



2021 KBW Virtual West Coast Bank Field Trip November 16, 2021

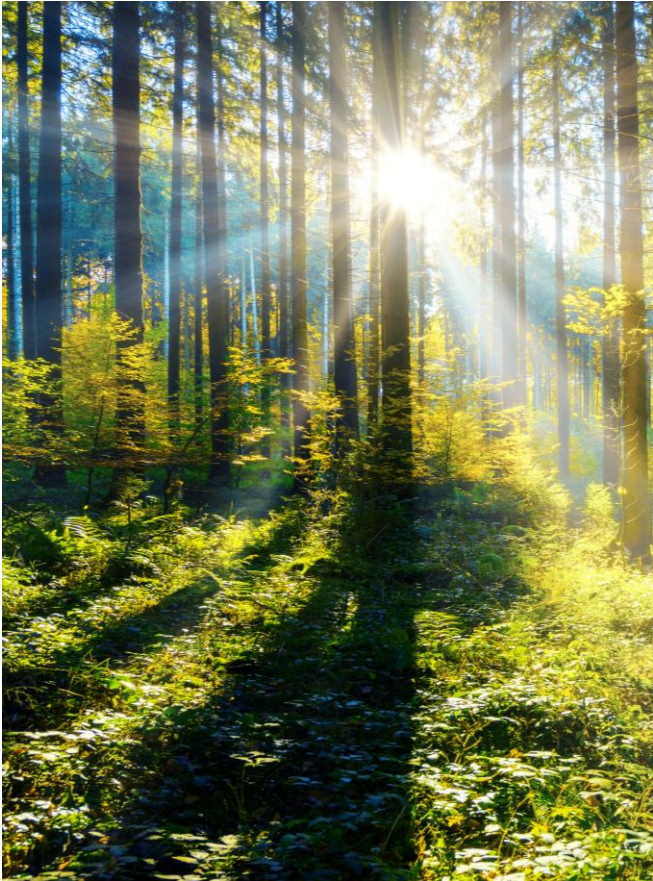


This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking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

Contents



<i>Overview</i>	3
<i>Vision</i>	6
<i>Asset Quality</i>	14
<i>Liability Trends</i>	17
<i>Interest Rate Risk</i>	19
<i>Profitability</i>	20
<i>Capital</i>	25

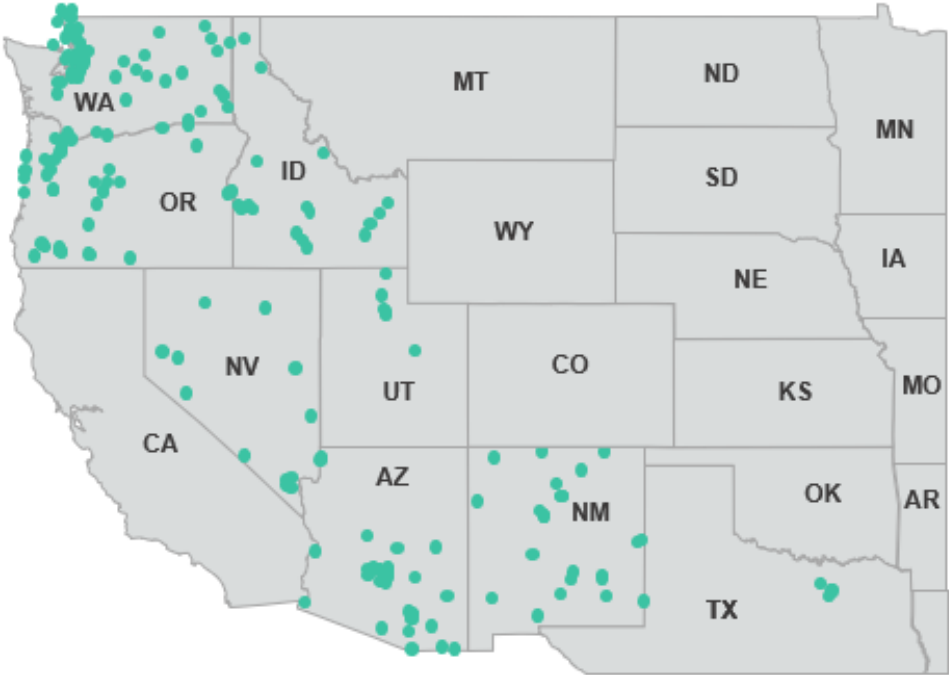


Overview of Washington Federal

Overview

- Established in **1917**; IPO in 1982
- National Bank Charter – OCC, FRB, CFPB Regulated
- Headquartered in Seattle, WA; is the **second largest** bank headquartered in the Pacific Northwest
- **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
- **155 consecutive** quarterly cash dividends
- 13,991% Total shareholder return since IPO

Geographic Overview



Company Highlights¹

Total Assets \$19.7Bn	Total Loans \$13.8 Bn	Total Deposits \$15.5Bn	Stockholder Equity \$2.1Bn	Efficiency Ratio 56.75%
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¹ As of or for the quarter-ended 9/30/2021

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 2021 (Actual)	Population Change 2010-2021 (%)	Projected Population Change 2021-2026 (%)	Median HH Income 2021 (\$)	Projected HH Income Change 2021-2026 (%)
Washington	77	6,742,208	2.98	43.4	7,765,146	15.47	6.29	81,728	13.01
Oregon	39	3,006,222	2.66	19.3	4,281,747	11.76	4.91	69,640	12.85
Arizona	30	1,551,671	0.78	10.0	7,438,466	16.37	6.05	65,279	11.17
New Mexico	25	1,292,965	2.99	8.3	2,099,133	1.94	0.69	49,690	5.09
Idaho	22	1,067,834	2.65	6.9	1,832,352	16.89	6.48	60,757	10.40
Utah	9	1,027,317	0.93	6.6	3,282,329	18.76	6.72	78,645	12.65
Nevada	11	522,988	0.47	3.4	3,154,232	16.80	6.34	65,110	10.55
Texas	6	330,907	0.03	2.1	29,570,729	17.60	6.78	65,383	6.59
Totals:	219	15,542,112		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

Deposit and share data is from the FDIC's Summary of Deposit reports and is as of 9/30/2021

Vision 2025

Our Objective:

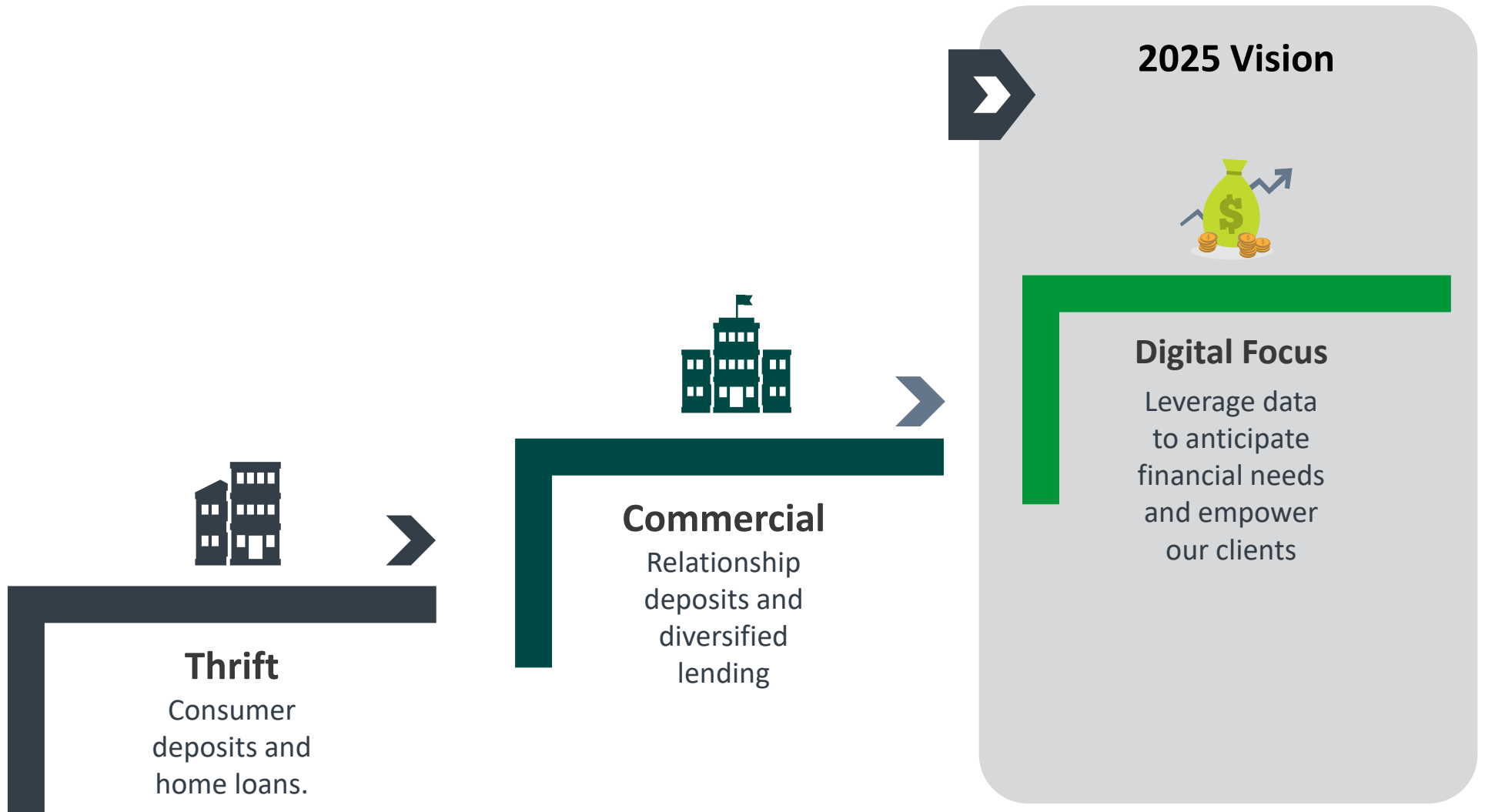
A highly-profitable, digital-first bank that leverages data to anticipate financial needs and empower our clients by creating frictionless experiences across all interactions and devices.

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

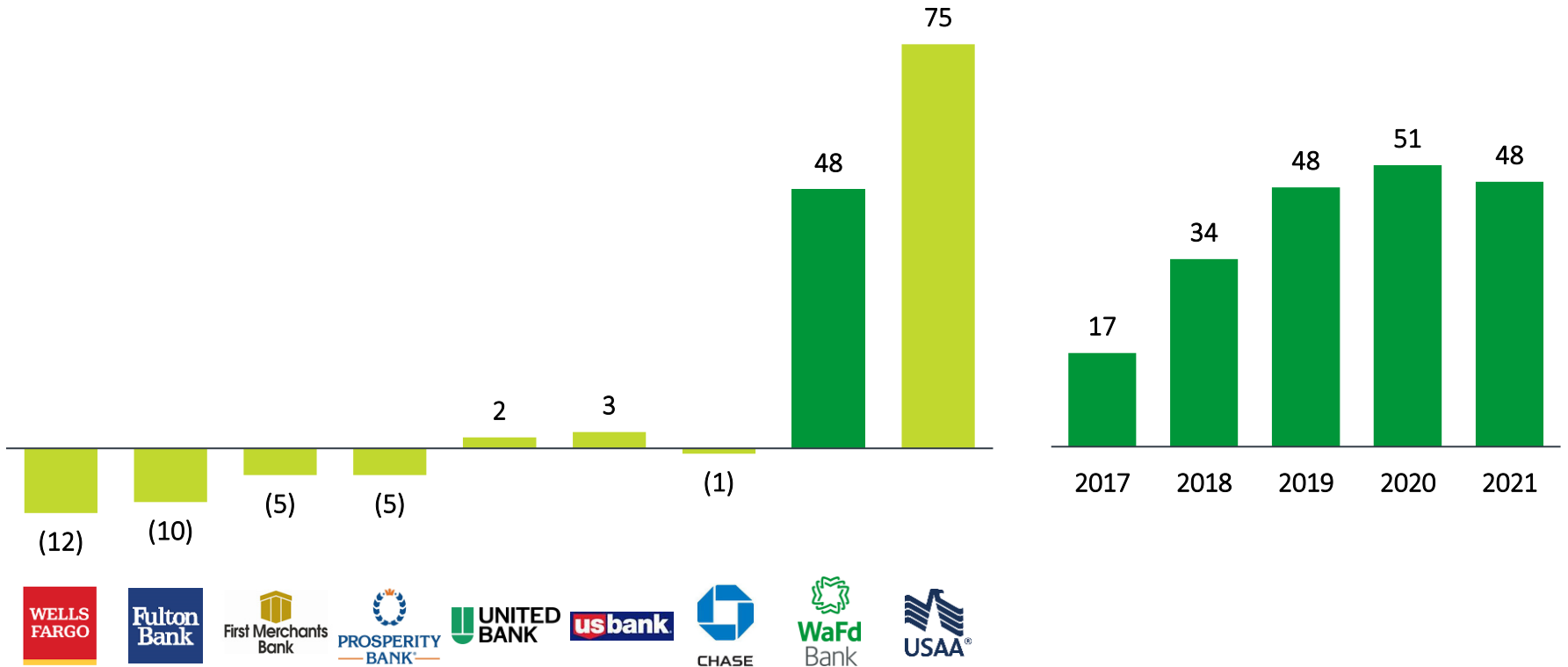


Net Promoter Score Approaching Best In Class

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

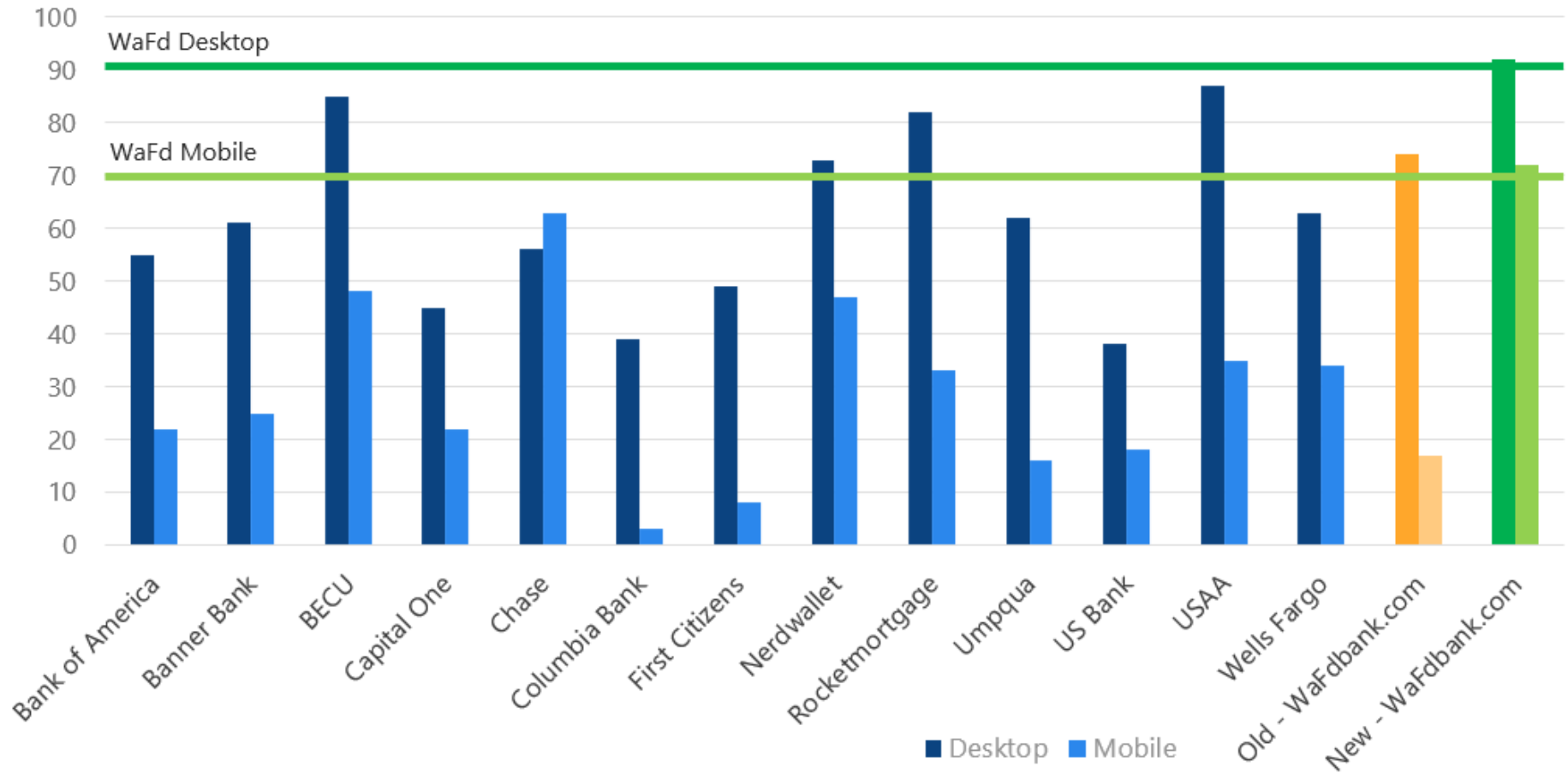


Source: Customer Guru

¹ As of 10/19/2021

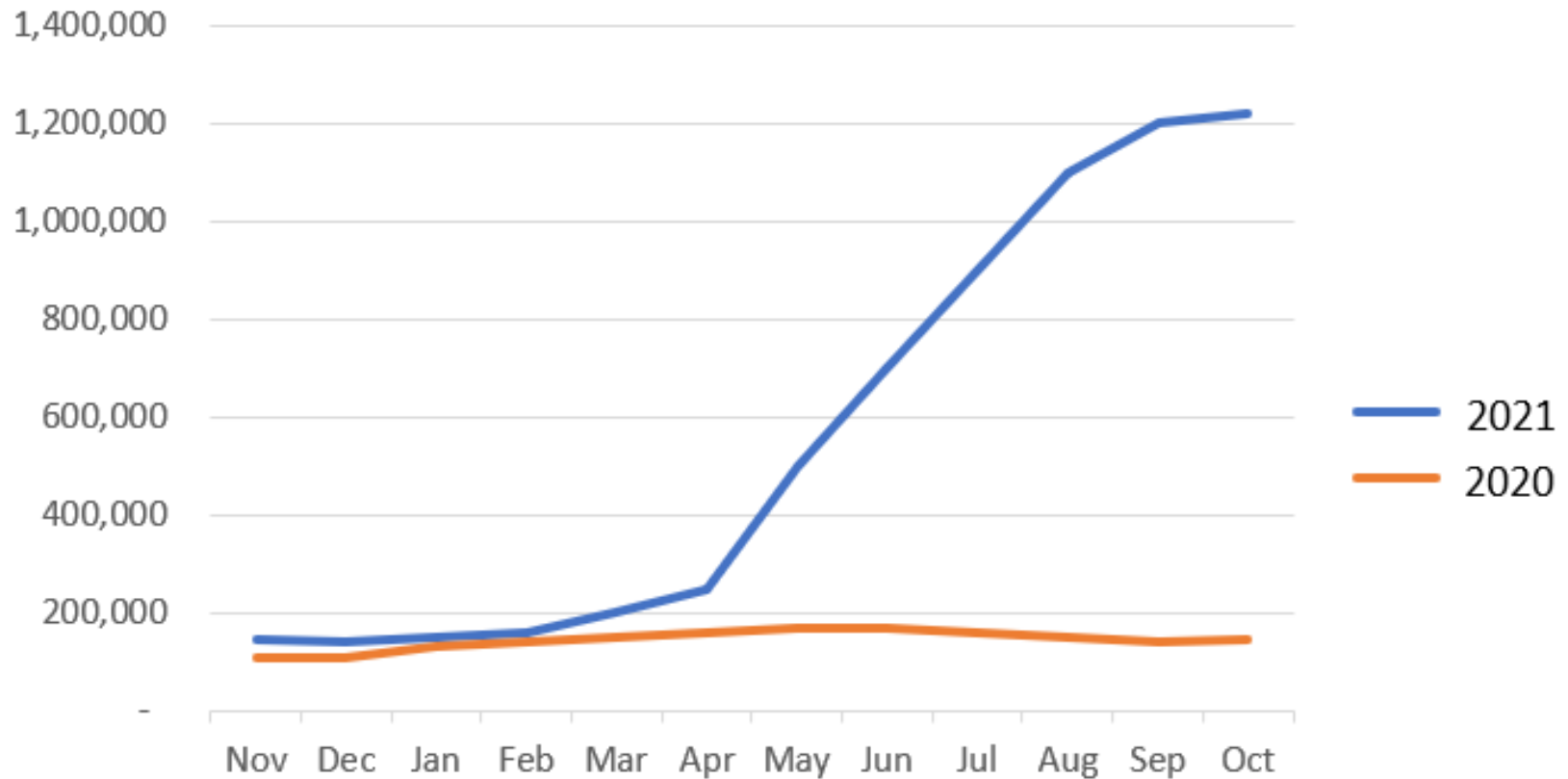
Speed Matters – Website is the New Storefront

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



Getting Customers to your Website is Mission Critical

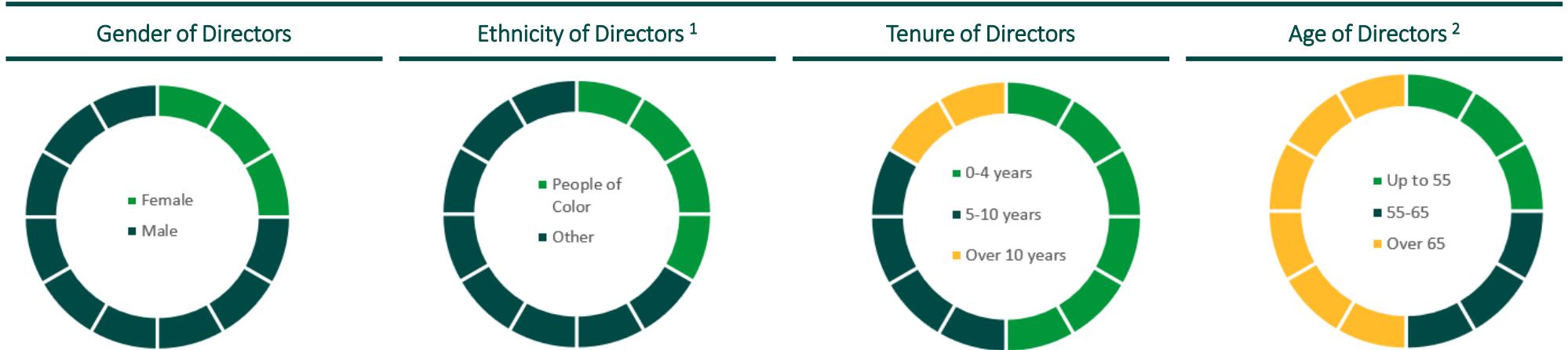
Back links to WAFDbank.com vs. Washingtonfederal.com



Commitment to ESG & Diversity

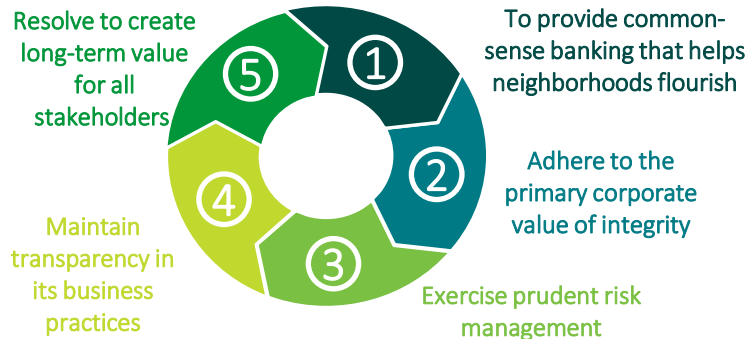
We believe our enduring franchise comes from core principles focused on helping the neighborhoods we serve and creating long-term value for all stakeholders led by a Board, management and employee base that bring together a diversity of backgrounds

Board Composition



ESG & Diversity Policy Highlights

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



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

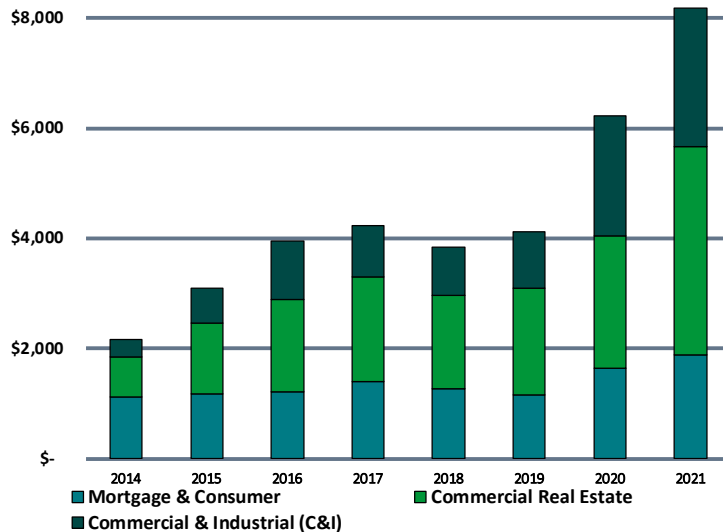
United Way Matching Campaign
WaFd Bank matches employee contributions made to United Way agencies in all eight states. In fiscal year 2020 pledges from colleagues were \$332,010. WaFd matched \$275,877 for a total of \$607,887

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

Loan Growth – Through Different Interest Rate Environments

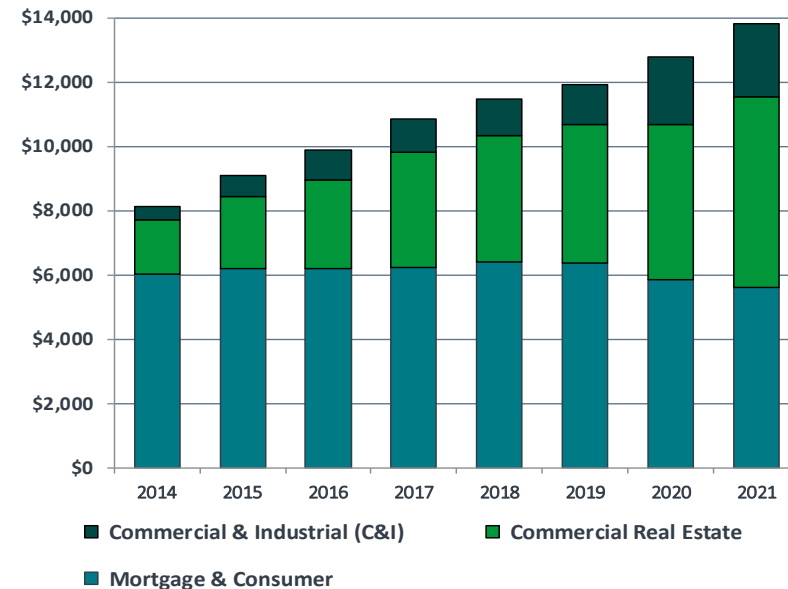
\$ in millions.

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

Helping Small Businesses and Individuals

Deferred loan payments now resuming

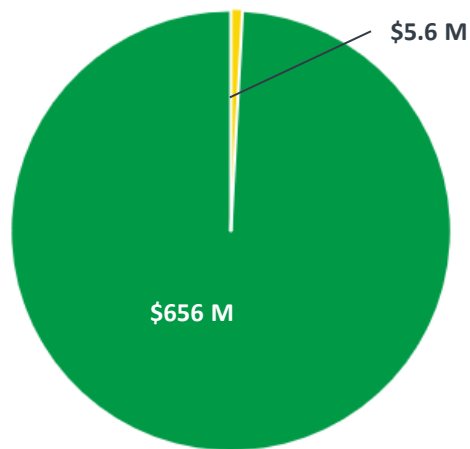
Paycheck Protection Program

9,000 approved loans

Over \$1 billion in lending

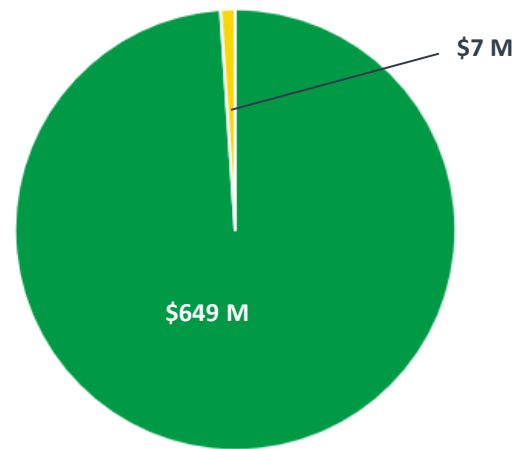
Cares Act Deferrals

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

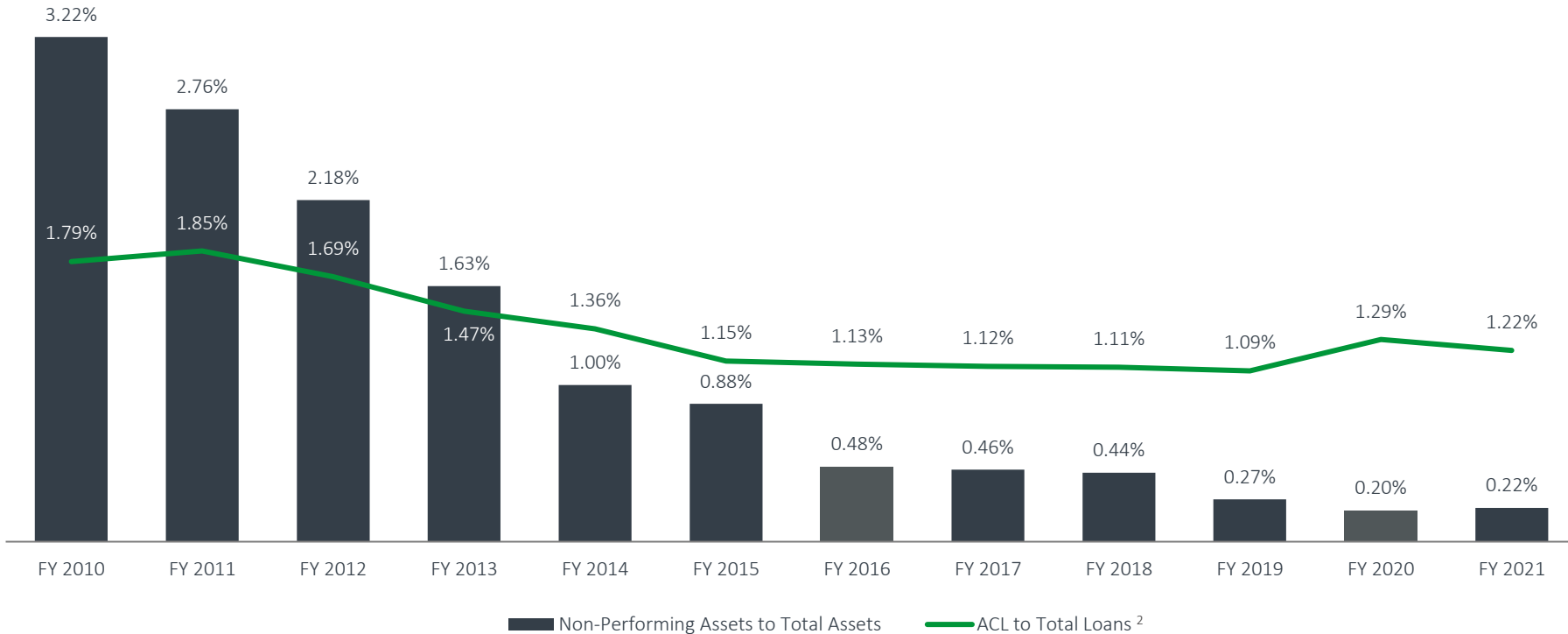
Non-Performing Assets Near Record Lows

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

- ACL at 9/30/2021 amounted to \$171.3 million, representing 374% of total NPAs ¹
- Non-performing assets \$44 million as of 9/30/2021

Non-Performing Assets to Total Assets and ACL to Total Loans ¹

For Fiscal Year End 9/30



¹ ACL to Total Loans does not include ACL related to unfunded commitments of \$27.5 million.

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

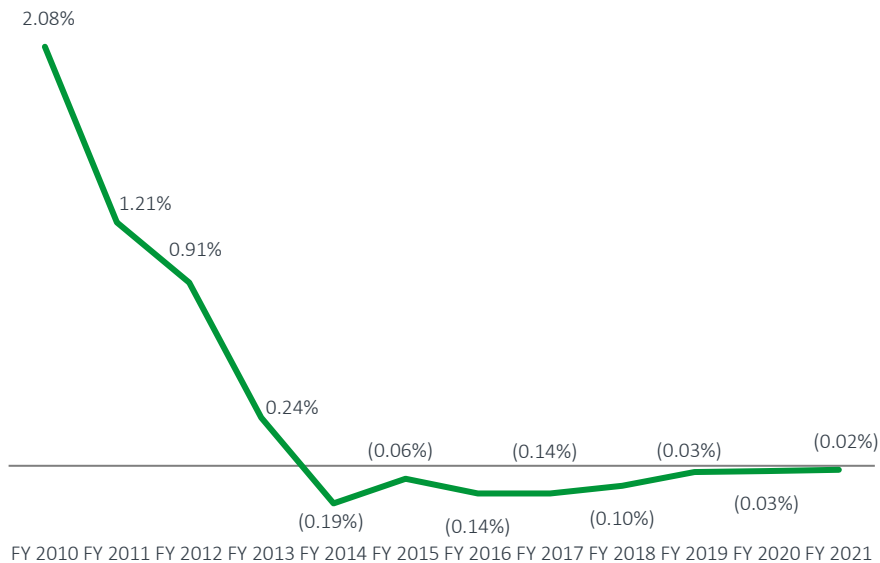
Strong Credit Quality

Strong Credit Quality Characterized by Limited Charge-Offs

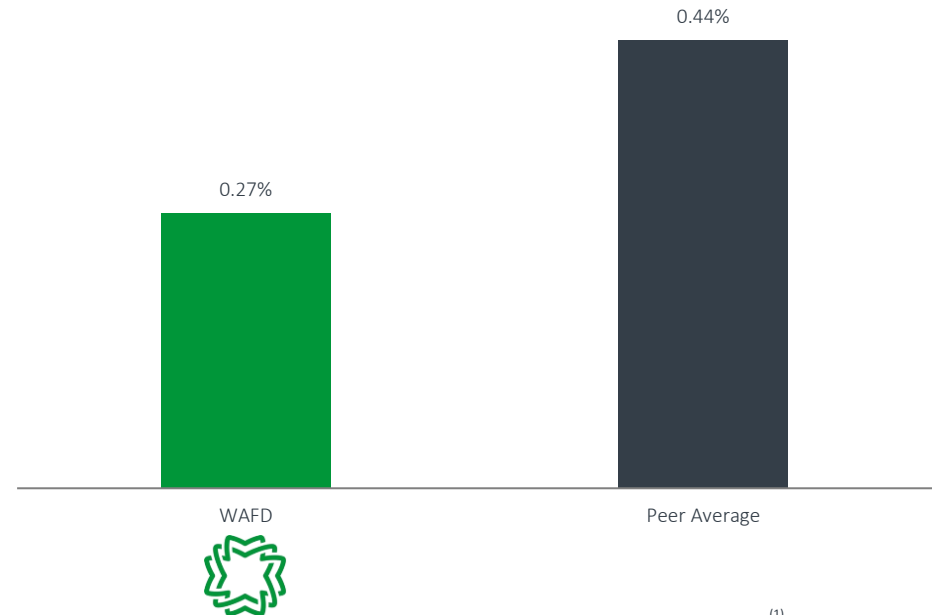
- Net Recoveries since 2013 total \$71 million
- The Bank continues to work \$82 million of loans previously charged off

Net Loan Charge-offs (Recoveries)

For Fiscal Year End 9/30



Average NCOs Per Year – Last 20 Years



(1)

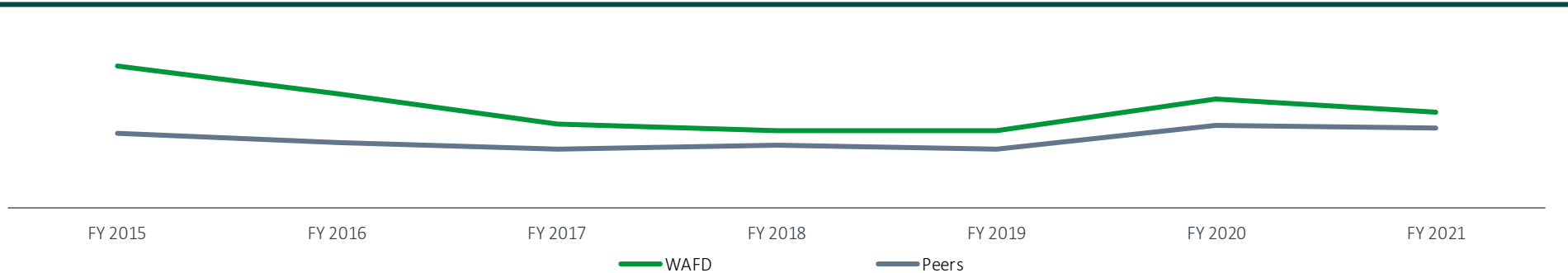
Source: SNL Financial, Company Filings

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

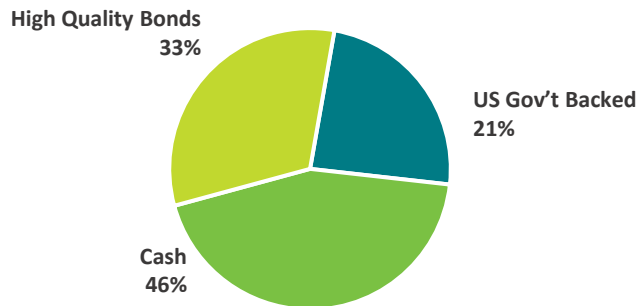
Significant Liquidity and High-Quality Securities Portfolio

High quality, \$4.6 billion cash and investment portfolio with \$10.1 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: \$4.6Bn ²
 Cash and Securities / Total Assets: 23% ²

As of 9/30/2021, WAFD maintains over \$4bn of balance sheet liquidity

- Cash and Securities is 23% of assets
- Investment Portfolio targets low credit risk / moderate duration
- 67% Cash, US Government backed Agency Bonds and MBS ²
- Yield on the Investment Portfolio is 1.52%

Source: SNL Financial, Company Filings

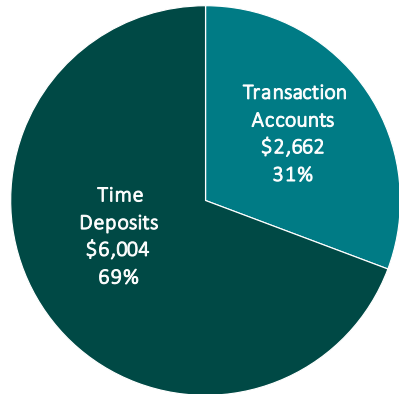
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² As of 9/30/2021

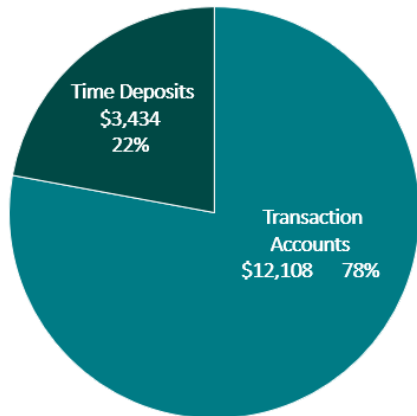
Deposit Trends

Shifting away from time deposits in favor of transaction accounts. Checking accounts now make up 43%.

As of 9/30/2011

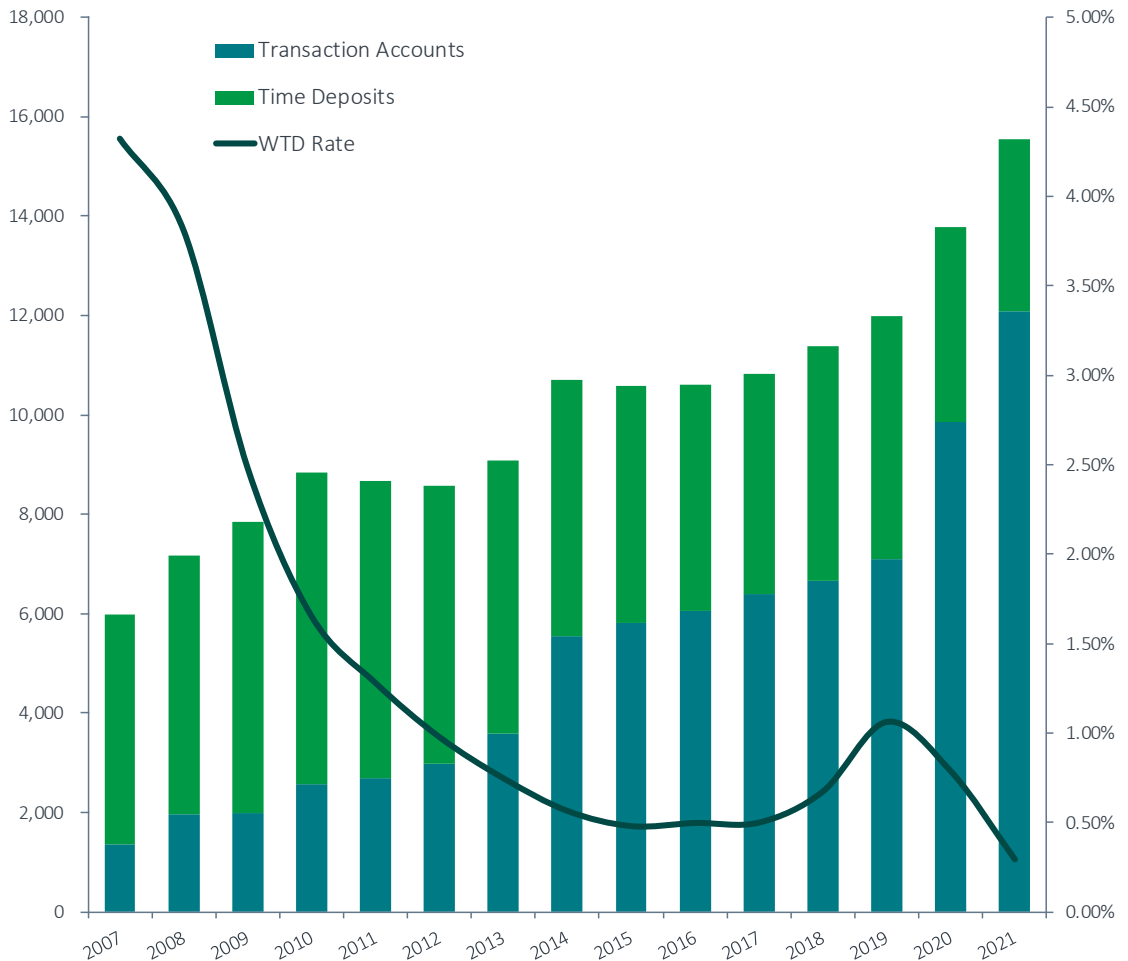


As of 9/30/2021



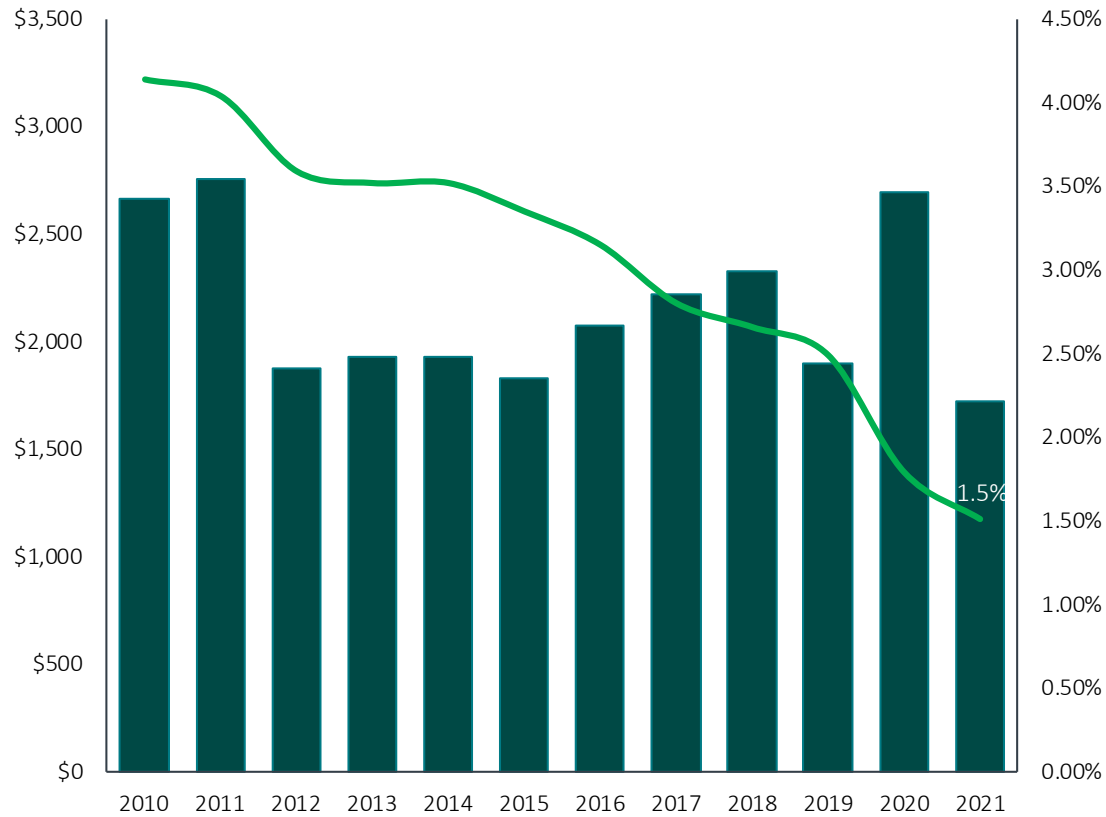
Core Deposits = 96.6% of Total

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



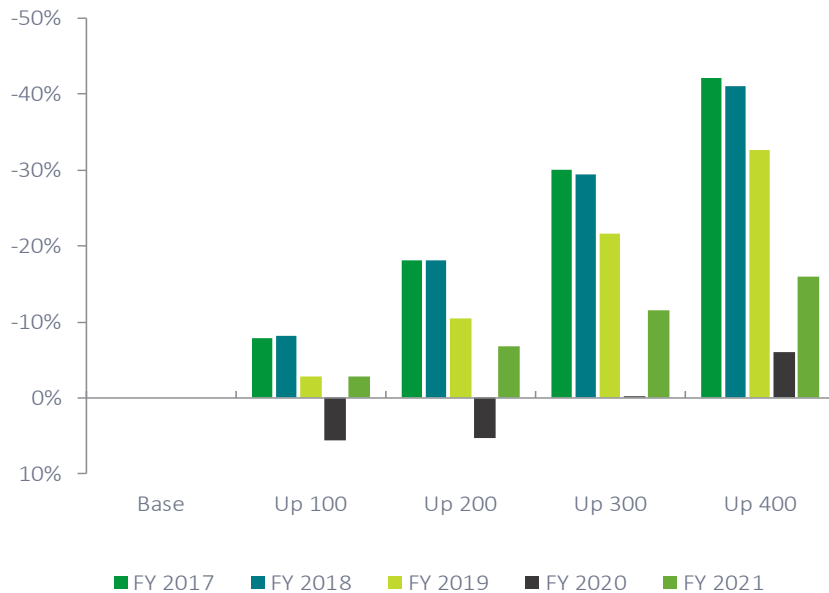
FHLB Effective Maturity Schedule

	Amount \$ million	Rate
Within 1 year:	\$ 320	2.08%
1 to 3 years:	\$ 500	2.15%
3 to 5 years:	\$ 100	1.85%
5+ years:	\$ 800	0.84%

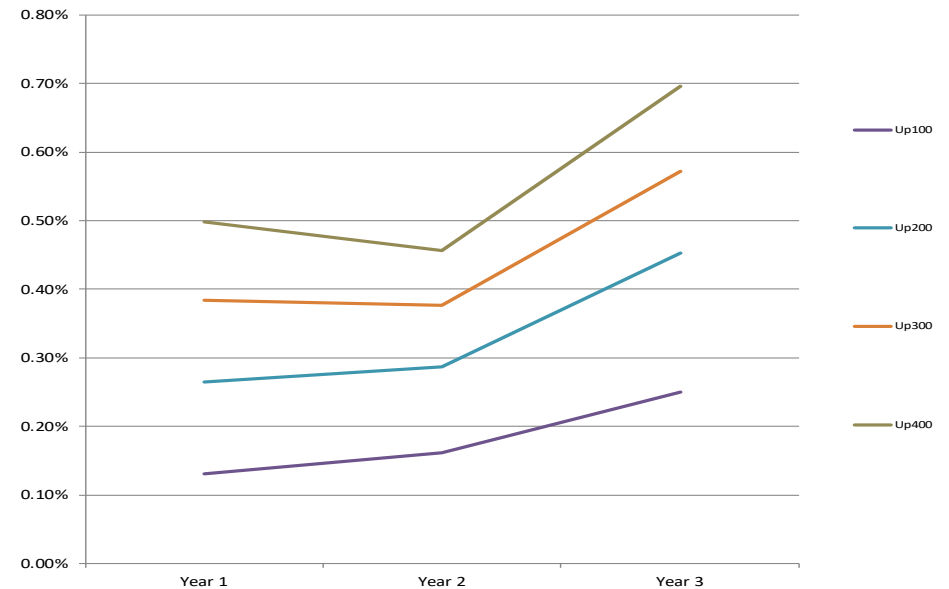
Balanced Interest Rate Risk

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 September 30, 2021:

- Net Interest Income (NII) would increase by 9.7% in +200 bps immediate and parallel shock
- Net Portfolio Value after +200bps shock is 7% lower (\$207mm) and at \$2.85 billion would be 15.2% 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>9/30/2021</u>	<u>9/30/2020</u>	<u>\$ Change</u>	<u>% Change</u>
INTEREST INCOME				
Loans.....	\$ 537,660	\$ 545,708	\$ (8,048)	-1.5%
Mortgage-backed securities.....	24,708	49,312	(24,604)	-49.9%
Investment securities and cash equivalents.....	29,242	26,245	2,997	11.4%
	<u>591,610</u>	<u>621,265</u>	<u>(29,655)</u>	-4.8%
 INTEREST EXPENSE				
Customer accounts.....	42,313	100,312	(57,999)	-57.8%
FHLB advances and other borrowings.....	44,188	51,445	(7,257)	-14.1%
	<u>86,501</u>	<u>151,757</u>	<u>(65,256)</u>	-43.0%
 NET INTEREST INCOME	505,109	469,508	35,601	7.6%
Provision (release) for credit losses.....	500	21,750	(21,250)	
Net interest income after provision(reversal).....	<u>\$ 504,609</u>	<u>\$ 447,758</u>	<u>\$ 56,851</u>	12.7%

Income Statement Comparison

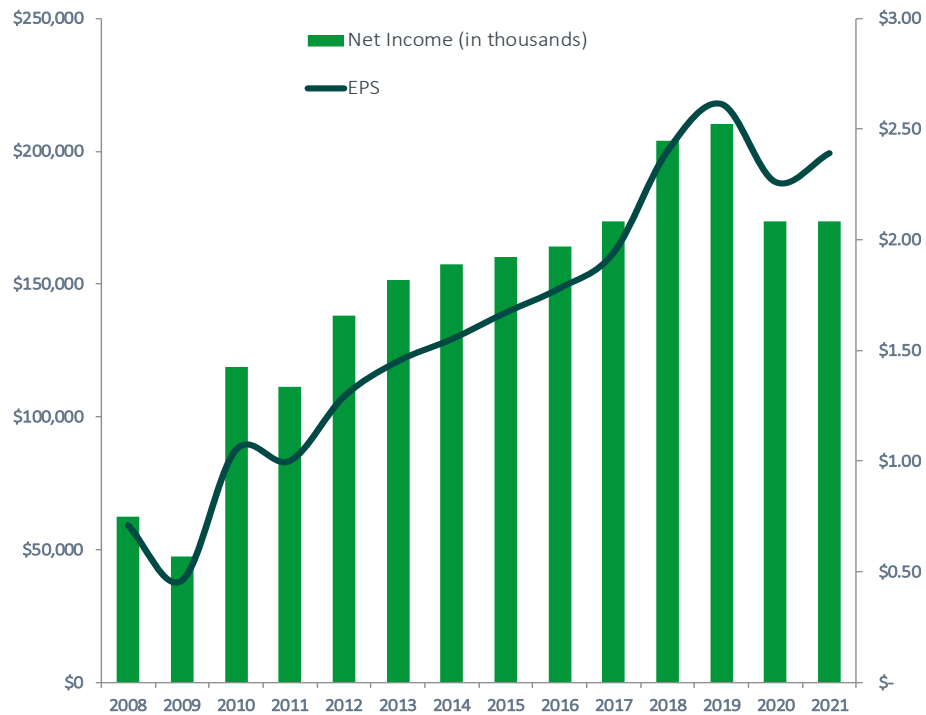
	Fiscal YTD		\$ Change	% Change
	<u>9/30/2021</u>	<u>9/30/2020</u>		
OTHER INCOME	\$ 60,561	\$ 86,960	\$ (26,399)	-30.4%
OTHER EXPENSE				
Compensation and benefits.....	176,106	147,596	28,510	19.3%
Occupancy.....	39,610	39,570	40	0.1%
FDIC Insurance.....	14,368	10,939	3,429	31.3%
Product Delivery.....	18,505	17,010	1,495	8.8%
Information technology.....	42,737	52,902	(10,165)	-19.2%
Other Expense.....	41,133	47,541	(6,408)	-13.5%
	<u>332,459</u>	<u>315,558</u>	<u>16,901</u>	<u>5.4%</u>
Gain (loss) on REO.....	<u>427</u>	<u>26</u>	<u>401</u>	<u>1542.3%</u>
Income before income taxes.....	233,138	219,186	13,952	6.4%
Income taxes.....	49,523	45,748	3,775	8.3%
NET INCOME	<u>\$ 183,615</u>	<u>\$ 173,438</u>	<u>10,177</u>	<u>5.9%</u>
Dividends on preferred stock.....	<u>10,034</u>		<u>10,034</u>	
Net Income available to common shareholders	<u>\$ 173,581</u>	<u>\$ 173,438</u>	<u>143</u>	<u>0.1%</u>

Efficiency Ratio of 58.77% for fiscal year 2021 up from 56.71% for the same period of prior year.

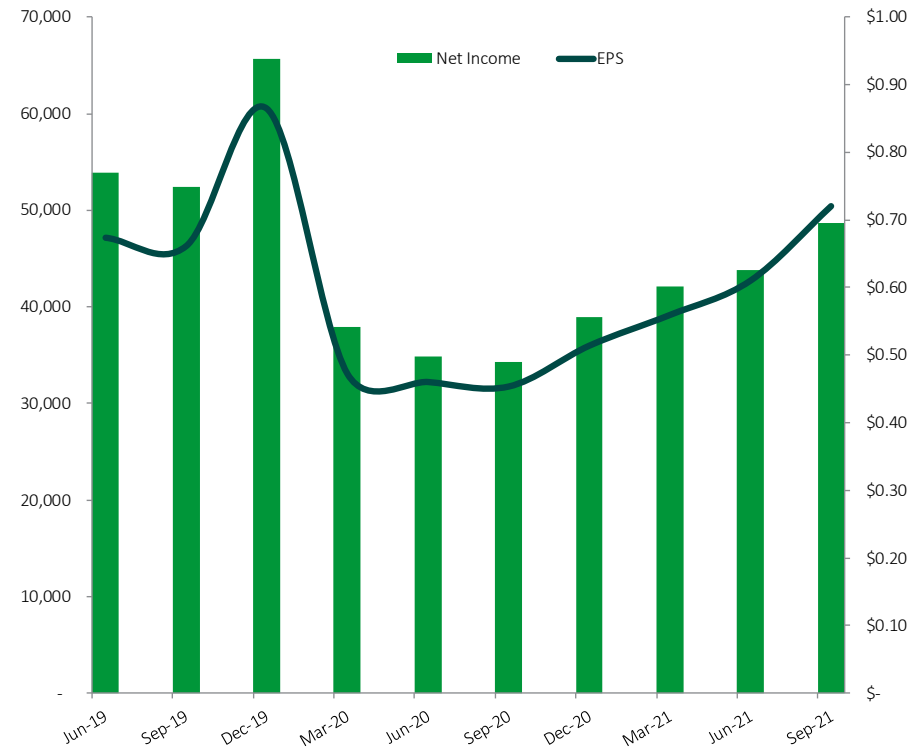
Effective tax rate year to date ended September 2021 is 21.24% compared to 20.87% from the same period ended September 2020

Net Income and Common Earnings Per Share

Annual



Quarterly

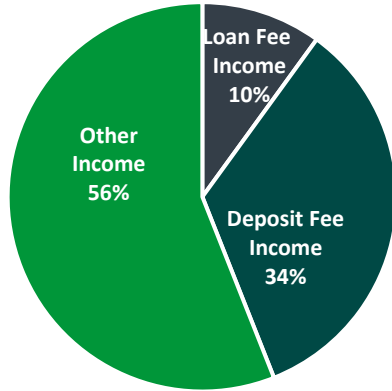


Issued \$300 million of Preferred Stock in February 2021 with a dividend of 4.875%

Non-Interest Income

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

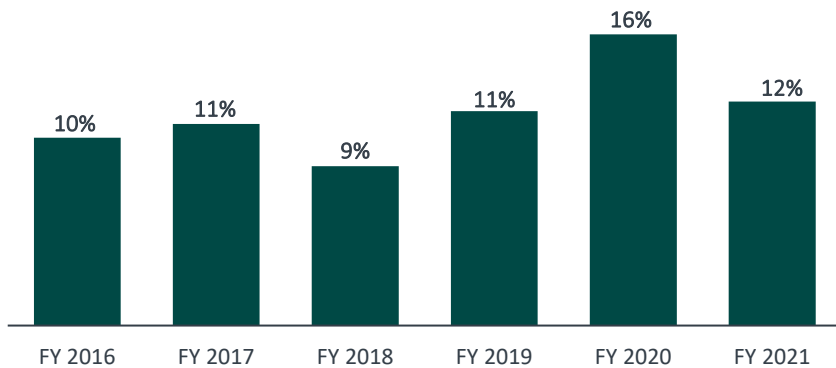
Non-Interest Income for Quarter-Ended 9/30/2021



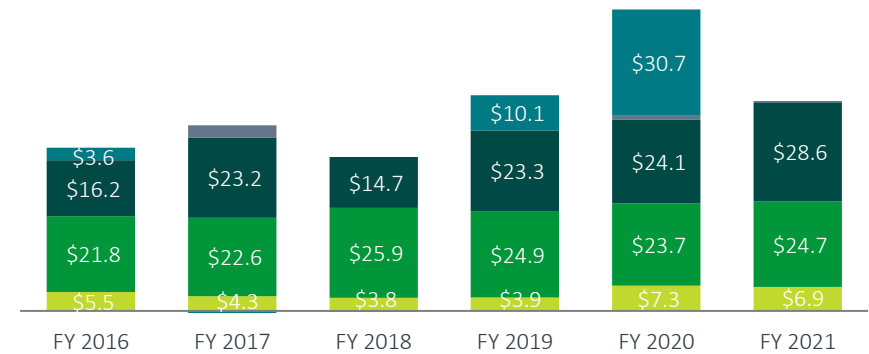
Other Income includes:

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

Non-Interest Income / Total Loan Revenue



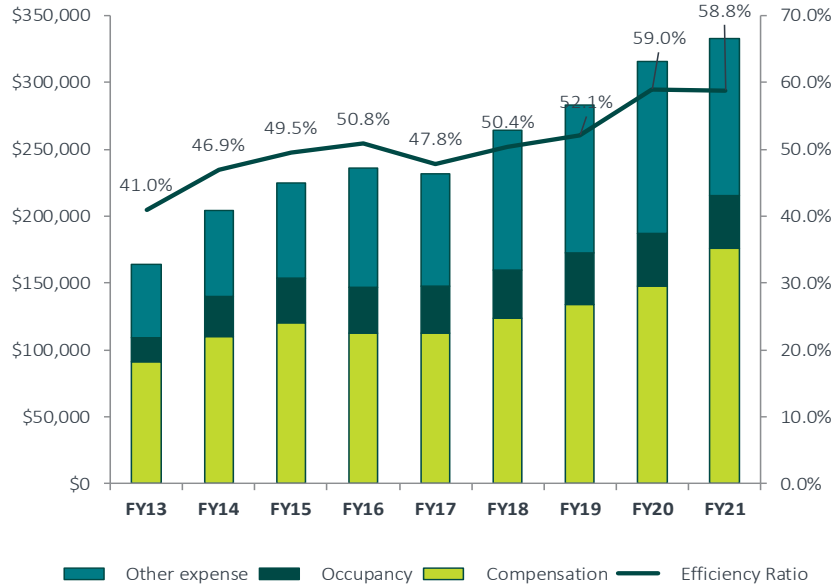
Non-Interest Income Over Time (\$MM)



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

Non-Interest Expense

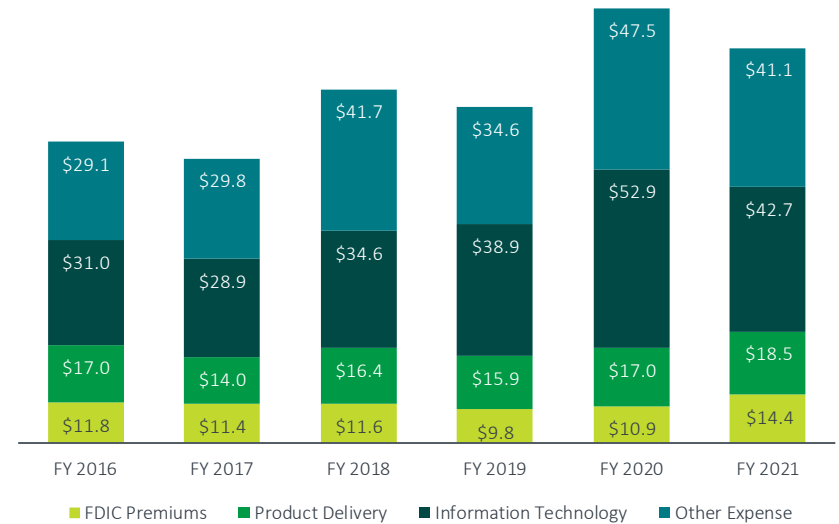
Non-Interest Expense Over Time (\$MM)



Other Expense includes:

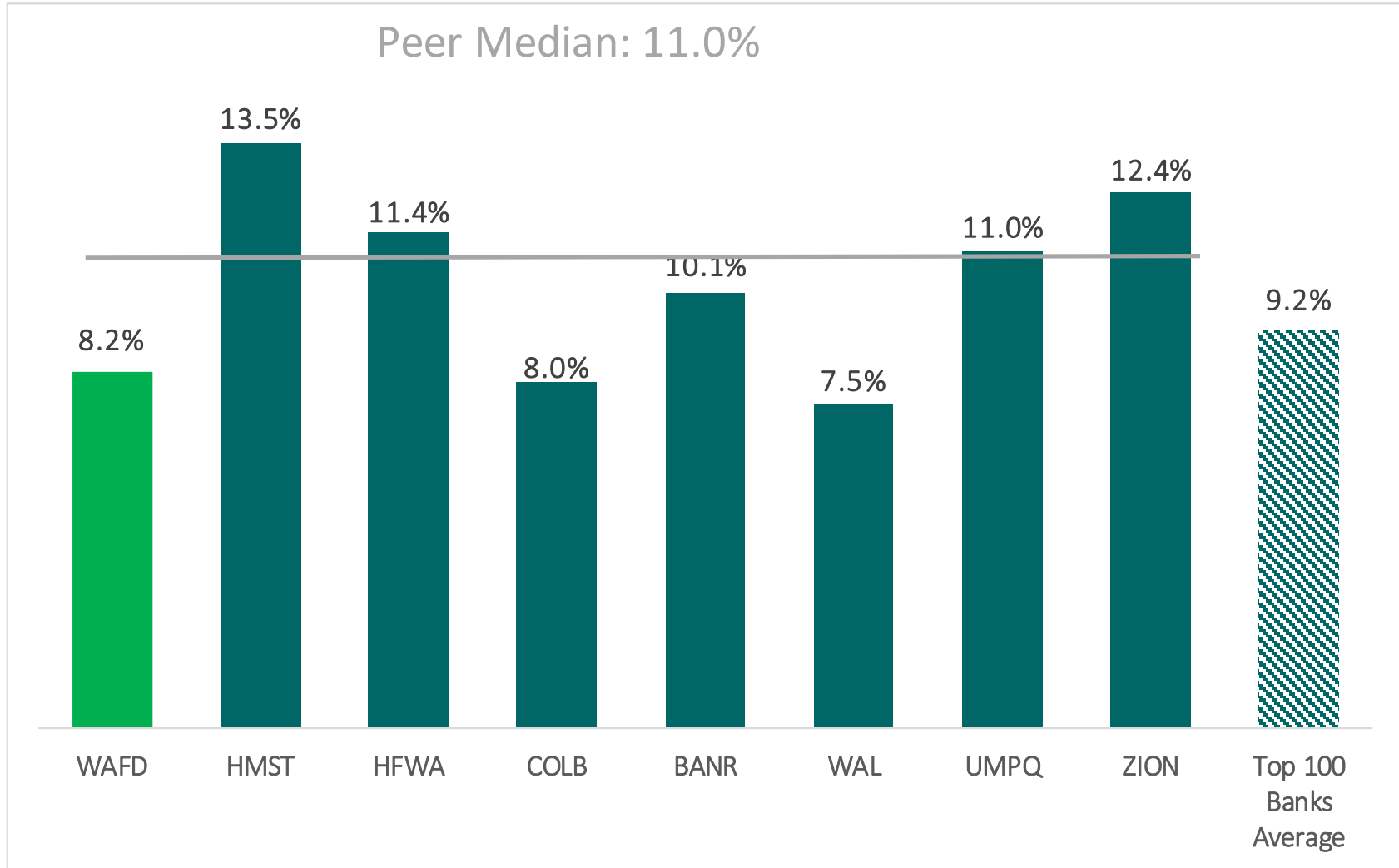
- FDIC Premiums
- Product Delivery
- Information Technology
- Miscellaneous 'Other' line-item expenses include professional services, marketing and administrative costs.

Breakout of Other Expense



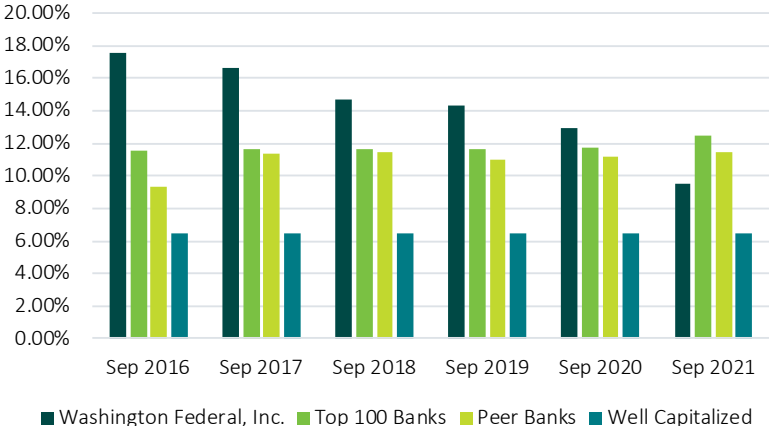
Market Cap Yield

As of September 30, 2021



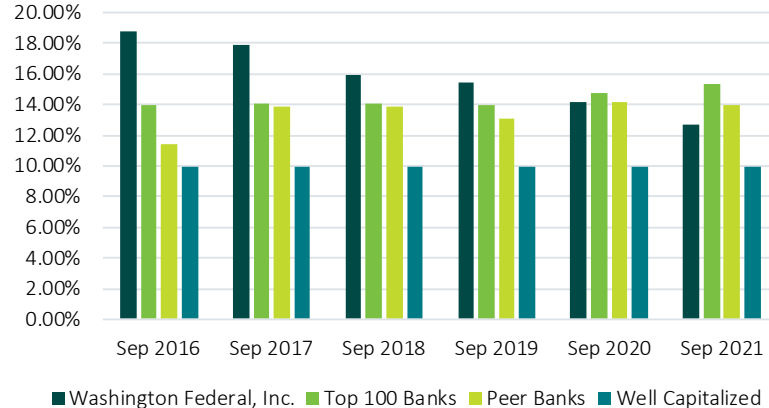
Capital Ratios

Common Equity Tier 1 Ratio

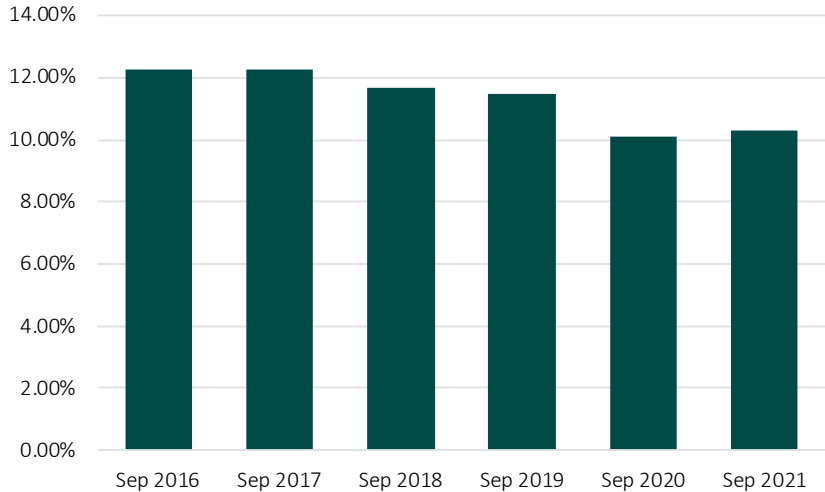


WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.

Total Risk-Based Capital



TCE+ACL/Tang Assets



Source: SNL Financial, Company Filings

Returning Capital to Shareholders

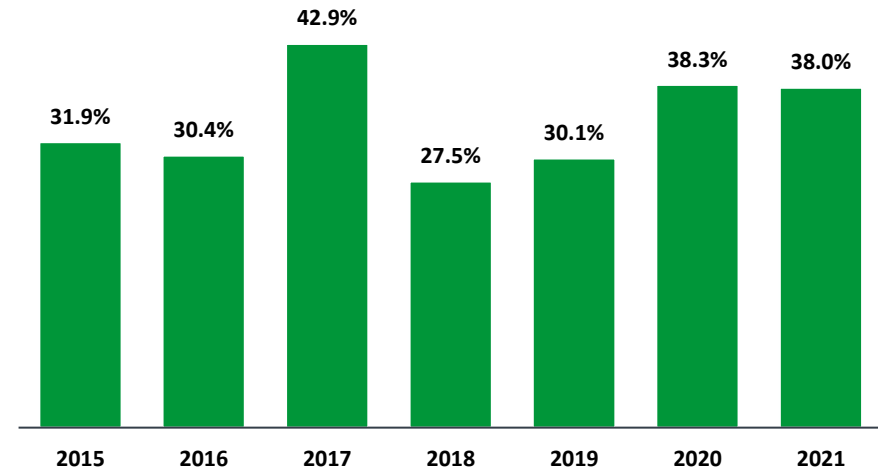
Return of Income to Common Shareholders

	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%

% Outstanding at beginning of the year

	# of Shares	Wtd Price Paid \$	
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%

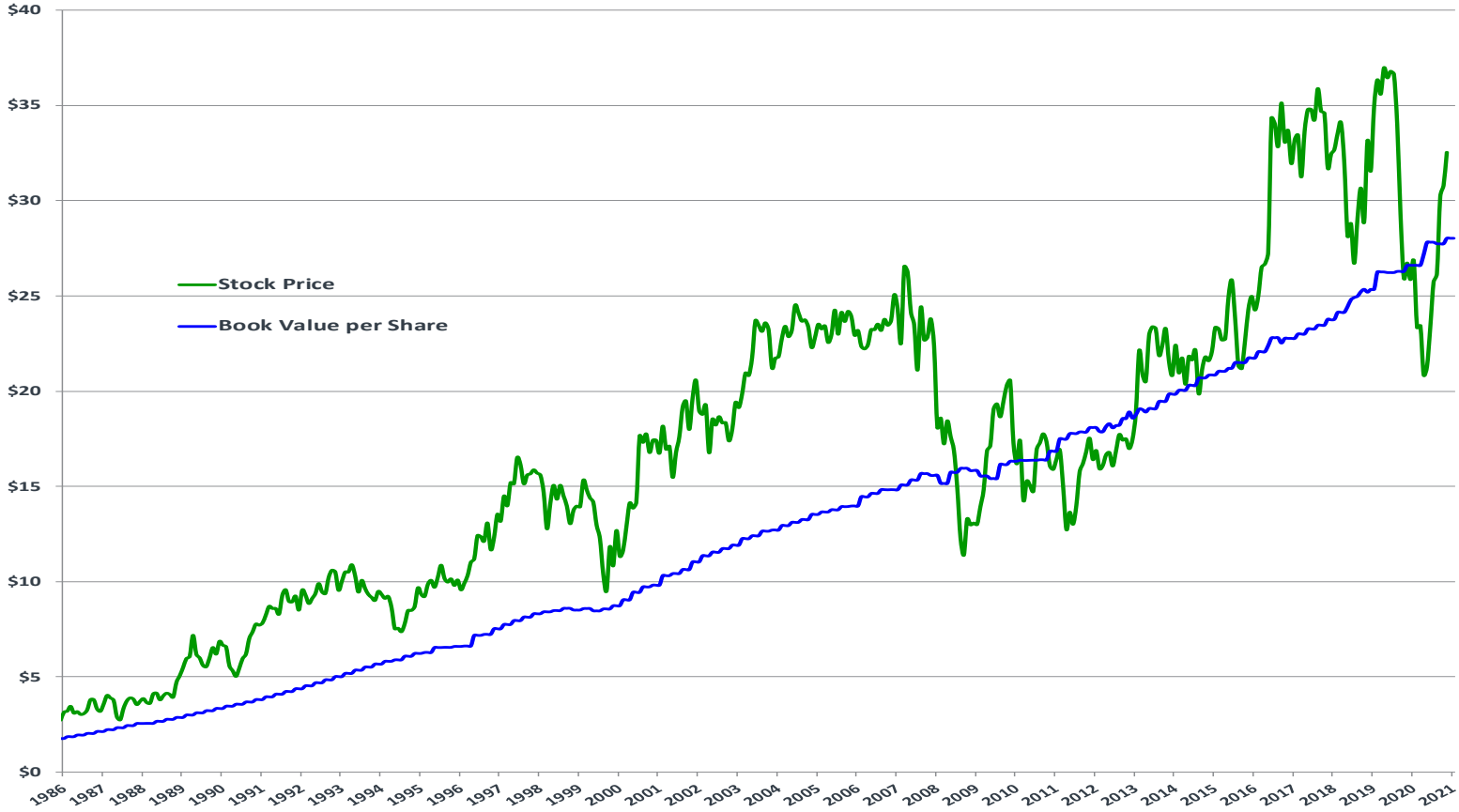
Common Dividend as a % of Net Income



Recent Capital Activities

- Current cash dividend of \$0.23 provides a yield of 2.57% based on the current stock price
- Since 2013, 47 million shares repurchased which is 44% of total outstanding shares as of 9/30/2012
- 3.8 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



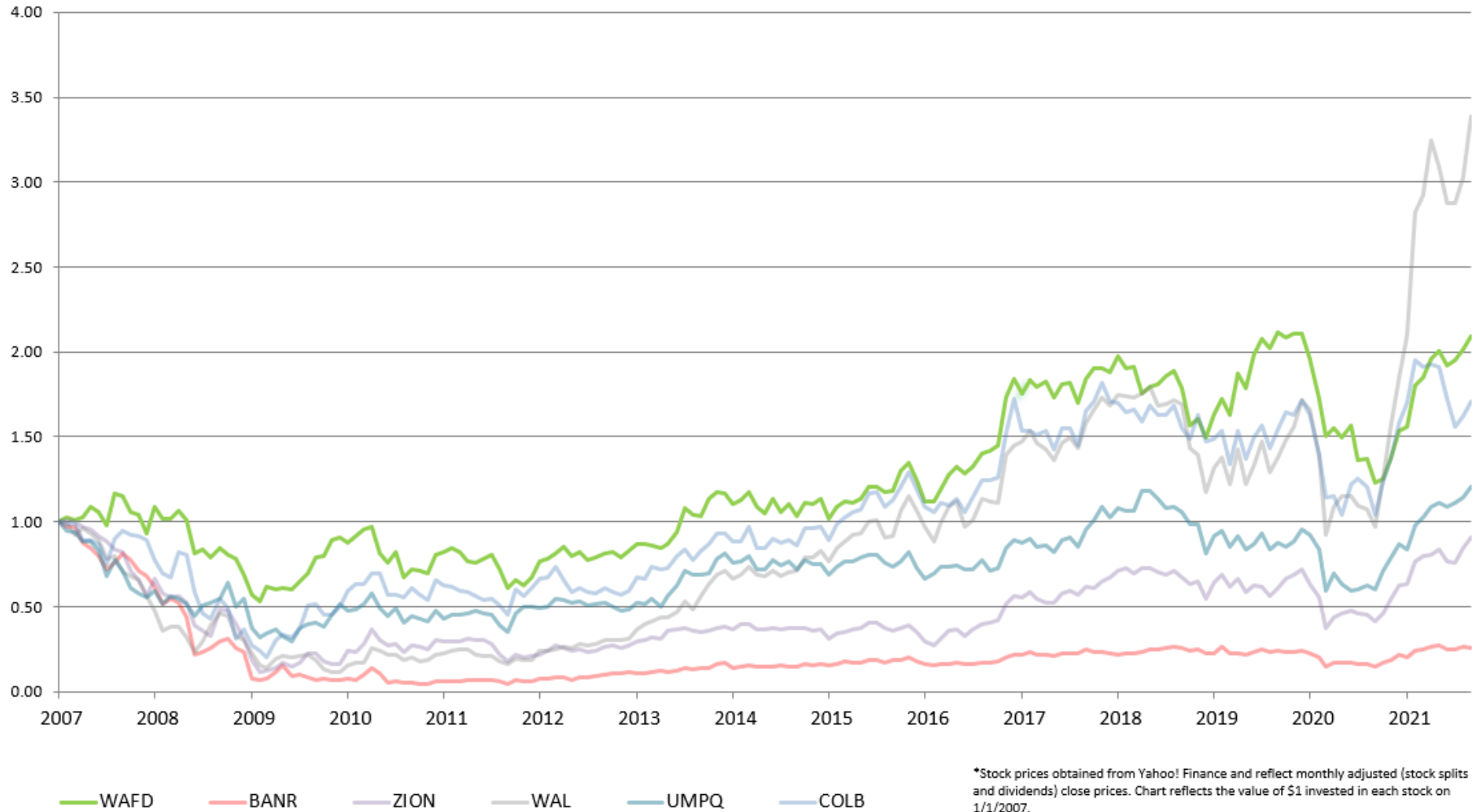
As of 9/30/2021:

Book Value per Share \$28.03
Price to BV: 1.15

Tangible Book Value per Share \$23.27
Price to TBV: 1.49

Perspective through the last Credit Cycle

Stock Performance Comparison as of 9/30/2021



*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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