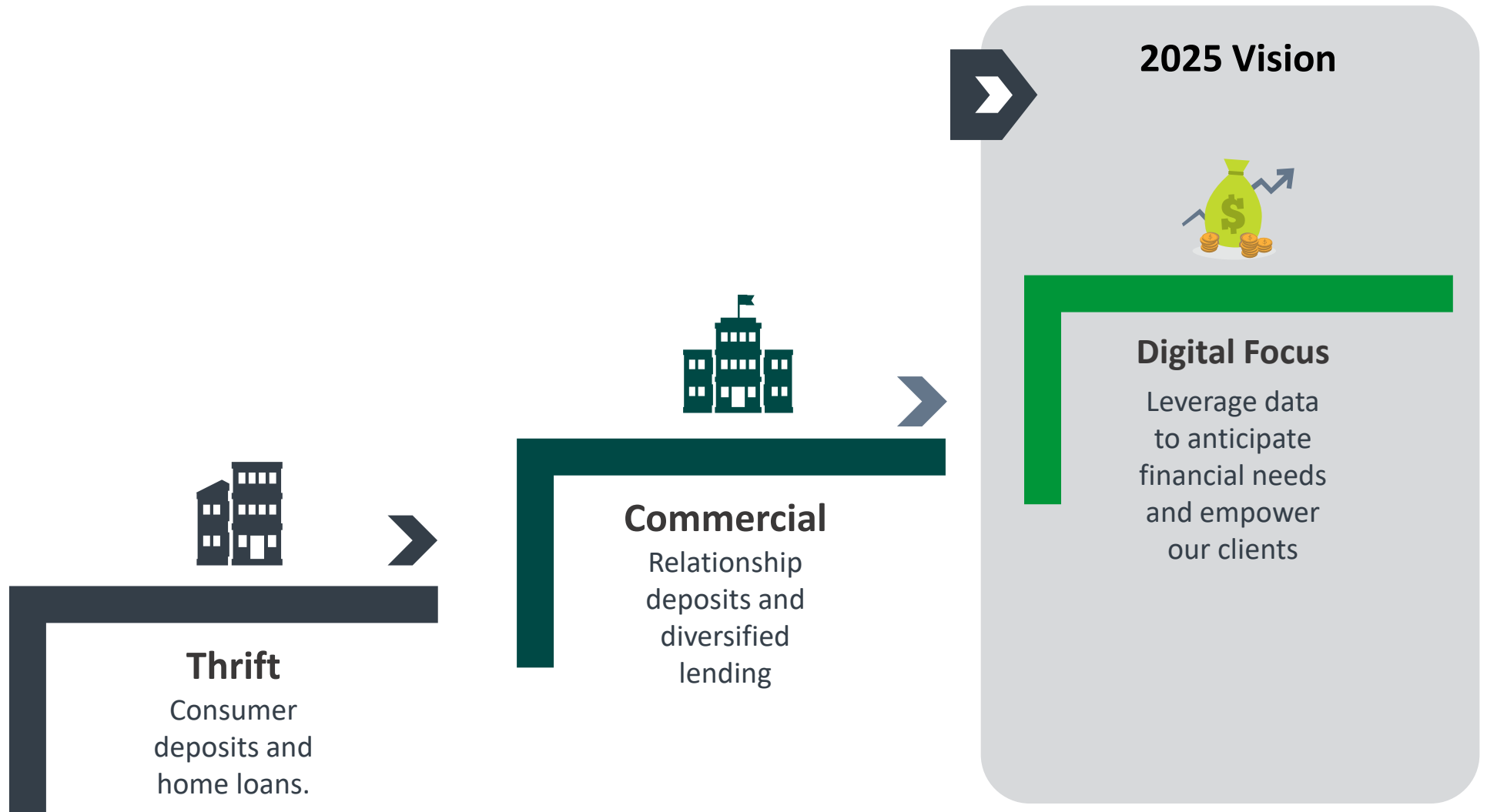
A highly-profitable, digital-first bank that leverages data to anticipate financial needs and empower our clients by creating frictionless experiences across all interactions and devices.

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

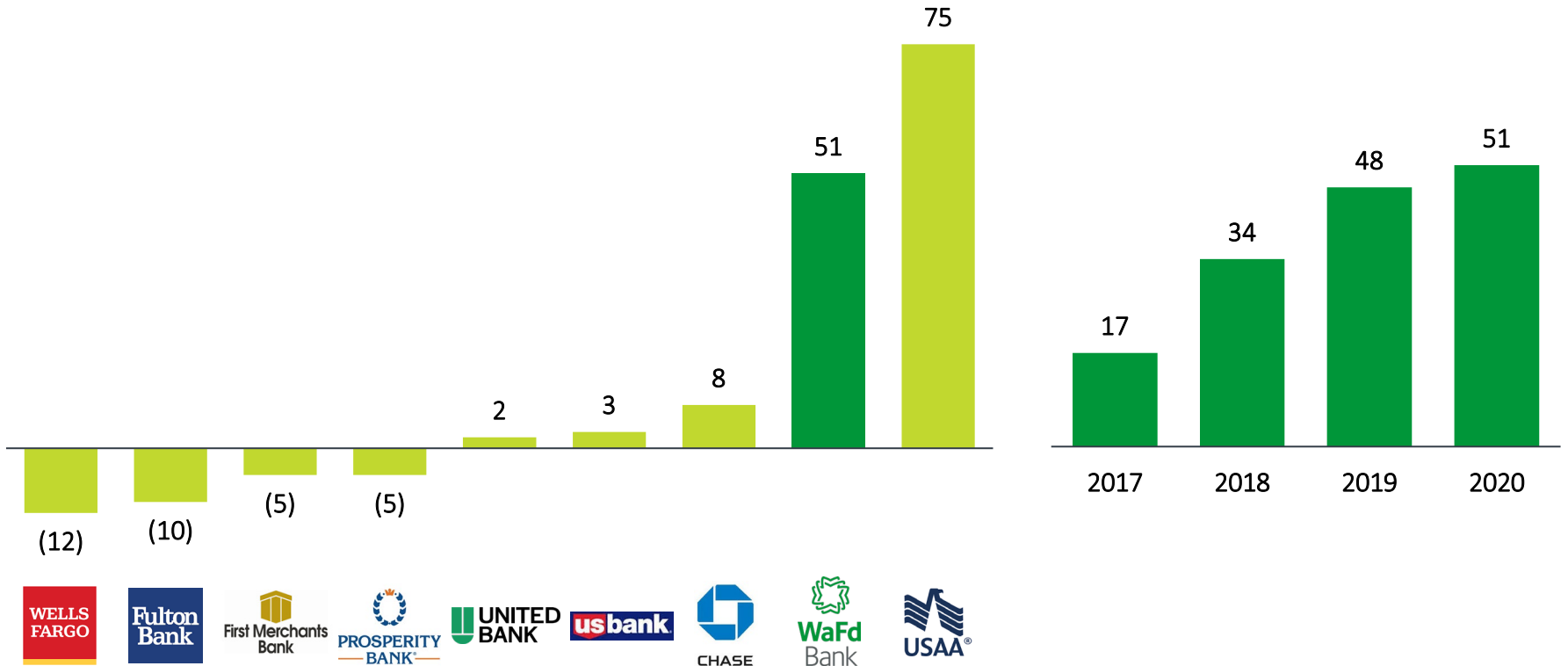


Net Promoter Score Approaching Best In Class

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

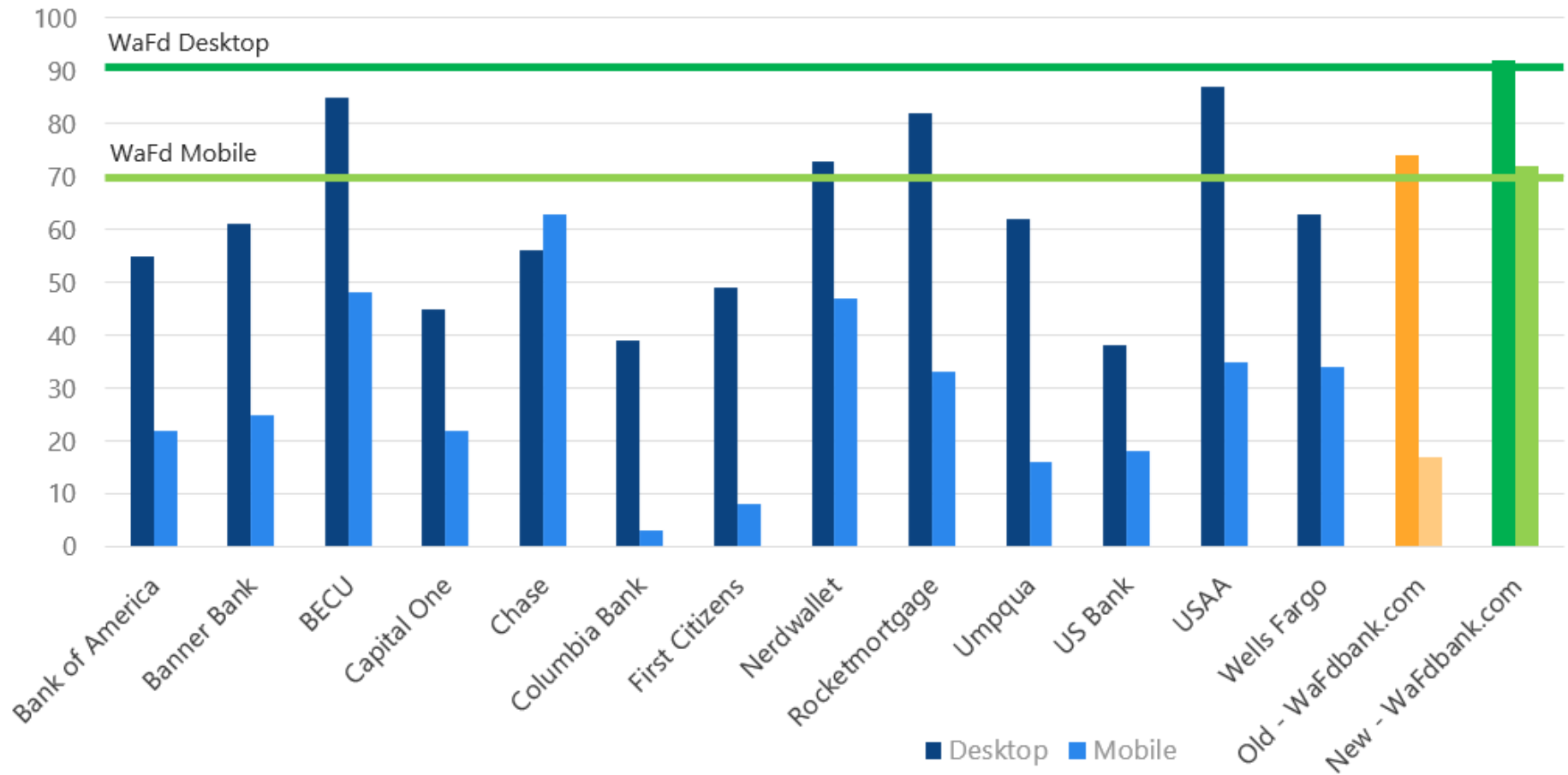


Source: Customer Guru

¹ As of 1/26/2021

Speed Matters – Website is the New Storefront

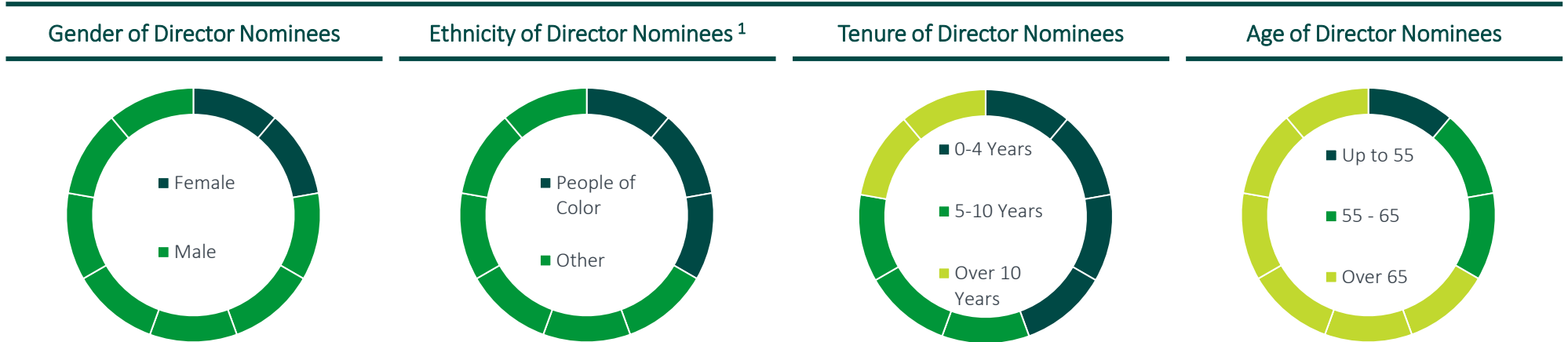
New [wafdbank.com](https://www.wafdbank.com) Google page speed scores



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

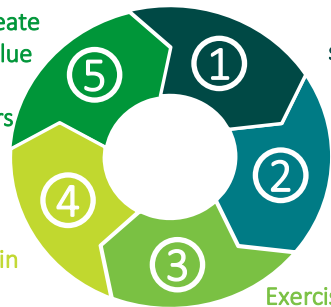


ESG & Diversity Policy Highlights

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

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 \$200 million dollars invested towards community development lending and affordable housing investments



Washington Federal Foundation
The Washington Federal Foundation awarded more than \$2 million dollars in grant funding to local community organizations



Volunteerism
WaFd employees participated in 7,796 volunteer hours in support of more than 775 organizations and initiatives



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

WaFd Bank | Diversity, Equity & Inclusion Council

We are proud to support our employee-driven DEI Council that is comprised of over 75 colleagues from our 8-state footprint.

We are Invested Here, Too

We are committed to supporting a diverse employee base, creating a culture of inclusion, equity, and empowerment, and bringing our full selves to work. We acknowledge that diversity can take many forms: race, nationality, ethnicity, sexual orientation, religion, or other distinguishing characteristics.

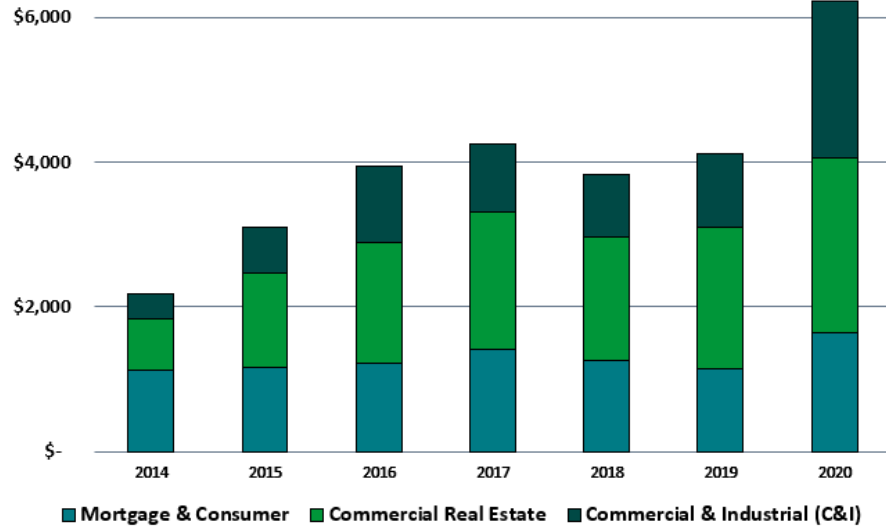
We believe diversity inclusion enhances our collective understanding by exposing us to new ways of engaging with the communities we serve and with one another, by augmenting our ability to identify opportunities to make our organization better, and by improving our potential to deliver creative solutions. We are invested in attracting the best talent who inspire and aspire to make a positive difference.

We believe a diverse WaFd Bank is a stronger WaFd Bank.

Loan Growth – Despite Record Low Interest Rates

\$ in millions.

New Loan Originations



- C&I and Commercial Real Estate loans made up 74% of all originations in 2020 compared to 49% in 2014
- Mortgage and Consumer Loans are largely holding flat in the current rate environment

Loan Growth



- Mortgage and Consumer loans - 46 % of total net loans
- Commercial loans growing fastest over last six years
- Commercial growth is primary focus

Helping Small Businesses and Individuals

Deferred loan balances successfully resuming

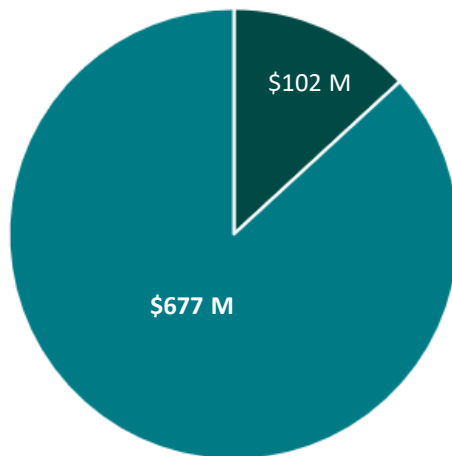
Paycheck Protection Program

8,500 approved loans

Over \$1 billion in lending

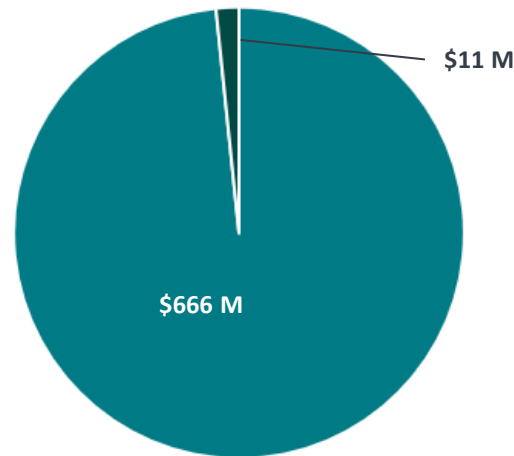
Cares Act Deferrals

Loan Deferral Status



■ Still Deferred ■ Resumed

Resumed Deferral Delinquencies



■ Total Resumed ■ Resumed Past Due

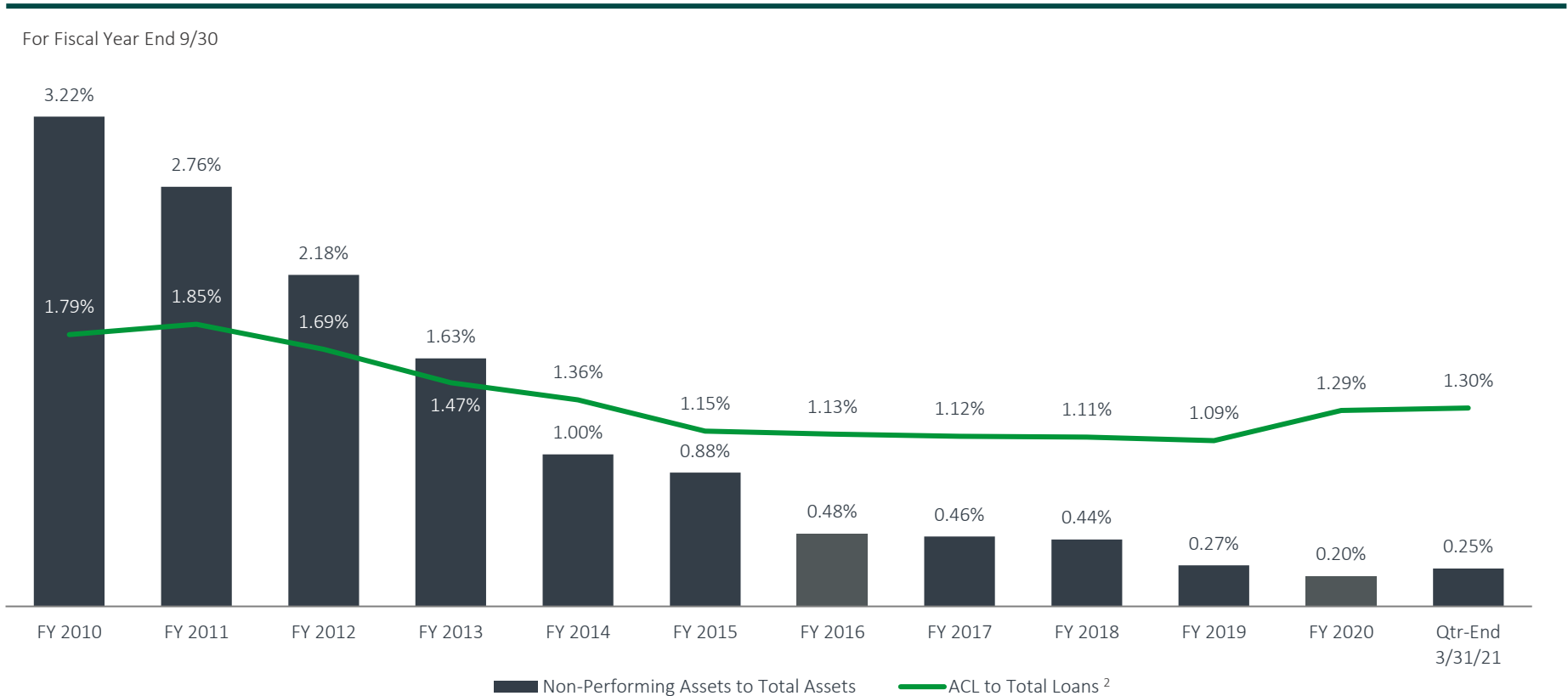
- Using nimbleness, technology and hard work to serve clients and communities
- PPP efforts providing benefit of strong organic growth and happy customers
- Approximately 45% of Round 1 PPP loans established a new client relationship for WaFd
- Deferral Program successful with only a small number of post deferral delinquencies
- Only 10 Commercial loans and 45 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 3/31/2021 amounted to \$172.6 million, representing 353% of total NPAs¹
- Non-performing assets \$49 million as of 3/31/2021

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



¹ ACL to Total Loans does not include ACL related to unfunded commitments of \$26.5 million. Including ACL for unfunded commitments the ratio to loans outstanding is 1.43% at 3/31/21.

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

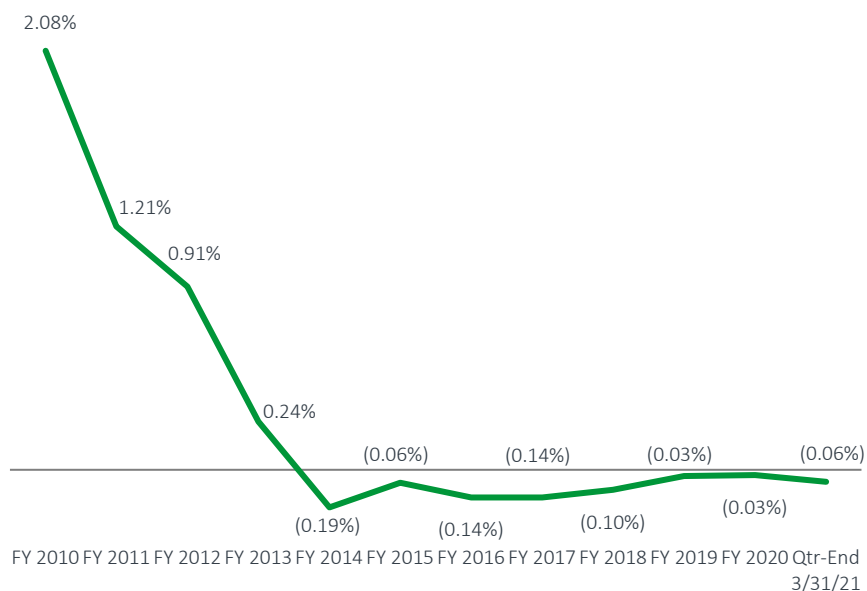
Strong Credit Quality

Strong Credit Quality Characterized by Limited Charge-Offs

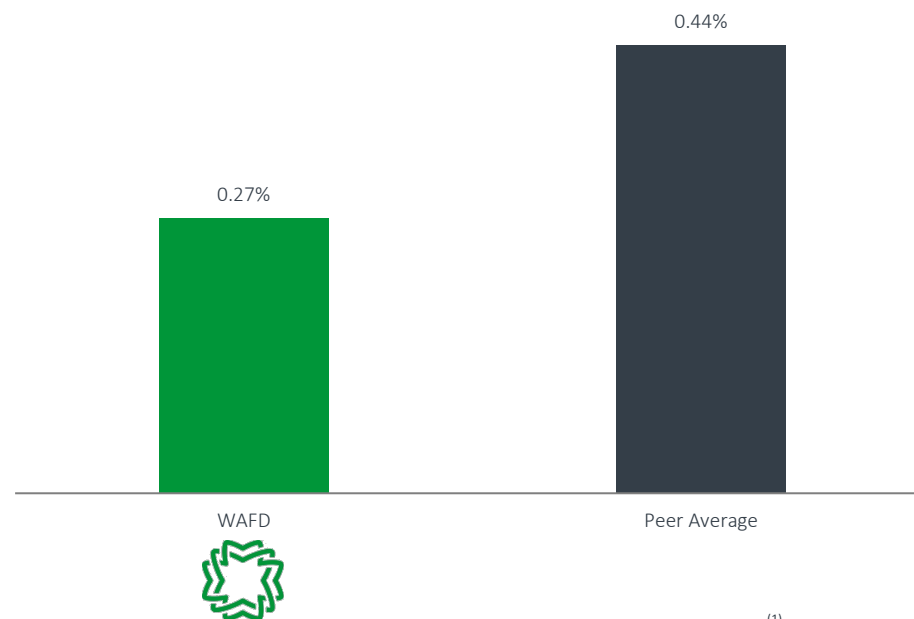
- Net Recoveries since 2013 total \$69 million
- Recoveries not budgeted but the Bank continues to work \$82 million of loans previously charged off

Net Loan Charge-offs (Recoveries)

For Fiscal Year End 9/30



Average NCOs Per Year – Last 20 Years



(1)

Source: SNL Financial, Company Filings

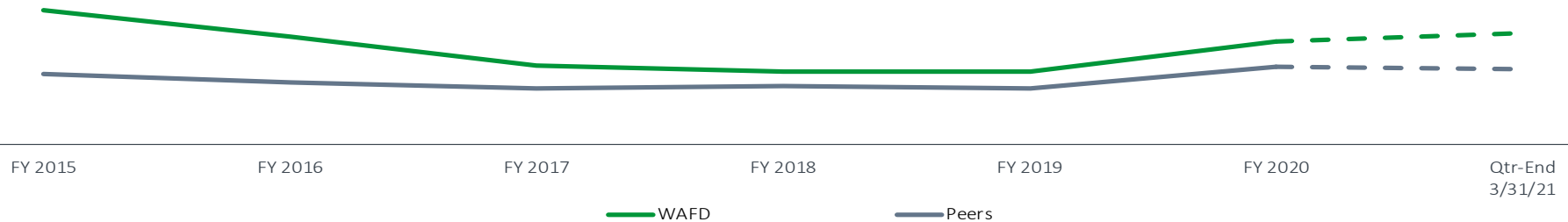
¹ Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

Significant Liquidity and High-Quality Securities Portfolio

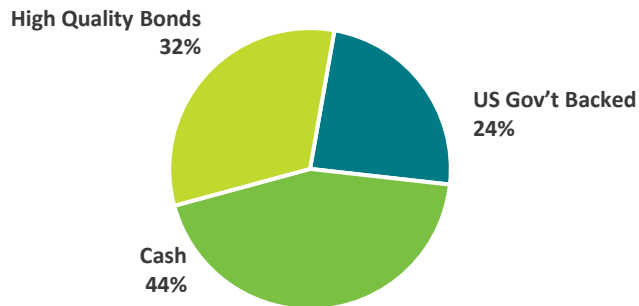
High quality, \$5 billion investment portfolio with \$10.1 billion remaining collateral and lines as a source of additional potential liquidity

Cash & Securities / Total Assets

For Fiscal Year End 9/30



Cash and Securities Composition ²



Total Cash and Securities: \$5Bn ²
Cash and Securities / Total Assets: 27% ²

As of 3/31/2021, WAFD maintains over \$5bn of on balance sheet liquidity

- Cash and Securities is 27% of assets
- Investment Portfolio targets low credit risk / moderate duration
- 68% Cash, US Government backed Agency Bonds and MBS ²
- Yield on the Investment Portfolio is 1.62%

Source: SNL Financial, Company Filings

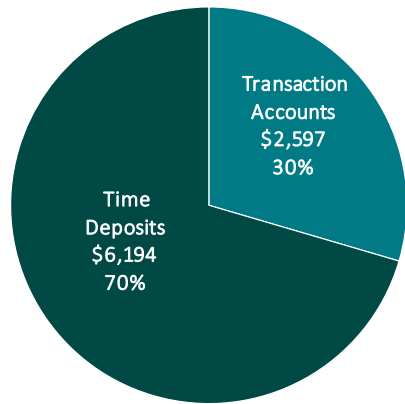
¹ Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

² As of 3/31/2021

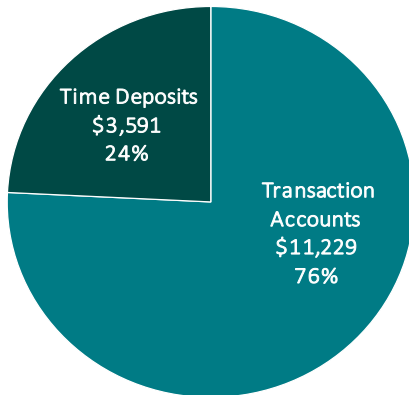
Deposit Trends

\$ in millions. Shifting away from time deposits in favor of transaction accounts. Checking accounts now make up over 40%.

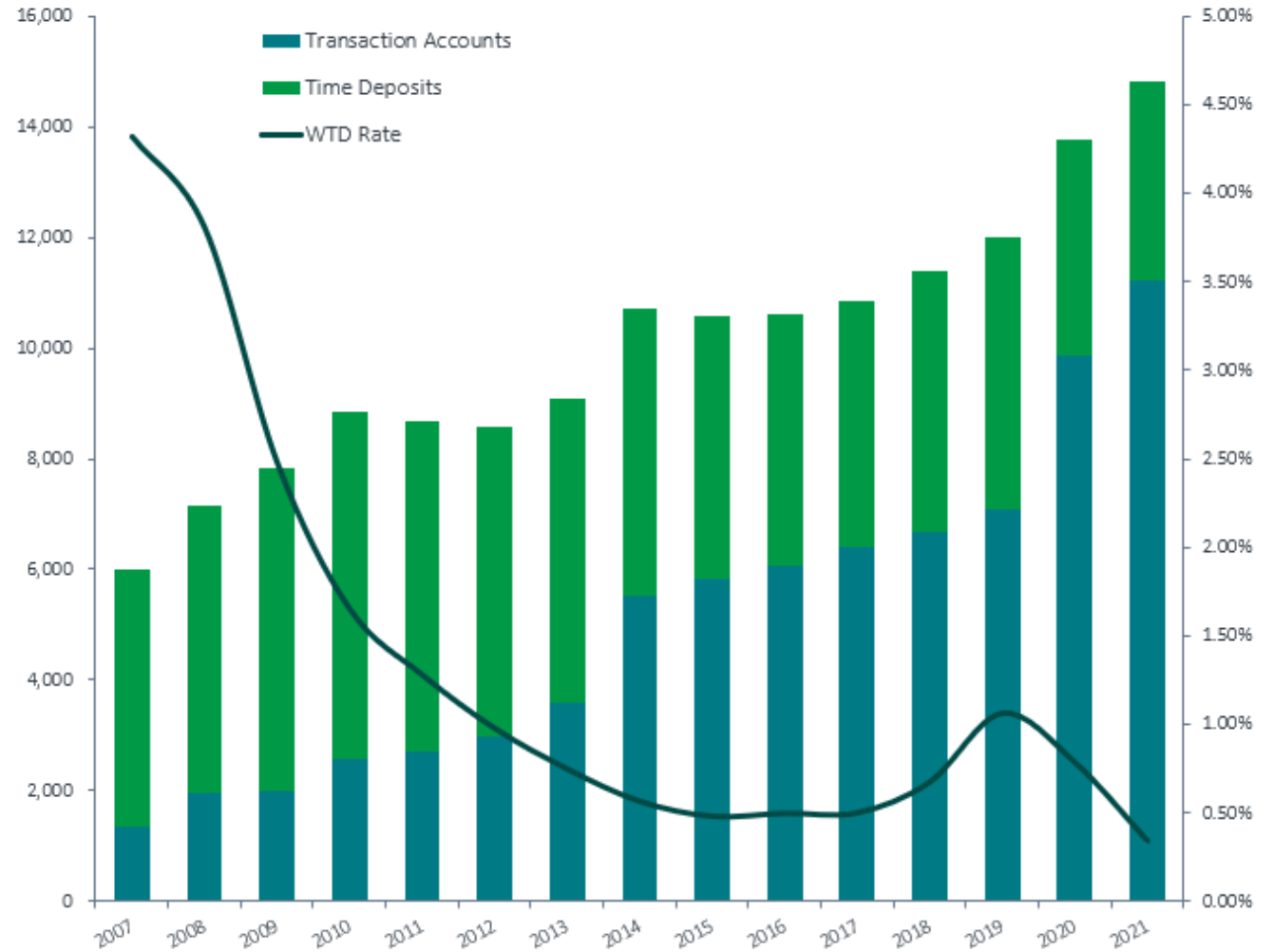
As of 3/31/2011



As of 3/31/2021

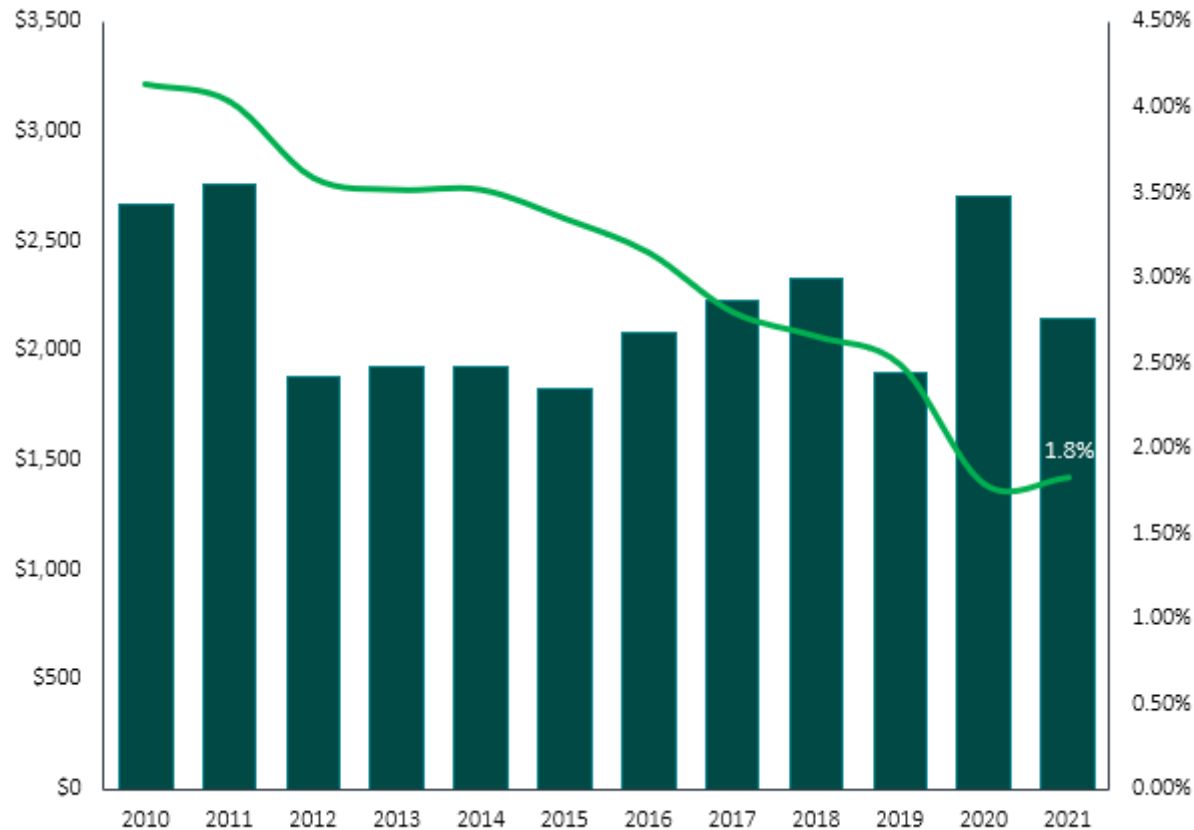


Core Deposits = 95.9% of Total



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



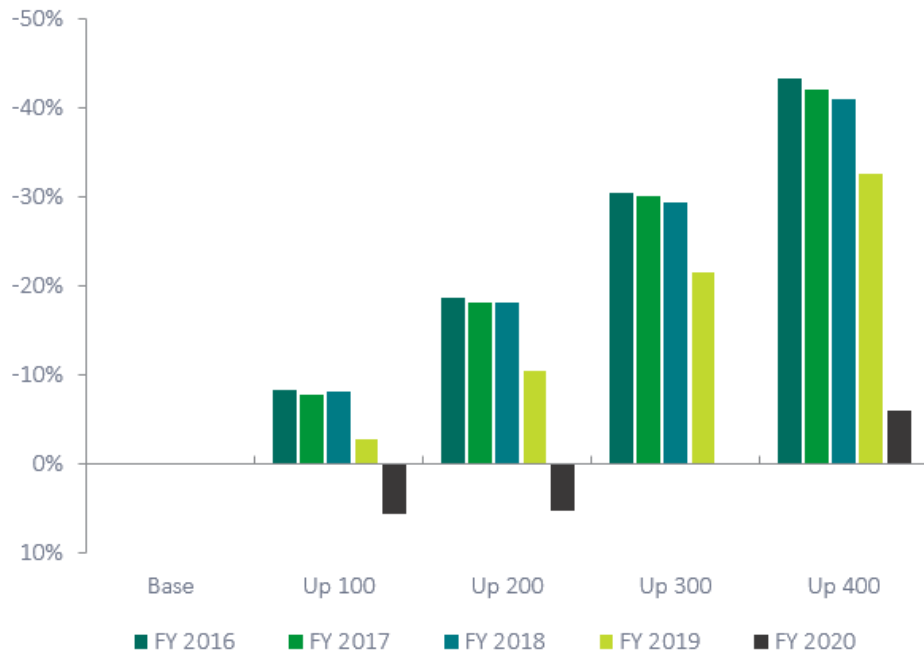
FHLB Effective Maturity Schedule

	Amount \$ million	Rate
Within 1 year:	\$ 430	3.29%
1 to 3 years:	\$ 520	2.21%
3 to 5 years:	\$ 400	1.92%
5+ years:	\$ 800	0.77%

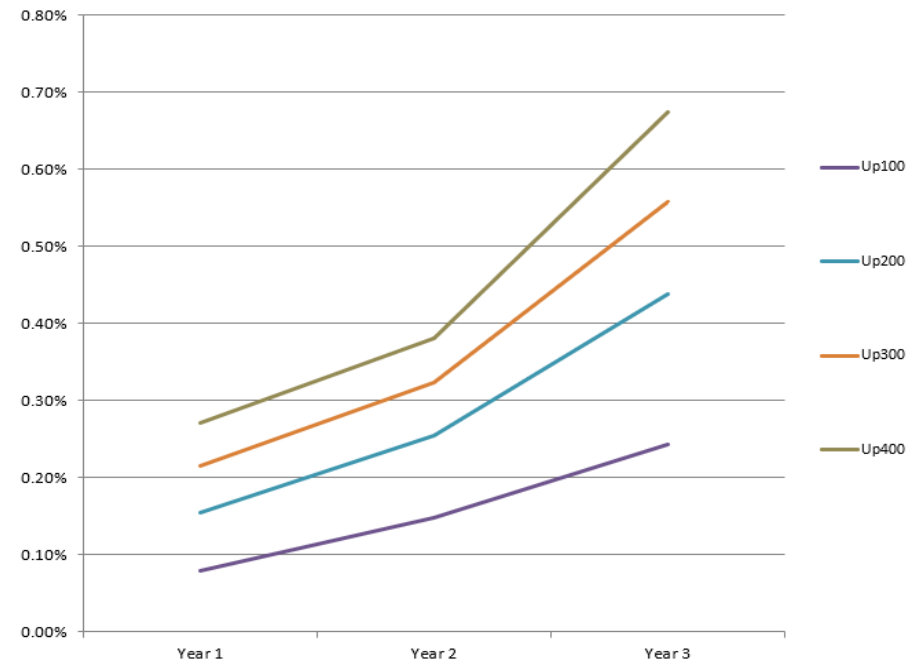
Balanced Interest Rate Risk

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 March 31, 2021:

- Net Interest Income (NII) would increase by 9.85% in +200 bps immediate and parallel shock
- Net Portfolio Value after +200bps shock is 1% lower (\$37mm) and at \$3 billion would be 18% 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>	% Change
	<u>3/31/2021</u>	<u>3/31/2020</u>		
INTEREST INCOME				
Loans.....	\$ 266,428	\$ 280,695	\$ (14,267)	-5.1%
Mortgage-backed securities.....	13,926	29,953	(16,027)	-53.5%
Investment securities and cash equivalents.....	14,222	13,794	428	3.1%
	<u>294,576</u>	<u>324,442</u>	<u>(29,866)</u>	-9.2%
INTEREST EXPENSE				
Customer accounts.....	24,839	60,119	(35,280)	-58.7%
FHLB advances and other borrowings.....	25,189	27,026	(1,837)	-6.8%
	<u>50,028</u>	<u>87,145</u>	<u>(37,117)</u>	-42.6%
NET INTEREST INCOME	244,548	237,297	7,251	3.1%
Provision (release) for loan losses.....	3,000	4,450	(1,450)	
Net interest income after provision(reversal)	\$ 241,548	\$ 232,847	\$ 8,701	3.7%

Income Statement Comparison

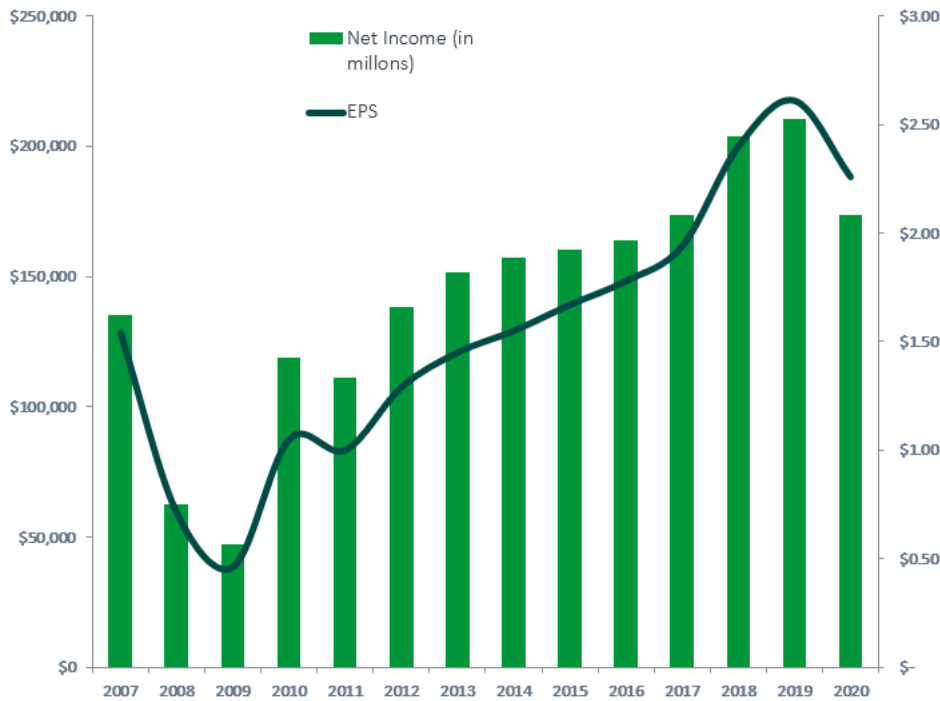
	Fiscal YTD			
	<u>3/31/2021</u>	<u>3/31/2020</u>	\$ Change	% Change
OTHER INCOME	\$ 28,347	\$ 62,617	\$ (34,270)	-54.7%
OTHER EXPENSE				
Compensation and benefits.....	86,355	75,248	11,107	14.8%
Occupancy.....	20,065	21,048	(983)	-4.7%
FDIC Insurance.....	7,018	4,940	2,078	42.1%
Product Delivery.....	9,338	8,164	1,174	14.4%
Information technology.....	22,527	28,608	(6,081)	-21.3%
Other Expense.....	17,853	24,061	(6,208)	-25.8%
	<u>163,156</u>	<u>162,069</u>	<u>1,087</u>	<u>0.7%</u>
Gain (loss) on REO.....	<u>(415)</u>	<u>(855)</u>	<u>440</u>	<u>-51.5%</u>
Income before income taxes.....	106,324	132,540	(26,216)	-19.8%
Income taxes.....	22,502	28,297	(5,795)	-20.5%
NET INCOME	<u>\$ 83,822</u>	<u>\$ 104,243</u>	<u>(20,421)</u>	<u>-19.6%</u>
Dividends on preferred stock.....	<u>2,722</u>	<u>2,722</u>	<u>2,722</u>	
Net Income available to common shareholders	<u>\$ 81,100</u>	<u>\$ 104,243</u>	<u>(23,143)</u>	<u>-22.2%</u>

Efficiency Ratio of 59.79% for fiscal year 2021 up from 54.04% for the same quarter the prior year.

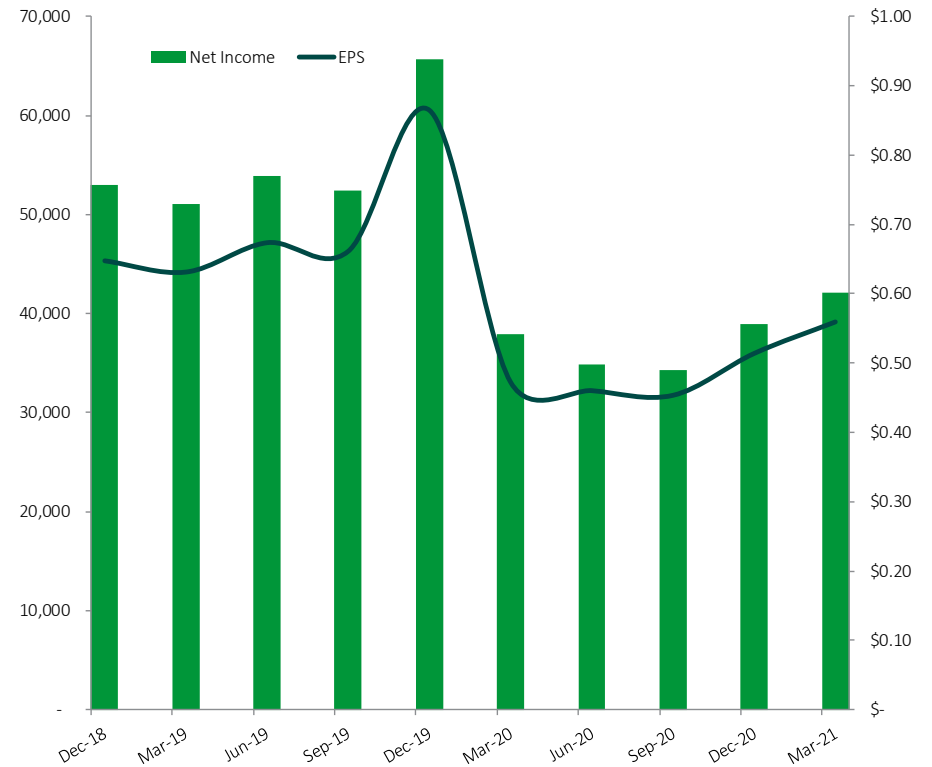
Effective tax rate for quarter ended March 2021 is 21.0% compared to 21.35% for from the quarter ended March 2020

Net Income and Common Earnings Per Share

Annual



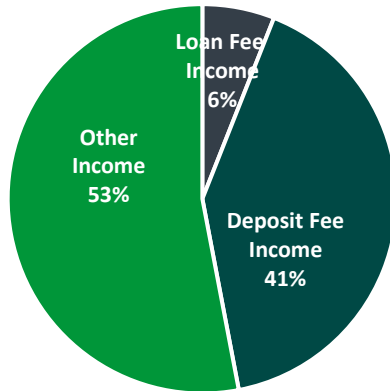
Quarterly



Non-Interest Income

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

Non-Interest Income for Quarter-Ended 3/31/2021

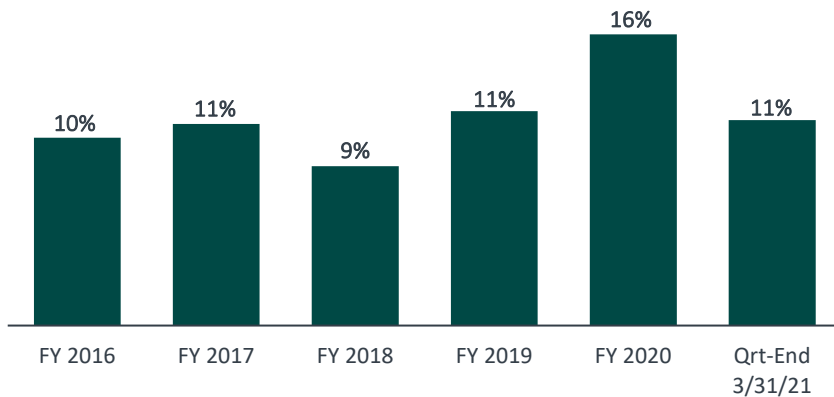


Other Income includes:

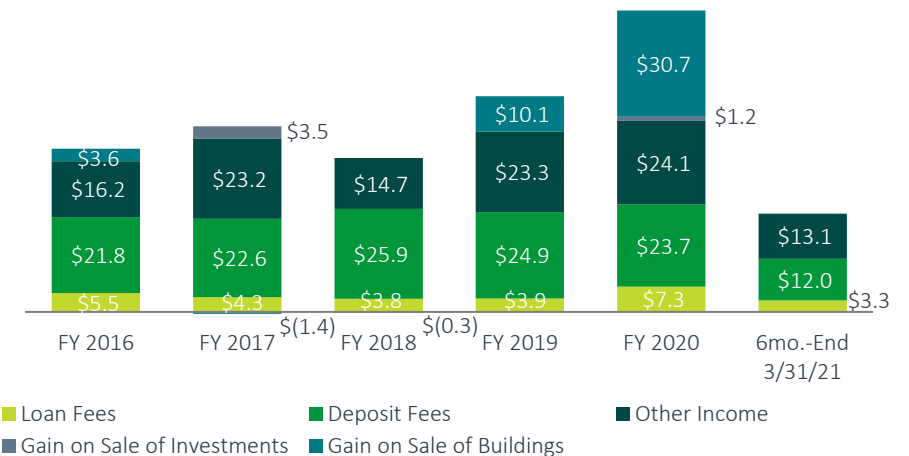
- BOLI income
- Rental income
- Gains on property sales
- WAFD Insurance Income
- Income on equity method investments

Non-Interest Income growth in 2020 driven primarily by the sale of buildings

Non-Interest Income / Total Loan Revenue

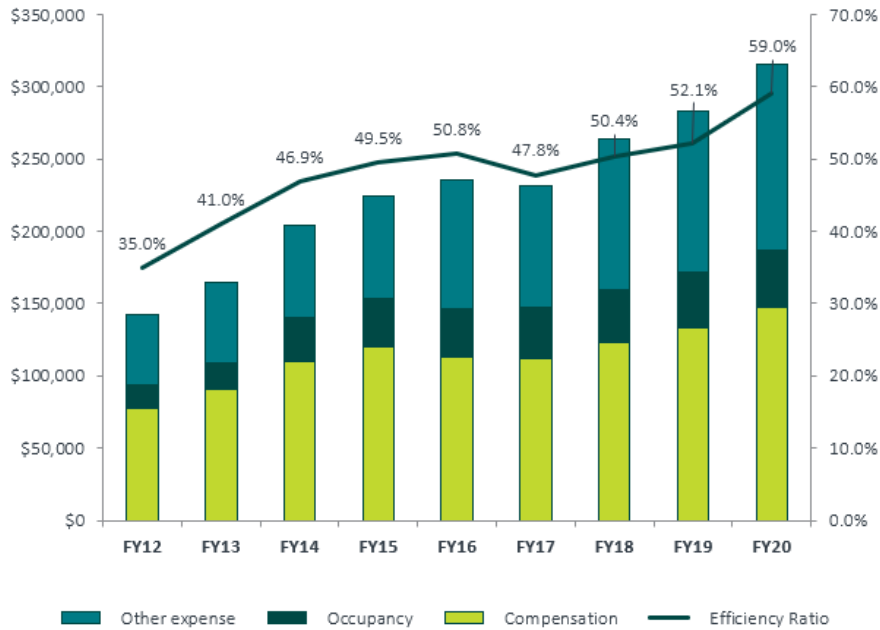


Non-Interest Income Over Time (\$MM)



Non-Interest Expense

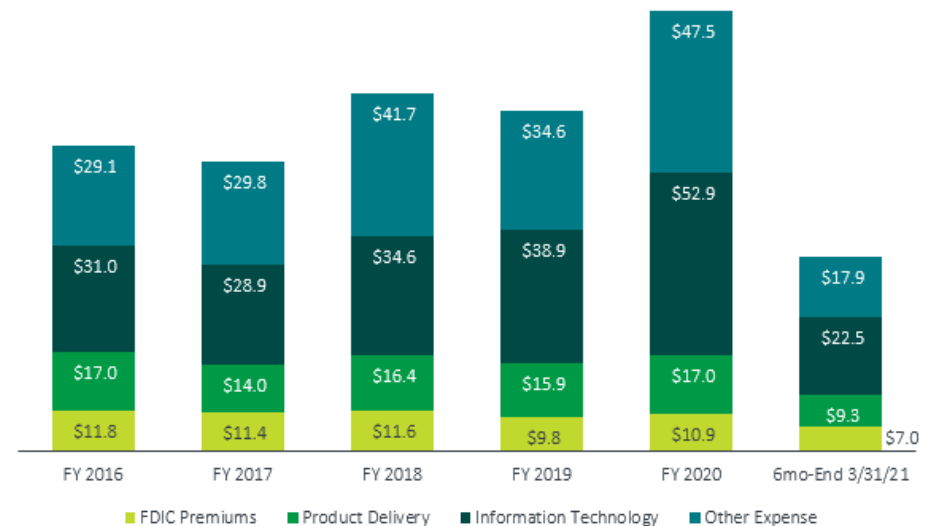
Non-Interest Expense Over Time (\$MM)



Other Expense includes:

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

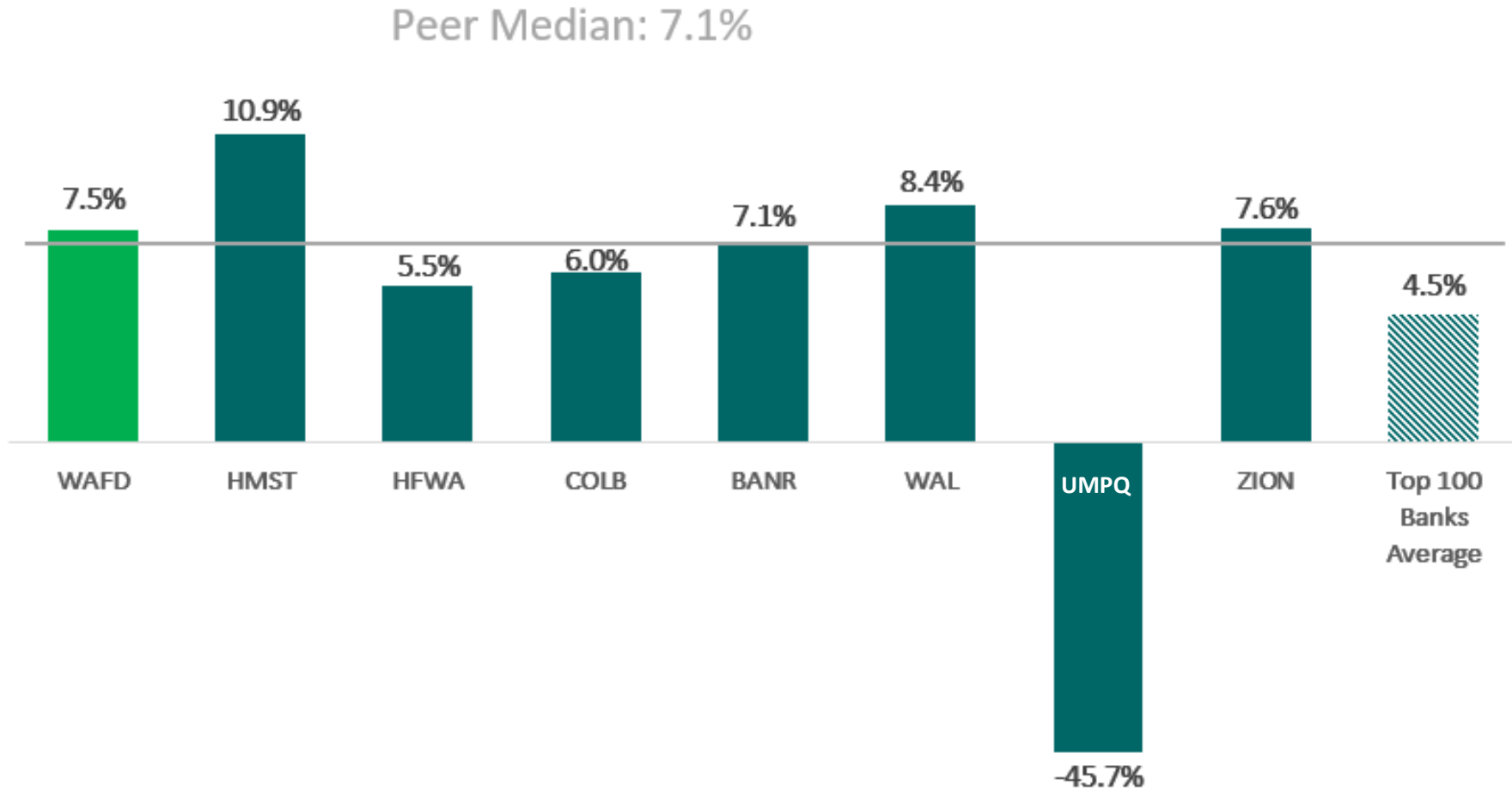
Breakout of Other Expense



FY 2020 Other Non-interest Expenses included significant increases to information technology to build the infrastructure necessary to meet Vision 2025 goals.

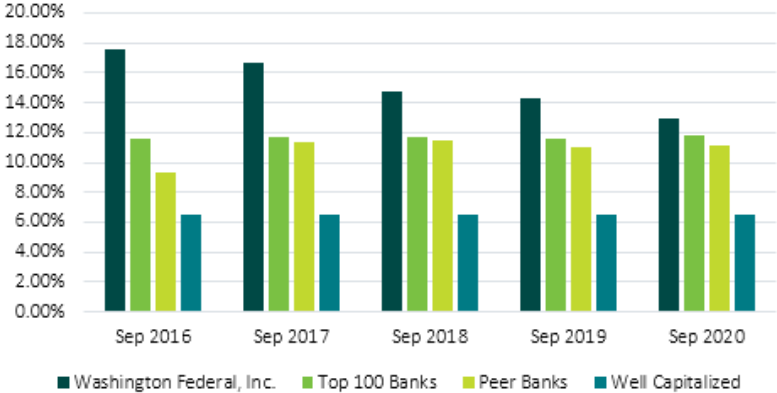
Market Cap Yield

As of December 31, 2020



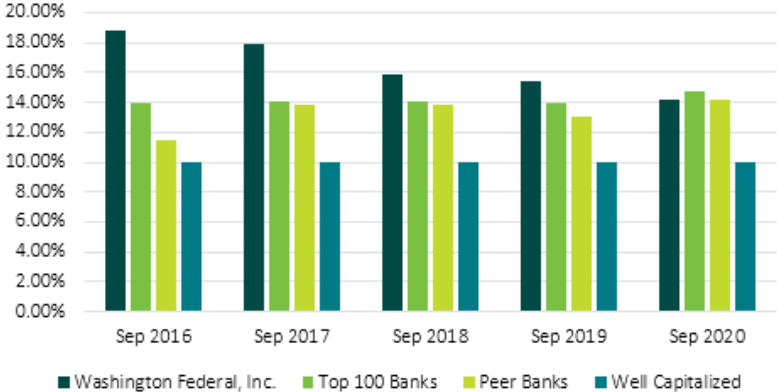
Capital Ratios

Common Equity Tier 1 Ratio

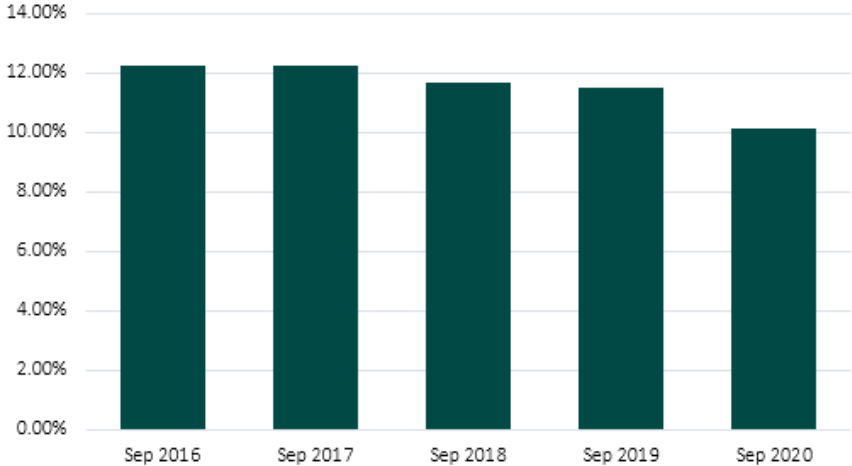


WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.

Total Risk-Based Capital



TCE+ACL/Tang Assets



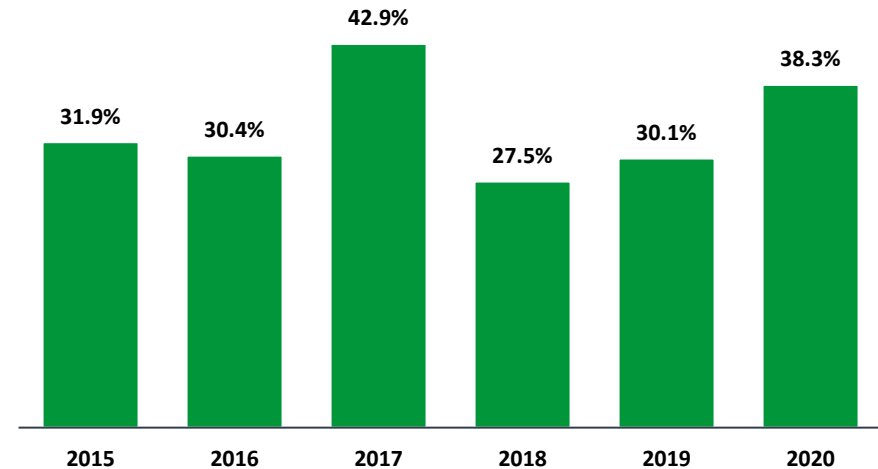
Source: SNL Financial, Company Filings

Returning Capital to Shareholders

	Net Income (\$)	Stock Buyback & Dividends (\$)	% 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%

	# of Shares	Wtd Price Paid	% Outstanding at beginning of the year
2013	6,315,196	\$ 17.46	6%
2014	4,830,400	\$ 21.59	5%
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%

Common Dividend as a % of Net Income



Recent Capital Activities

- Current cash dividend of \$0.23 provides a yield of 2.83% based on the current stock price
- Since 2013, 36.3 million shares repurchased which is 34% of total outstanding shares as of 9/30/2012
- 4.6 million shares remaining in buyback authorization

Stock Price & Book Value Per Share

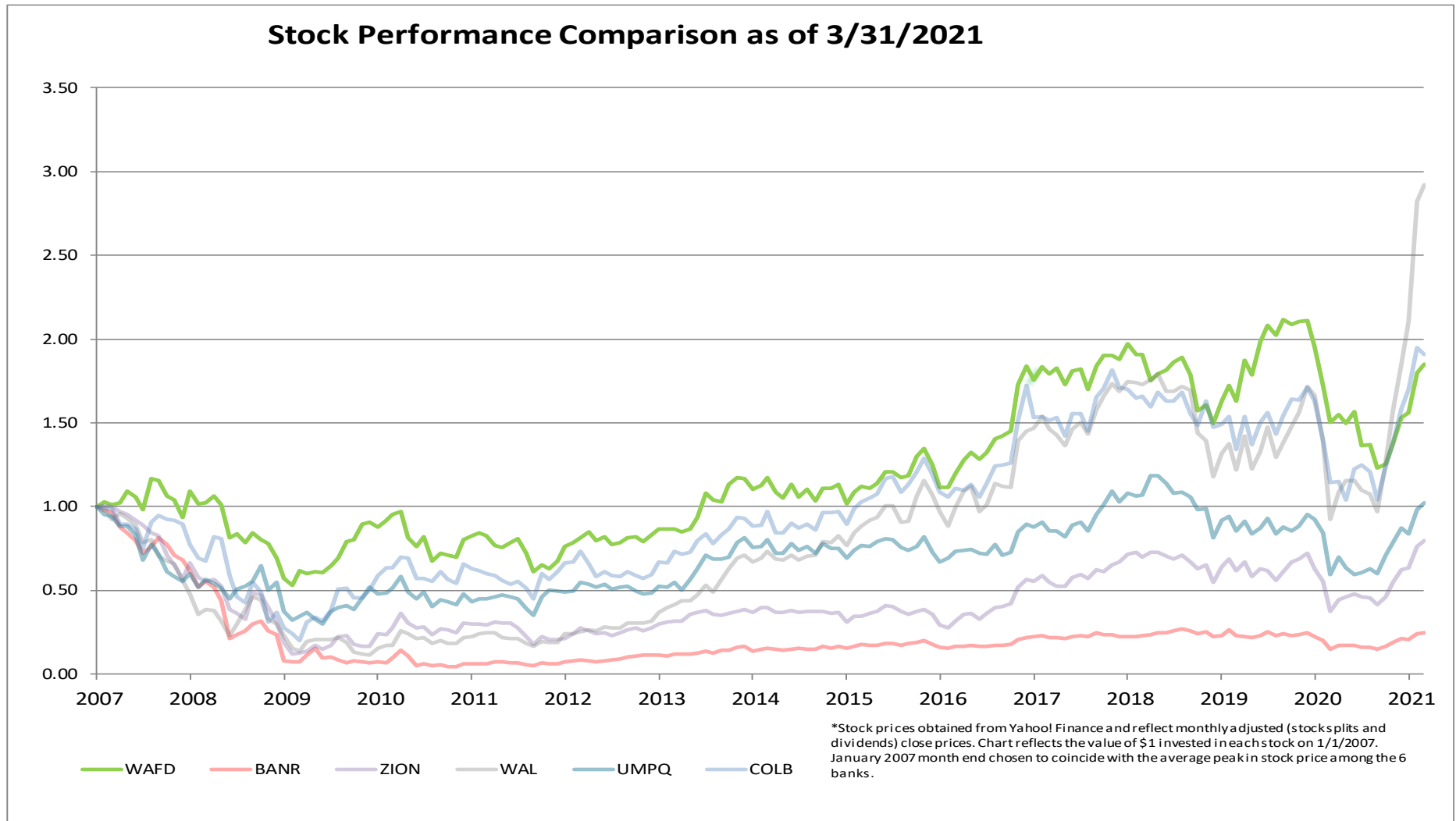


As of 3/31/2021:

Book Value per Share \$27.82
Price to BV: 1.10

Tangible Book Value per Share \$23.59
Price to TBV: 1.30

Perspective through the last Credit Cycle





3 years in a row!



EXCLUSIVE BANK OF SOUNDERS FC AND THE SEATTLE KRAKEN

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