



Wednesday, July 13, 2022
FOR IMMEDIATE RELEASE

Washington Federal Announces Quarterly Earnings Per Share Of \$0.91

SEATTLE, WASHINGTON – Washington Federal, Inc. (Nasdaq: WAFD) (the "Company"), parent company of Washington Federal Bank ("WaFd Bank"), today announced quarterly earnings of \$63,295,000 for the quarter ended June 30, 2022, an increase of 33.5% from \$47,422,000 for the quarter ended June 30, 2021. After the effect of dividends on preferred stock, net income available for common shareholders was \$0.91 per diluted share for the quarter ended June 30, 2022, compared to \$0.61 per diluted share for the quarter ended June 30, 2021, a \$0.30 or 49.2% increase in fully diluted earnings per common share. Return on common shareholders' equity for the quarter ended June 30, 2022 was 12.50% compared to 8.71% for the quarter ended June 30, 2021. Return on assets for the quarter ended June 30, 2022 was 1.25% compared to 0.97% for the same quarter in the prior year.

President and Chief Executive Officer Brent J. Beardall commented, "We are pleased to report what is the best quarter in our 105-year history. Our bankers have worked diligently over the last decade to reposition our balance sheet to take advantage of rising interest rates and this quarter's results reflect those ongoing efforts. Building our franchise by growing core deposits and expanding our commercial banking capabilities directly contributed to our net interest margin expanding from 2.82% a year ago to 3.22% this quarter, which was the primary driver of earnings growth. In addition to margin expansion, we benefited from continued growth of our loan portfolio, with net loans outstanding increasing by 15.6% since June 30, 2021. We believe that this growth rate will moderate going forward as rising costs and interest rates temper activity in the housing market.

"Inflation recently hit a 40-year high and the related cost pressures are real. We are actively managing operating expenses, including the consolidation of 25 branch locations over

the last 18 months. Our efficiency ratio decreasing from 59% to 52% is tangible evidence of the operating leverage we've achieved over the last year by controlling expenses and growing revenue. Importantly, even as we focus on operating expenses, we continue to make strategic investments in technology. So far this year, we completed our migration from an on-premise data center to the cloud, built and launched our own internally developed consumer online banking platform and implemented the MX mobile banking solution. Couple these meaningful upgrades with future enhancements and we believe significant strides are being made toward becoming a digital first bank.

"From a macro-economic perspective, we recognize the risks on the horizon and expect future volatility as the Federal Reserve attempts to restore price stability. Given market expectations that a near-term recession is likely, we believe WaFd Bank is well positioned as our asset quality metrics remain very strong. At June 30, 2022, delinquencies totaled just 0.26% of loans outstanding, non-performing assets were only 0.25% of total assets, and net recoveries were \$595,000 for the third fiscal quarter of 2022, marking eight consecutive years of net recoveries. At quarter's end, we had credit loss reserves of \$203 million and \$2.2 billion of shareholders' equity.

"Despite potential short-term challenges, the economic vitality of the markets we operate in is strong and we take pride in being a source of strength and consistent support for our clients."

Total assets were \$20.2 billion as of June 30, 2022, compared to \$19.7 billion at September 30, 2021, primarily due to the \$1.7 billion increase in loans receivable funded by continued growth in customer deposits (noted below) and the \$1.5 billion decline in cash. Investment securities increased by \$124 million since September 30, 2021.

Customer deposits totaled \$16.0 billion as of June 30, 2022, an increase of \$424 million or 2.7% since September 30, 2021. Transaction accounts increased by \$560 million or 4.6% during that period, while time deposits decreased \$137 million or 4.0%. The shift in deposit mix has been the result of a deliberate deposit pricing and customer growth strategy. The focus on transaction accounts is intended to lessen sensitivity to rising interest rates and

manage interest expense. As of June 30, 2022, 79.3% of the Company's deposits were transaction accounts, up from 77.9% at September 30, 2021. Core deposits, defined as all transaction accounts and time deposits less than \$250,000, totaled 96.3% of deposits at June 30, 2022.

Borrowings from the Federal Home Loan Bank ("FHLB") totaled \$1.70 billion as of June 30, 2022, a decrease from \$1.72 billion at September 30, 2021. The weighted average effective interest rate of FHLB borrowings was 1.43% as of June 30, 2022, a decrease from 1.51% at September 30, 2021. The decline in the weighted average effective interest rate was the result of replacing high-yielding, long-term FHLB borrowings with new borrowings at lower rates.

The Company had record loan originations of \$2.74 billion for the third fiscal quarter of 2022, compared to \$2.10 billion of originations in the same quarter one year ago. Largely offsetting loan originations in each of these quarters were loan repayments of \$1.69 billion and \$1.96 billion, respectively. Commercial loans represented 77% of all loan originations during the third fiscal quarter of 2022 and consumer loans accounted for the remaining 23%. The Company views organic loan growth funded by low-cost core deposits as the highest and best use of its capital. Commercial loans are preferable as they generally have floating interest rates and shorter durations. The weighted average interest rate on the loan portfolio was 3.77% as of June 30, 2022, an increase from 3.47% as of September 30, 2021, due primarily to higher rates on adjustable rate loans as well as higher rates on newly originated loans.

Credit quality is being monitored closely as economic stimulus comes to an end. As of June 30, 2022, non-performing assets remained low from a historical perspective and totaled \$50.4 million, or 0.25% of total assets, compared to 0.23% at March 31, 2022 and 0.22% at September 30, 2021. Delinquent loans were 0.26% of total loans at June 30, 2022, compared to 0.30% at March 31, 2022 and 0.19% at September 30, 2021. The allowance for credit losses (including the reserve for unfunded commitments) totaled \$203 million as of June 30, 2022, and was 1.08% of gross loans outstanding, as compared to \$199 million, or 1.22% of gross loans outstanding, at September 30, 2021. Net recoveries were \$595 thousand for the

third fiscal quarter of 2022, compared to net recoveries of \$1.1 million for the prior year same quarter. The Company has recorded net recoveries in 34 of the last 36 quarters.

The Company recorded a \$1.5 million provision for credit losses in the third fiscal quarter of 2022, compared to a \$2.0 million release of allowance for credit losses in the same quarter of fiscal 2021. The provision in the quarter ended June 30, 2022 was primarily due to growth in loans receivable partially offset by improvements in the credit quality of certain loan portfolios related to strong real estate markets and collateral conditions.

The Company paid a quarterly dividend on the 4.875% Series A preferred stock on April 15, 2022. On June 3, 2022, the Company paid a regular cash dividend on common stock of \$0.24 per share, which represented the 157th consecutive quarterly cash dividend. If the Board declares a cash dividend on common stock at its August 9, 2022 meeting as anticipated, the record date and payment date are likely to be August 19, 2022 and September 2, 2022, respectively. During the third fiscal quarter of 2022, the Company repurchased 2,446 shares of common stock (related to tax withholding on employee equity awards) at a weighted average price of \$31.36 per share and has authorization to repurchase 3,725,874 additional shares. The Company varies the size and pace of share repurchases depending on several factors, including share price, lending opportunities and capital levels. Since September 30, 2021, tangible common shareholders' equity per share increased by \$1.39, or 6.0%, to \$24.66. The ratio of total tangible shareholders' equity to tangible assets was 9.63% as of June 30, 2022.

Net interest income was \$152 million for the third fiscal quarter of 2022, an increase of \$23.1 million or 18.0% from the same quarter in the prior year. The increase in net interest income was due primarily to growth in average interest-earning assets outpacing growth in average interest-bearing liabilities as well as the impact of rising rates on adjustable rate assets. Average interest-earning assets increased by \$684 million or 3.75% from the prior year while average interest-bearing liabilities increased \$484 million or 3.44%. Average noninterest-bearing deposits grew by \$387 million over the same period. The average rate earned on interest-earning assets increased by 30 basis points while the average rate paid on interest-bearing liabilities declined by 12 basis points. Net interest margin improved to 3.22%

in the third fiscal quarter of 2022 compared to 2.90% for the quarter ended March 31, 2022 and 2.82% for the prior year quarter.

Total other income was \$17.6 million for the third fiscal quarter of 2022 compared to \$13.2 million in the prior year same quarter. The increase in other income was primarily due to an unrealized gain of \$2.7 million that was recorded for certain equity investments in the quarter ended June 30, 2022.

Total other expense was \$87.4 million in the third fiscal quarter of 2022, an increase of \$3.8 million, or 4.5%, from the prior year's quarter. Compensation and benefits costs increased by \$4.2 million, or 9.7%, over the prior year quarter primarily due to annual merit increases, higher bonus compensation accruals related to strong deposit and loan growth and investments in top talent and contract staff to support strategic initiatives. The Company's efficiency ratio in the third fiscal quarter of 2022 improved to 51.6%, compared to 59.0% for the same period one year ago due to income growth outpacing expense growth.

Income tax expense totaled \$17.5 million for the third fiscal quarter of 2022, as compared to \$12.6 million for the prior year same quarter. The effective tax rate for the quarter ended June 30, 2022 was 21.70% compared to 21.00% in the prior year same quarter and 21.24% for the full year ended September 30, 2021. The Company's effective tax rate may vary from the statutory rate mainly due to state taxes, tax-exempt income and tax-credit investments.

WaFd Bank is headquartered in Seattle, Washington, and has 209 branches in eight western states. To find out more about WaFd Bank, please visit our website www.wafdbank.com. The Company uses its website to distribute financial and other material information about the Company.

Important Cautionary Statements

The foregoing information should be read in conjunction with the financial statements, notes and other information contained in the Company's 2021 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. This press release contains statements about the Company's future that are not statements of historical or current fact. These statements are "forward looking statements" for purposes of applicable securities laws, and are based on current information and/or management's good faith belief as to future events. Words such as "anticipate," "believe," "continue," "expect," "goal," "intend," "should," "strategy," "will," or similar expressions signify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance. By their nature, forward-looking statements involve inherent risk and uncertainties, including the following risks and uncertainties, and those risks and uncertainties more fully discussed under "Risk Factors" in the Company's 2021 10-K, which could cause actual performance to differ materially from that anticipated by any forward-looking statements. In particular, any forward-looking statements are subject to risks and uncertainties related to (i) the COVID-19 pandemic and the resulting governmental and societal responses; (ii) current and future economic conditions, including the effects of declines in the real estate market, high unemployment rates, inflationary pressures, and slowdowns in economic growth; (iii) financial stress on borrowers (consumers and businesses) as a result of higher interest rates or an uncertain economic environment; (iv) global economic trends, including developments related to Ukraine and Russia, and related negative financial impacts on our borrowers; and (v) fluctuations in interest rate risk and market interest rates, including the effect on our net interest income and net interest margin. The Company undertakes no obligation to update or revise any forward-looking statement.

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WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

	June 30, 2022	September 30, 2021
	(In thousands, except share and ratio data)	
ASSETS		
Cash and cash equivalents	\$ 607,421	\$ 2,090,809
Available-for-sale securities, at fair value	2,150,732	2,138,259
Held-to-maturity securities, at amortized cost	477,884	366,025
Loans receivable, net of allowance for loan losses of \$170,979 and \$171,300	15,565,165	13,833,570
Interest receivable	55,985	50,636
Premises and equipment, net	244,232	255,152
Real estate owned	9,656	8,204
FHLB and FRB stock	78,073	102,863
Bank owned life insurance	237,407	233,263
Intangible assets, including goodwill of \$303,457 and \$303,457	309,254	310,019
Federal and state income tax assets, net	—	3,877
Other assets	423,022	257,897
	<u>\$ 20,158,831</u>	<u>\$ 19,650,574</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Transaction deposits	\$ 12,668,251	\$ 12,108,025
Time deposits	3,297,369	3,434,087
Total customer deposits	15,965,620	15,542,112
FHLB advances	1,700,000	1,720,000
Advance payments by borrowers for taxes and insurance	30,251	47,016
Federal and state income tax liabilities, net	4,394	—
Accrued expenses and other liabilities	238,455	215,382
	<u>17,938,720</u>	<u>17,524,510</u>
Shareholders' equity		
Preferred stock, \$1.00 par value, 5,000,000 shares authorized; 300,000 and 300,000 shares issued; 300,000 and 300,000 shares outstanding	300,000	300,000
Common stock, \$1.00 par value, 300,000,000 shares authorized; 136,261,099 and 135,993,254 shares issued; 65,321,869 and 65,145,268 shares outstanding	136,261	135,993
Additional paid-in capital	1,685,219	1,678,622
Accumulated other comprehensive income (loss), net of taxes	54,227	69,785
Treasury stock, at cost; 70,939,230 and 70,847,986 shares	(1,590,159)	(1,586,947)
Retained earnings	1,634,563	1,528,611
	<u>2,220,111</u>	<u>2,126,064</u>
	<u>\$ 20,158,831</u>	<u>\$ 19,650,574</u>
CONSOLIDATED FINANCIAL HIGHLIGHTS		
Common shareholders' equity per share	\$ 29.39	\$ 28.03
Tangible common shareholders' equity per share	24.66	23.27
Shareholders' equity to total assets	11.01 %	10.82 %
Tangible shareholders' equity to tangible assets	9.63 %	9.39 %
Tangible shareholders' equity + allowance for credit losses to tangible assets	10.65 %	10.42 %
Weighted average rates at period end		
Loans and mortgage-backed securities	3.67 %	3.37 %
Combined loans, mortgage-backed securities and investments	3.50	2.80
Customer accounts	0.32	0.23
Borrowings	1.43	1.51
Combined cost of customer accounts and borrowings	0.43	0.35
Net interest spread	3.07	2.45

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

SUMMARY FINANCIAL DATA	As of				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
	(In thousands, except share and ratio data)				
Cash	\$ 607,421	\$ 1,947,504	\$ 1,880,647	\$2,090,809	\$ 2,251,958
Loans receivable, net	15,565,165	15,094,926	14,592,202	13,833,570	13,467,997
Allowance for credit losses ("ACL")	203,479	201,384	201,411	198,800	198,284
Available-for-sale securities, at fair value	2,150,732	1,909,605	1,946,139	2,138,259	2,292,656
Held-to-maturity securities, at amortized cost	477,884	301,221	326,387	366,025	415,748
Total assets	20,158,831	20,560,279	19,973,171	19,650,574	19,649,509
Transaction deposits	12,668,251	13,139,606	12,550,062	12,108,025	11,700,467
Time deposits	3,297,369	3,251,042	3,351,984	3,434,087	3,537,891
FHLB advances	1,700,000	1,720,000	1,720,000	1,720,000	1,950,000
Total shareholders' equity	2,220,111	2,191,701	2,149,126	2,126,064	2,227,240
FINANCIAL HIGHLIGHTS					
Common shareholders' equity per share	29.39	28.97	28.33	28.03	27.74
Tangible common shareholders' equity per share	24.66	24.23	23.59	23.27	23.30
Shareholders' equity to total assets	11.01 %	10.66 %	10.76 %	10.82 %	11.33 %
Tangible shareholders' equity to tangible assets	9.63 %	9.29 %	9.35 %	9.39 %	9.92 %
Tangible shareholders' equity + ACL to tangible assets	10.65 %	10.29 %	10.38 %	10.42 %	10.94 %
Common shares outstanding	65,321,869	65,306,928	65,263,738	65,145,268	69,472,423
Preferred shares outstanding	300,000	300,000	300,000	300,000	300,000
Loans to customer deposits	97.49 %	92.09 %	91.76 %	89.01 %	88.38 %
CREDIT QUALITY					
ACL to gross loans	1.08 %	1.13 %	1.18 %	1.22 %	1.26 %
ACL to non-accrual loans	554.76 %	598.66 %	447.99 %	626.16 %	582.40 %
Non-accrual loans to net loans	0.24 %	0.22 %	0.31 %	0.23 %	0.25 %
Non-accrual loans	36,679	33,639	44,959	31,749	34,046
Non-performing assets to total assets	0.25 %	0.23 %	0.27 %	0.22 %	0.23 %
Non-performing assets	50,430	47,243	54,790	43,625	45,650

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands, except share and ratio data)		(In thousands, except share and ratio data)	
INTEREST INCOME				
Loans receivable	\$ 149,113	\$ 134,193	\$ 426,882	\$ 400,621
Mortgage-backed securities	8,618	5,488	18,069	19,414
Investment securities and cash equivalents	9,417	7,767	23,475	21,989
	<u>167,148</u>	<u>147,448</u>	<u>468,426</u>	<u>442,024</u>
INTEREST EXPENSE				
Customer accounts	9,284	8,906	25,970	33,745
FHLB advances and other borrowings	6,118	9,937	21,486	35,126
	<u>15,402</u>	<u>18,843</u>	<u>47,456</u>	<u>68,871</u>
Net interest income	151,746	128,605	420,970	373,153
Provision (release) for credit losses	1,500	(2,000)	1,500	1,000
Net interest income after provision (release)	150,246	130,605	419,470	372,153
OTHER INCOME				
Gain (loss) on sale of investment securities	—	—	81	—
Gain (loss) on termination of hedging	—	—	—	14,110
Prepayment penalty on long-term debt	—	—	—	(13,788)
Loan fee income	1,618	1,748	6,014	5,012
Deposit fee income	6,613	6,201	19,338	18,187
Other income	9,319	5,262	26,457	18,037
	<u>17,550</u>	<u>13,211</u>	<u>51,890</u>	<u>41,558</u>
OTHER EXPENSE				
Compensation and benefits	48,073	43,841	142,613	130,196
Occupancy	10,053	9,725	31,931	29,790
FDIC insurance premiums	2,100	3,900	7,300	10,918
Product delivery	4,667	4,075	14,432	13,413
Information technology	11,831	10,396	34,974	32,923
Other expense	10,679	11,703	34,183	29,556
	<u>87,403</u>	<u>83,640</u>	<u>265,433</u>	<u>246,796</u>
Gain (loss) on real estate owned, net	448	(151)	1,139	(566)
Income before income taxes	<u>80,841</u>	<u>60,025</u>	<u>207,066</u>	<u>166,349</u>
Income tax provision	17,546	12,603	44,131	35,105
Net income	<u>63,295</u>	<u>47,422</u>	<u>162,935</u>	<u>131,244</u>
Dividends on preferred stock	3,656	3,656	10,969	6,378
Net income available to common shareholders	\$ 59,639	\$ 43,766	\$ 151,966	\$ 124,866
PER SHARE DATA				
Basic earnings per common share	\$ 0.91	\$ 0.61	\$ 2.33	\$ 1.68
Diluted earnings per common share	0.91	0.61	2.32	1.68
Cash dividends per common share	0.24	0.23	0.71	0.68
Basic weighted average shares outstanding	65,315,481	71,795,157	65,274,488	74,315,911
Diluted weighted average shares outstanding	65,395,666	71,901,068	65,397,579	74,326,693
PERFORMANCE RATIOS				
Return on average assets	1.25 %	0.97 %	1.08 %	0.91 %
Return on average common equity	12.50	8.71	10.82	8.17
Net interest margin	3.22	2.82	3.00	2.77
Efficiency ratio	51.63	58.98	56.13	59.51

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

Three Months Ended

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(In thousands, except share and ratio data)					
INTEREST INCOME					
Loans receivable	\$ 149,113	\$ 139,260	\$ 138,509	\$ 137,039	\$ 134,193
Mortgage-backed securities	8,618	4,659	4,792	5,294	5,488
Investment securities and cash equivalents	9,417	6,919	7,139	7,253	7,767
	<u>167,148</u>	<u>150,838</u>	<u>150,440</u>	<u>149,586</u>	<u>147,448</u>
INTEREST EXPENSE					
Customer accounts	9,284	8,225	8,461	8,568	8,906
FHLB advances and other borrowings	6,118	7,525	7,843	9,062	9,937
	<u>15,402</u>	<u>15,750</u>	<u>16,304</u>	<u>17,630</u>	<u>18,843</u>
Net interest income	151,746	135,088	134,136	131,956	128,605
Provision (release) for credit losses	1,500	(500)	500	(500)	(2,000)
Net interest income after provision (release)	150,246	135,588	133,636	132,456	130,605
OTHER INCOME					
Gain (loss) on sale of investment securities	—	—	81	14	—
Loan fee income	1,618	2,475	1,921	1,887	1,748
Deposit fee income	6,613	6,282	6,443	6,499	6,201
Other income	9,319	6,902	10,236	10,603	5,262
	<u>17,550</u>	<u>15,659</u>	<u>18,681</u>	<u>19,003</u>	<u>13,211</u>
OTHER EXPENSE					
Compensation and benefits	48,073	47,115	47,425	45,910	43,841
Occupancy	10,053	11,788	10,090	9,820	9,725
FDIC insurance premiums	2,100	2,100	3,100	3,450	3,900
Product delivery	4,667	5,044	4,721	5,092	4,075
Information technology	11,831	11,722	11,421	9,814	10,396
Other expense	10,679	10,648	12,856	11,577	11,703
	<u>87,403</u>	<u>88,417</u>	<u>89,613</u>	<u>85,663</u>	<u>83,640</u>
Gain (loss) on real estate owned, net	448	129	562	993	(151)
Income before income taxes	80,841	62,959	63,266	66,789	60,025
Income tax provision	17,546	13,600	12,985	14,418	12,603
Net income	63,295	49,359	50,281	52,371	47,422
Dividends on preferred stock	3,656	3,656	3,656	3,656	3,656
Net income available to common shareholders	\$ 59,639	\$ 45,703	\$ 46,625	\$ 48,715	\$ 43,766
PER SHARE DATA					
Basic earnings per common share	\$ 0.91	\$ 0.70	\$ 0.72	\$ 0.72	\$ 0.61
Diluted earnings per common share	0.91	0.70	0.71	0.72	0.61
Cash dividends per common share	0.24	0.24	0.23	0.23	0.23
Basic weighted average shares outstanding	65,315,481	65,301,171	65,207,837	67,227,280	71,795,157
Diluted weighted average shares outstanding	65,395,666	65,445,206	65,350,174	67,235,846	71,901,068
PERFORMANCE RATIOS					
Return on average assets	1.25 %	0.98 %	1.02 %	1.07 %	0.97 %
Return on average common equity	12.50	9.80	10.12	10.36	8.71
Net interest margin	3.22	2.90	2.87	2.88	2.82
Efficiency ratio	51.63	58.65	58.64	56.75	58.98

Washington Federal, Inc.
Fact Sheet
June 30, 2022
(\$ in Thousands)

Exhibit 99.2

	<u>As of 12/21</u>	<u>As of 03/22</u>	<u>As of 06/22</u>
Allowance for Credit Losses (ACL) - Total	\$ 201,411	\$ 201,384	\$ 203,479
ACL - Loans	171,411	171,384	170,979
ACL - Unfunded Commitments	30,000	30,000	32,500
Total ACL as a % of Gross Loans	1.18 %	1.13 %	1.08 %

	<u>12/21 QTR</u>	<u>12/21 YTD</u>	<u>03/22 QTR</u>	<u>03/22 YTD</u>	<u>06/22 QTR</u>	<u>06/22 YTD</u>
Loan Originations - Total	\$ 2,134,338	\$ 2,134,338	\$ 2,227,505	\$ 4,361,843	\$ 2,742,466	\$ 7,104,309
Multi-Family	196,266	196,266	224,179	420,445	181,015	601,460
Commercial Real Estate	304,580	304,580	173,381	477,961	196,663	674,624
Commercial & Industrial	772,536	772,536	642,243	1,414,779	637,193	2,051,972
Construction	385,447	385,447	686,847	1,072,294	1,050,981	2,123,275
Land - Acquisition & Development	34,085	34,085	20,731	54,816	50,035	104,851
Single-Family Residential	219,416	219,416	242,492	461,908	283,061	744,969
Construction - Custom	162,826	162,826	175,733	338,559	248,518	587,077
Land - Consumer Lot Loans	19,153	19,153	16,430	35,583	17,195	52,778
HELOC	33,275	33,275	38,410	71,685	48,640	120,325
Consumer	6,754	6,754	7,059	13,813	29,165	42,978

Purchased Loans (including acquisitions)	\$ 402,819	\$ 402,819	\$ 109,664	\$ 512,483	\$ 52,101	\$ 564,584
Net Loan Fee and Discount Accretion	\$ 9,362	\$ 9,362	\$ 7,679	\$ 17,041	\$ 6,354	\$ 23,395

Repayments

Loans	\$ 1,833,099	\$ 1,833,099	\$ 1,544,408	\$ 3,377,507	\$ 1,690,945	\$ 5,068,452
MBS	98,275	98,275	70,182	168,457	70,635	239,092
MBS Premium Amortization	\$ 1,305	\$ 1,305	\$ 1,014	\$ 2,319	\$ 820	\$ 3,139

Efficiency

Operating Expenses/Average Assets	1.81 %	1.81 %	1.75 %	1.78 %	1.72 %	1.76 %
Efficiency Ratio (%)	58.64 %	58.64 %	58.65 %	58.65 %	51.63 %	56.13 %
Amortization of Intangibles	\$ 272	\$ 272	\$ 247	\$ 519	\$ 246	\$ 765

EOP Numbers

Shares Issued and Outstanding	65,263,738	65,306,928	65,321,869
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Share repurchase information

Remaining shares authorized for repurchase	3,733,004	3,728,320	3,725,874
Shares repurchased	84,114	84,114	91,244
Average share repurchase price	\$ 35.34	\$ 35.34	\$ 35.20

Washington Federal, Inc.
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<u>Tangible Common Shareholders' Book Value</u>	<u>As of 12/21</u>	<u>As of 03/22</u>	<u>As of 06/22</u>
\$ Amount	\$ 1,539,379	\$ 1,582,200	\$ 1,610,857
Per Share	23.59	24.23	24.66
# of Employees	2,114	2,138	2,122

Investments

Available-for-sale:

Agency MBS	\$ 540,344	\$ 597,903	\$ 908,082
Other	1,405,795	1,311,702	1,242,650
	<u>\$ 1,946,139</u>	<u>\$ 1,909,605</u>	<u>\$ 2,150,732</u>

Held-to-maturity:

Agency MBS	\$ 326,387	\$ 301,221	\$ 477,884
	<u>\$ 326,387</u>	<u>\$ 301,221</u>	<u>\$ 477,884</u>

<u>Loans Receivable by Category</u>	<u>As of 12/21</u>		<u>As of 03/22</u>		<u>As of 06/22</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Multi-Family	\$ 2,298,155	13.5%	\$ 2,392,810	13.5%	\$ 2,494,594	13.2%
Commercial Real Estate	2,681,453	15.8	2,829,946	15.9	2,899,057	15.4
Commercial & Industrial	2,373,012	13.9	2,504,442	14.1	2,351,030	12.4
Construction	2,967,644	17.4	3,136,239	17.6	3,896,740	20.6
Land - Acquisition & Development	225,423	1.3	236,313	1.3	245,233	1.3
Single-Family Residential	5,295,837	31.1	5,442,535	30.6	5,652,897	29.9
Construction - Custom	787,862	4.6	836,314	4.7	943,858	5.0
Land - Consumer Lot Loans	151,297	0.9	154,976	0.9	158,485	0.8
HELOC	166,601	1.0	174,367	1.0	185,427	1.0
Consumer	77,681	0.5	67,511	0.4	73,044	0.4
	<u>17,024,965</u>	<u>100%</u>	<u>17,775,453</u>	<u>100%</u>	<u>18,900,365</u>	<u>100%</u>
Less:						
Allowance for Credit Losses (ACL)	171,411		171,384		170,979	
Loans in Process	2,207,880		2,440,430		3,083,573	
Net Deferred Fees, Costs and Discounts	53,472		68,713		80,648	
Sub-Total	<u>2,432,763</u>		<u>2,680,527</u>		<u>3,335,200</u>	
	<u>\$ 14,592,202</u>		<u>\$ 15,094,926</u>		<u>\$ 15,565,165</u>	

<u>Net Loan Portfolio by Category</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Multi-Family	\$ 2,262,222	15.5%	\$ 2,363,194	15.7%	\$ 2,466,359	15.8%
Commercial Real Estate	2,641,448	18.1	2,783,947	18.4	2,851,695	18.3
Commercial & Industrial	2,318,257	15.9	2,443,105	16.2	2,289,122	14.7
Construction	1,210,353	8.3	1,189,395	7.9	1,381,376	8.9
Land - Acquisition & Development	187,957	1.3	197,375	1.3	210,747	1.4
Single-Family Residential	5,256,453	36.0	5,389,654	35.7	5,593,232	35.9
Construction - Custom	329,864	2.3	340,984	2.3	365,485	2.3
Land - Consumer Lot Loans	144,861	1.0	148,444	1.0	151,856	1.0
HELOC	165,424	1.1	173,454	1.1	184,836	1.2
Consumer	75,363	0.5	65,374	0.4	70,457	0.5
	<u>\$ 14,592,202</u>	<u>100%</u>	<u>\$ 15,094,926</u>	<u>100%</u>	<u>\$ 15,565,165</u>	<u>100%</u>

Washington Federal, Inc.
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(\$ in Thousands)

<u>Loans by State</u>	<u>As of 12/21</u>		<u>As of 03/22</u>		<u>As of 06/22</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Washington	\$ 5,392,355	36.5 %	\$ 5,316,627	34.8 %	\$ 5,269,445	33.5 %
Idaho	722,642	4.9	756,662	5.0	792,013	5.0
Oregon	2,209,674	15.0	2,261,328	14.8	2,226,233	14.1
Utah	1,167,328	7.9	1,324,307	8.7	1,452,601	9.2
Nevada	552,049	3.7	587,905	3.8	644,104	4.1
Texas	1,728,348	11.7	1,757,484	11.5	1,881,089	12.0
Arizona	1,769,072	12.0	1,933,569	12.7	2,162,608	13.8
New Mexico	653,267	4.4	676,837	4.4	686,494	4.4
Other	568,878	3.9	651,591	4.3	621,557	3.9
Total	\$ 14,763,613	100%	\$ 15,266,310	100%	\$ 15,736,144	100%
<u>Non-Performing Assets</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Non-accrual loans:						
Multi-Family	\$ —	—%	\$ —	—%	\$ 5,944	16.2%
Commercial Real Estate	7,565	16.8	6,412	19.1	5,024	13.7
Commercial & Industrial	15,349	34.2	4,789	14.2	4,288	11.7
Construction	611	1.4	343	1.0	—	—
Land - Acquisition & Development	2,340	5.2	2,340	7.0	—	—
Single-Family Residential	17,751	39.5	18,612	55.3	20,184	55.0
Construction - Custom	465	1.0	465	1.4	900	2.5
Land - Consumer Lot Loans	544	1.2	310	0.9	213	0.6
HELOC	276	0.6	329	1.0	91	0.2
Consumer	58	0.1	39	0.1	35	0.1
Total non-accrual loans	44,959	100%	33,639	100%	36,679	100%
Real Estate Owned	5,737		9,509		9,656	
Other Property Owned	4,094		4,095		4,095	
Total non-performing assets	\$ 54,790		\$ 47,243		\$ 50,430	
Non-accrual loans as % of total net loans	0.31 %		0.22 %		0.24 %	
Non-performing assets as % of total assets	0.27 %		0.23 %		0.25 %	
<u>Net Charge-offs (Recoveries) by Category</u>	<u>12/21 QTR</u>	<u>CO % (a)</u>	<u>03/22 QTR</u>	<u>CO % (a)</u>	<u>06/22 QTR</u>	<u>CO % (a)</u>
Multi-Family	\$ —	—%	\$ —	—%	\$ —	—%
Commercial Real Estate	485	0.07	(753)	(0.11)	(23)	—
Commercial & Industrial	(19)	—	871	0.14	19	—
Construction	(2,000)	(0.27)	(179)	(0.02)	—	—
Land - Acquisition & Development	(18)	(0.03)	(20)	(0.03)	(10)	(0.02)
Single-Family Residential	(405)	(0.03)	(147)	(0.01)	(252)	(0.02)
Construction - Custom	—	—	—	—	—	—
Land - Consumer Lot Loans	22	0.06	(40)	(0.10)	(2)	(0.01)
HELOC	(1)	—	(100)	(0.23)	(249)	(0.54)
Consumer	(175)	(0.90)	(105)	(0.62)	(78)	(0.43)
Total net charge-offs (recoveries)	\$ (2,111)	(0.05)%	\$ (473)	(0.01)%	\$ (595)	(0.01)%

(a) Annualized Net Charge-offs (recoveries) divided by Gross Balance

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(\$ in Thousands)

<u>Deposits by State</u>	<u>As of 12/21</u>			<u>As of 03/22</u>			<u>As of 06/22</u>		
	<u>AMOUNT</u>	<u>%</u>	<u>#</u>	<u>AMOUNT</u>	<u>%</u>	<u>#</u>	<u>AMOUNT</u>	<u>%</u>	<u>#</u>
Washington	\$ 6,891,632	43.4 %	77	\$ 7,067,961	43.1 %	76	\$ 7,040,668	44.1 %	76
Idaho	1,097,962	6.9	22	1,122,007	6.8	22	1,073,221	6.7	22
Oregon	3,034,176	19.1	39	3,030,152	18.5	36	3,007,716	18.9	36
Utah	891,221	5.6	9	987,788	6.0	9	772,487	4.9	9
Nevada	541,184	3.4	11	539,805	3.3	10	525,675	3.3	9
Texas	498,477	3.1	6	622,118	3.8	6	553,379	3.4	6
Arizona	1,635,767	10.3	30	1,700,408	10.4	30	1,667,742	10.4	28
New Mexico	1,311,627	8.2	25	1,320,409	8.1	25	1,324,732	8.3	23
Total	\$ 15,902,046	100%	219	\$ 16,390,648	100%	214	\$ 15,965,620	100%	209

<u>Deposits by Type</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Non-Interest Checking	\$ 3,279,841	20.6 %	\$ 3,251,603	19.8 %	\$ 3,269,773	20.5 %
Interest Checking	3,688,823	23.2	3,897,185	23.8	3,472,402	21.7
Savings	1,043,002	6.6	1,078,147	6.6	1,069,801	6.7
Money Market	4,538,396	28.5	4,912,671	30.0	4,856,275	30.4
Time Deposits	3,351,984	21.1	3,251,042	19.8	3,297,369	20.7
Total	\$ 15,902,046	100%	\$ 16,390,648	100%	\$ 15,965,620	100%

Deposits greater than \$250,000 - EOP \$ 7,551,781 \$ 7,914,122 \$ 7,463,761

<u>Time Deposit Repricing</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Within 3 months	\$ 802,888	0.43 %	\$ 530,189	0.45 %	\$ 850,894	0.42 %
From 4 to 6 months	523,979	0.47 %	830,454	0.43 %	894,688	0.40 %
From 7 to 9 months	619,677	0.52 %	722,437	0.45 %	681,182	0.56 %
From 10 to 12 months	727,496	0.45 %	591,916	0.41 %	327,193	0.53 %

<u>FHLB Advances (Effective Maturity)</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Within 1 year	\$ 320,000	2.08 %	\$ 320,000	2.08 %	\$ 500,000	1.95 %
1 to 3 years	500,000	2.16 %	500,000	2.16 %	300,000	1.94 %
3 to 5 years	100,000	1.85 %	100,000	1.82 %	100,000	1.80 %
More than 5 years	800,000	0.80 %	800,000	0.93 %	800,000	0.87 %
Total	\$ 1,720,000		\$ 1,720,000		\$ 1,700,000	

Interest Rate Risk

NPV post 200 bps shock (b)	14.9 %	10.9 %	9.2 %
Change in NII after 200 bps shock (b)	8.4 %	6.0 %	3.9 %

(b) Assumes no balance sheet management actions taken.

Washington Federal, Inc.
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June 30, 2022
(\$ in Thousands)

Historical CPR Rates (c)

Average for Quarter Ended:	WAFD	WAFD
	SFR Mortgages	GSE MBS
6/30/2020	28.1 %	30.3 %
9/30/2020	31.2 %	42.8 %
12/31/2020	35.9 %	47.2 %
3/31/2021	36.0 %	44.1 %
6/30/2021	31.8 %	42.7 %
9/30/2021	28.4 %	38.3 %
12/31/2021	25.0 %	35.3 %
3/31/2022	18.4 %	28.6 %
6/30/2022	13.1 %	20.9 %

(c) The CPR Rate (conditional payment rate) is the rate that is equal to the proportion of the principal of a pool of loans that is paid off prematurely in each period.

Washington Federal, Inc.
Fact Sheet
June 30, 2022
Average Balance Sheet
(\$ in Thousands)

	Quarter Ended								
	December 31, 2021			March 31, 2022			June 30, 2022		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets									
Loans receivable	\$ 14,297,907	\$ 138,509	3.84 %	\$ 14,869,733	\$ 139,260	3.80 %	\$ 15,350,905	\$ 149,113	3.90 %
Mortgage-backed securities	925,028	4,792	2.06	852,134	4,659	2.22	1,416,212	8,618	2.44
Cash & investments	3,207,877	5,783	0.72	3,085,239	5,757	0.76	2,056,387	8,281	1.62
FHLB & FRB Stock	102,863	1,356	5.23	89,002	1,162	5.29	78,305	1,136	5.82
Total interest-earning assets	18,533,675	150,440	3.22 %	18,896,108	150,838	3.24 %	18,901,809	167,148	3.55 %
Other assets	1,272,163			1,284,929			1,383,146		
Total assets	\$ 19,805,838			\$ 20,181,037			\$ 20,284,955		
Liabilities and Shareholders' Equity									
Interest-bearing customer accounts	\$ 12,530,492	8,461	0.27 %	\$ 12,882,885	8,225	0.26 %	\$ 12,852,849	9,284	0.29 %
FHLB advances	1,720,000	7,843	1.81	1,720,000	7,525	1.77	1,705,824	6,118	1.44
Total interest-bearing liabilities	14,250,492	16,304	0.45 %	14,602,885	15,750	0.44 %	14,558,673	15,402	0.42 %
Noninterest-bearing customer accounts	3,188,223			3,198,052			3,278,346		
Other liabilities	223,421			214,851			238,842		
Total liabilities	17,662,136			18,015,788			18,075,861		
Stockholders' equity	2,143,702			2,165,249			2,209,094		
Total liabilities and equity	\$ 19,805,838			\$ 20,181,037			\$ 20,284,955		
Net interest income/interest rate spread		\$ 134,136	2.77 %		\$ 135,088	2.80 %		\$ 151,746	3.12 %
Net interest margin (1)			2.87 %			2.90 %			3.22 %

(1) Annualized net interest income divided by average interest-earning assets

Washington Federal, Inc.
Fact Sheet
June 30, 2022
Delinquency Summary
(\$ in Thousands)

TYPE OF LOANS	#LOANS	AVG Size	LOANS AMORTIZED COST	# OF LOANS				% based on #	\$ Delinquent	% based on \$
				30	60	90	Total			
June 30, 2022										
Multi-Family	1,124	2,205	\$ 2,478,932	—	—	—	—	— %	\$ —	— %
Commercial Real Estate	1,183	2,432	2,876,995	—	—	5	5	0.42	351	0.01
Commercial & Industrial (1)	2,506	935	2,344,046	5	6	28	39	1.56	16,421	0.70
Construction	719	1,957	1,407,211	—	—	—	—	—	—	—
Land - Acquisition & Development	125	1,784	222,974	—	—	—	—	—	—	—
Single-Family Residential	19,115	294	5,619,448	22	7	69	98	0.51	22,189	0.39
Construction - Custom	1,263	292	368,839	—	—	2	2	0.16	900	0.24
Land - Consumer Lot Loans	1,312	120	157,076	1	—	2	3	0.23	383	0.24
HELOC	3,665	51	187,469	3	3	4	10	0.27	202	0.11
Consumer	2,117	35	73,154	8	1	11	20	0.94	252	0.34
	<u>33,129</u>	<u>475</u>	<u>\$ 15,736,144</u>	<u>39</u>	<u>17</u>	<u>121</u>	<u>177</u>	<u>0.53 %</u>	<u>\$ 40,698</u>	<u>0.26 %</u>
March 31, 2022										
Multi-Family	1,136	2,093	\$ 2,377,657	1	—	—	1	0.09 %	\$ 310	0.01 %
Commercial Real Estate	1,180	2,380	2,808,628	4	—	5	9	0.76	3,902	0.14
Commercial & Industrial	2,961	843	2,497,008	21	6	63	90	3.04	15,545	0.62
Construction	659	1,839	1,212,103	—	—	—	—	—	—	—
Land - Acquisition & Development	139	1,518	211,061	—	—	1	1	0.72	2,340	1.11
Single-Family Residential	18,796	288	5,418,645	29	18	67	114	0.61	21,264	0.39
Construction - Custom	1,174	293	344,113	1	—	1	2	0.17	900	0.26
Land - Consumer Lot Loans	1,321	116	153,549	2	1	5	8	0.61	377	0.25
HELOC	3,520	50	175,929	5	1	7	13	0.37	672	0.38
Consumer	2,201	31	67,617	9	3	7	19	0.86	96	0.14
	<u>33,087</u>	<u>461</u>	<u>\$ 15,266,310</u>	<u>72</u>	<u>29</u>	<u>156</u>	<u>257</u>	<u>0.78 %</u>	<u>\$ 45,406</u>	<u>0.30 %</u>
December 31, 2021										
Multi-Family	1,120	2,034	\$ 2,278,216	—	—	—	—	— %	\$ —	— %
Commercial Real Estate	1,072	2,488	2,667,170	3	—	6	9	0.84	3,729	0.14
Commercial & Industrial	3,753	630	2,365,487	32	42	208	282	7.51	17,402	0.74
Construction	680	1,816	1,235,119	—	—	—	—	—	—	—
Land - Acquisition & Development	114	1,773	202,081	—	—	1	1	0.88	2,340	1.16
Single-Family Residential	18,711	283	5,286,559	35	7	63	105	0.56	20,416	0.39
Construction - Custom	1,175	284	333,583	—	—	1	1	0.09	465	0.14
Land - Consumer Lot Loans	1,312	114	149,845	1	1	6	8	0.61	652	0.44
HELOC	3,403	49	167,789	6	—	7	13	0.38	516	0.31
Consumer	2,308	34	77,764	16	7	12	35	1.52	234	0.30
	<u>33,648</u>	<u>439</u>	<u>\$ 14,763,613</u>	<u>93</u>	<u>57</u>	<u>304</u>	<u>454</u>	<u>1.35 %</u>	<u>\$ 45,754</u>	<u>0.31 %</u>

(1) Includes 399 SBA PPP loans with a balance of \$54,185.