



# Investor Presentation

## As of December 31, 2024

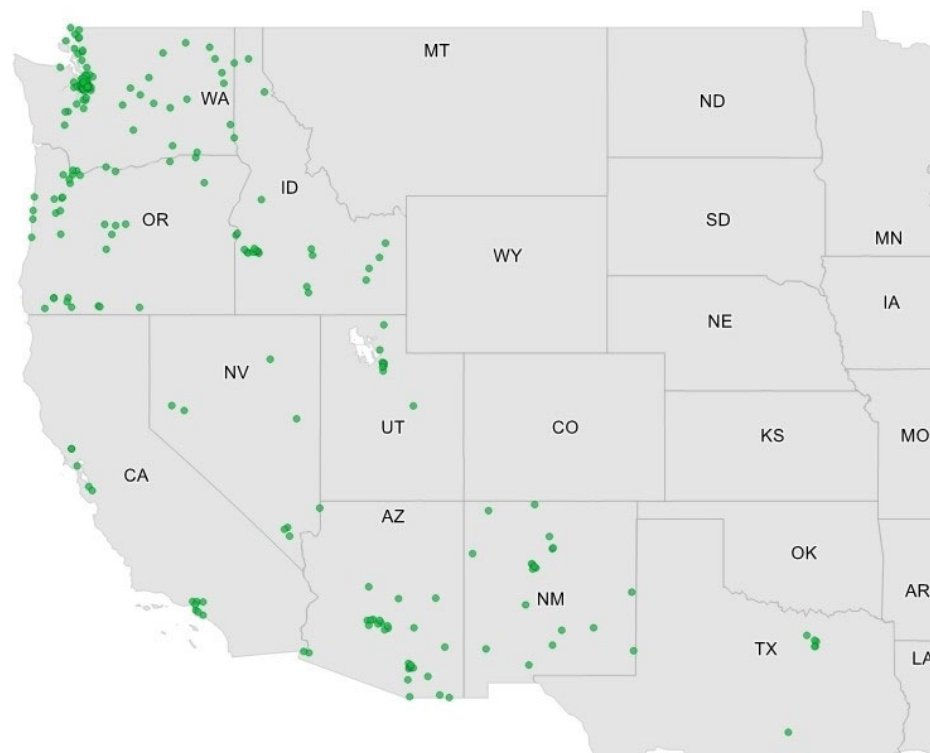
*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Washington Federal's management and are subject to significant risks and uncertainties. The forward-looking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

# Overview of WaFd Bank

## Overview

- Established in **1917**; IPO in 1982
- Washington State Charter Commercial Bank – WA DFI, FDIC, FRB, CFPB Regulated
- Headquartered in Seattle, WA; is the **second largest** bank headquartered in the Pacific Northwest
- **210 branches** across 9 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
- **167 consecutive** quarterly cash dividends
- 14,561% Total shareholder return since IPO

## Geographic Overview



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

Total Assets	Total Loans HFI	Total Deposits	Stockholder Equity	Efficiency Ratio	Adjusted Efficiency Ratio
\$27.7Bn	\$21.1Bn	\$21.4Bn	\$3.0Bn	65.04%	60.4%

<sup>1</sup> As of or for the quarter-ended 12/31/2024

# WaFd Bank Executive Management Committee



Brent Beardall  
*President and Chief Executive Officer*



Kelli Holz  
*EVP Chief Financial Officer*



Cathy Cooper  
*EVP Chief Experience Officer*



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 2025 (Actual)	Population Change 2020-2025 (%)	Projected Population Change 2025-2030 (%)	Median HH Income 2025 (\$)	Projected HH Income Change 2025-2030 (%)
Washington	73	8,589,398	3.95	40.1	7,876,848	2.23	2.87	96,120	10.09
California	10	4,211,964	0.27	19.6	38,870,482	(1.69)	(0.27)	95,065	7.65
Oregon	36	2,704,966	2.73	12.6	4,232,181	(0.12)	0.53	80,356	9.15
Arizona	28	1,628,742	0.76	7.6	7,560,739	5.72	4.40	78,786	11.67
New Mexico	19	1,568,788	3.65	7.3	2,117,805	0.01	0.89	64,393	8.62
Idaho	22	946,554	2.53	4.4	2,015,909	9.61	6.54	77,609	12.30
Utah	9	573,469	0.45	2.7	3,484,888	6.52	4.92	95,601	13.03
Nevada	8	531,383	0.53	2.5	3,234,542	4.18	3.42	74,821	8.01
Texas	5	683,513	0.03	3.2	31,245,372	7.20	5.64	76,585	10.10
<b>Totals:</b>	<b>210</b>	<b>21,438,777</b>		<b>100</b>	<b>100,638,766</b>				
<b>Weighted Average</b>						<b>1.75</b>	<b>2.13</b>	<b>88,495</b>	<b>9.58</b>
<b>Aggregate: National</b>					<b>337,643,652</b>	<b>1.87</b>	<b>2.40</b>	<b>78,770</b>	<b>8.82</b>

Deposit market share and percent of national franchise are from the FDIC's Summary of Deposit reports and is as of 09/30/2024. All other data is as of 12/31/2024.

# Build 2030

## Organizational Structure & Objectives:

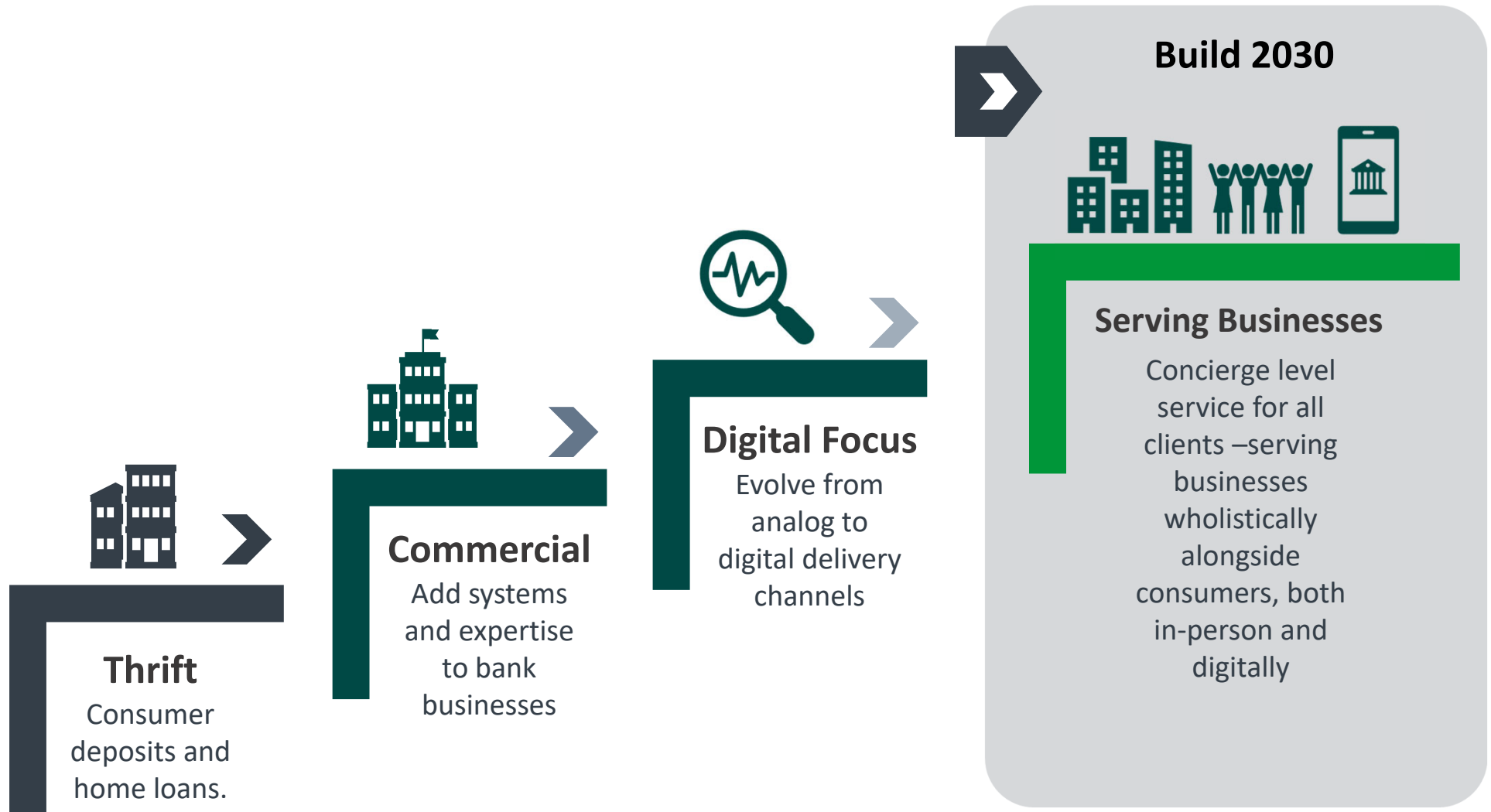
*Business Banking and Commercial Real Estate Banking Divisions have two primary objectives as a trusted advisor:*

- 1. Deliver phenomenal, concierge-level customer service to all our clients – “everyone and every business deserves a WaFd banker”.*
- 2. Grow the business by delivering credit and treasury solutions that allow our clients to prosper.*



# Evolution of Our Franchise

15 years of investment in our evolution to a commercial bank

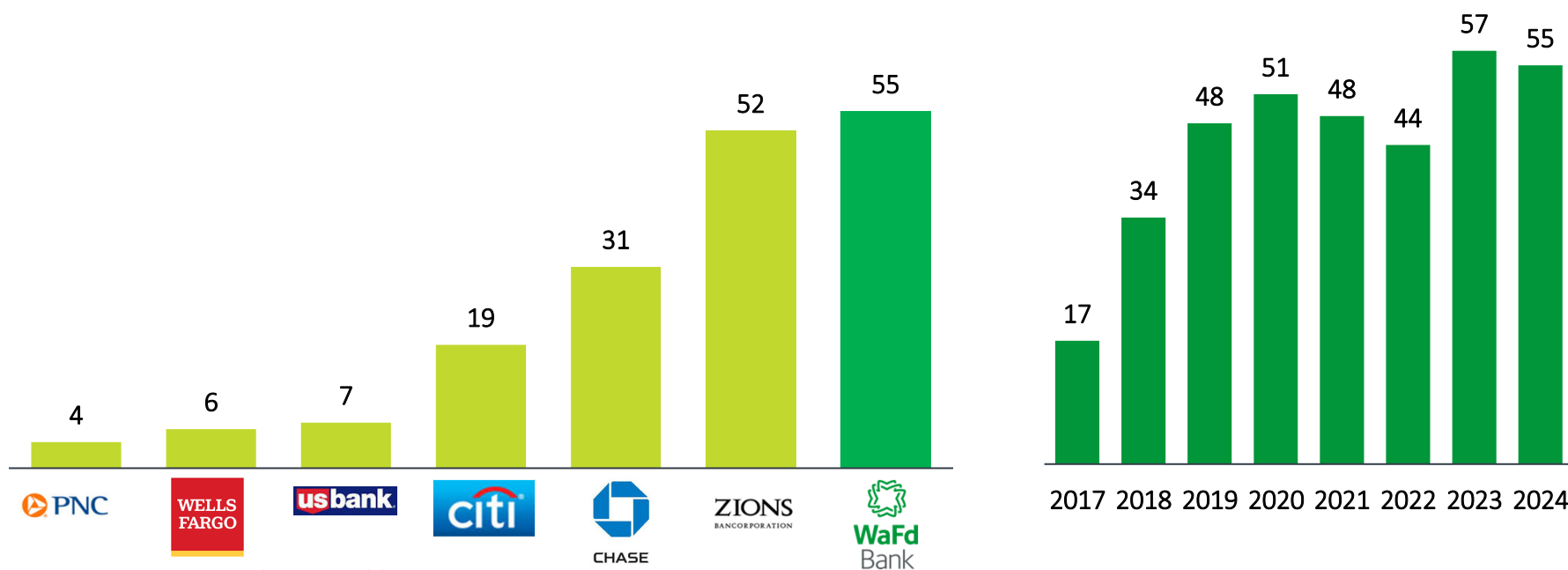


# Net Promoter Score Approaching World Class

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

## Peer Net Promoter Score <sup>1</sup>

## WaFd Net Promoter Score <sup>1</sup>

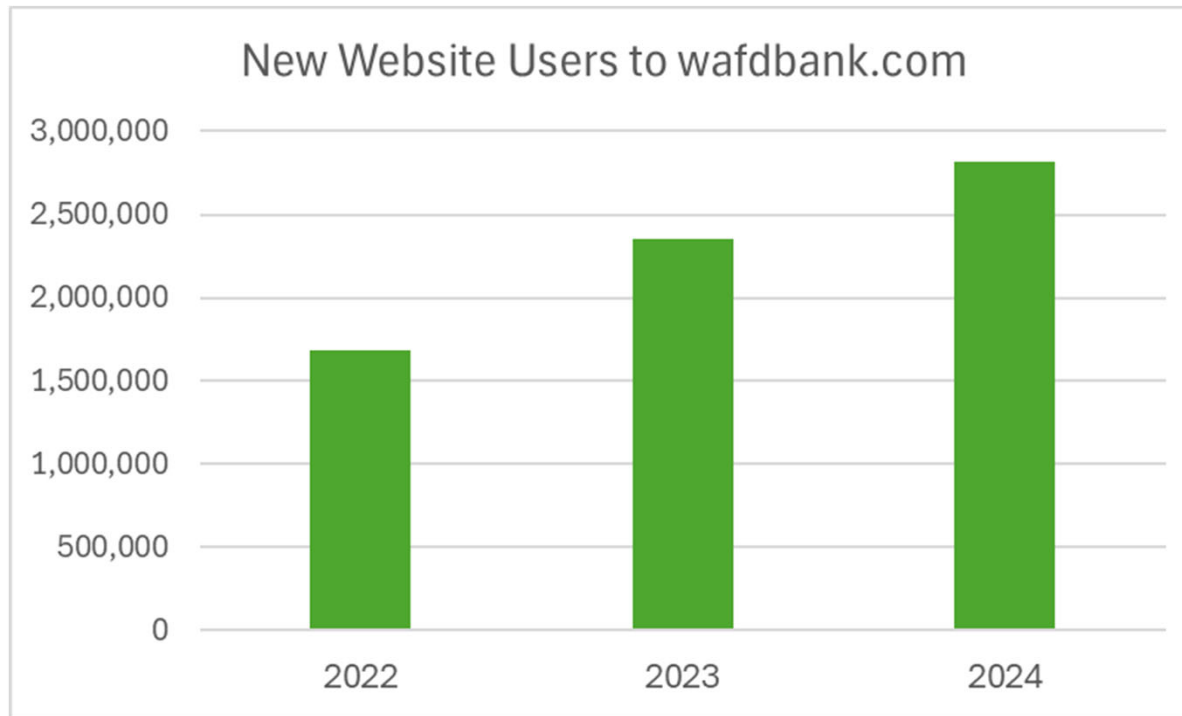


Source: CustomerGauge.com and Comparably.com

<sup>1</sup> 2024 Financial Services Banking Benchmarks

A Score of 70 or higher is considered world class. A Score of 50 or higher is considered excellent. A score of 30 or higher is considered very good. A score of 0-30 is considered good

# Web Traffic to Wafdbank.com



WaFd Bank's online growth of traffic to its website is due to our technology efforts.

Now averaging more than 200,000 new website visitors a month



# 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 Identity	Female	Male
Directors	2	9
Demographic Background		
African American or Black		2
Hispanic or Latinx	1	1
Asian		1
White	1	5

## ESG & Diversity Policy Highlights

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



**Community Development**  
Over \$125 million dollars invested towards community development lending including and affordable housing investments



**Washington Federal Foundation**  
The Washington Federal Foundation awarded 242 grants to local community organizations totaling over \$1.1 million for the fiscal year



**Volunteerism**  
WaFd employees participated in 11,870 volunteer hours in support of 755 community organizations and initiatives

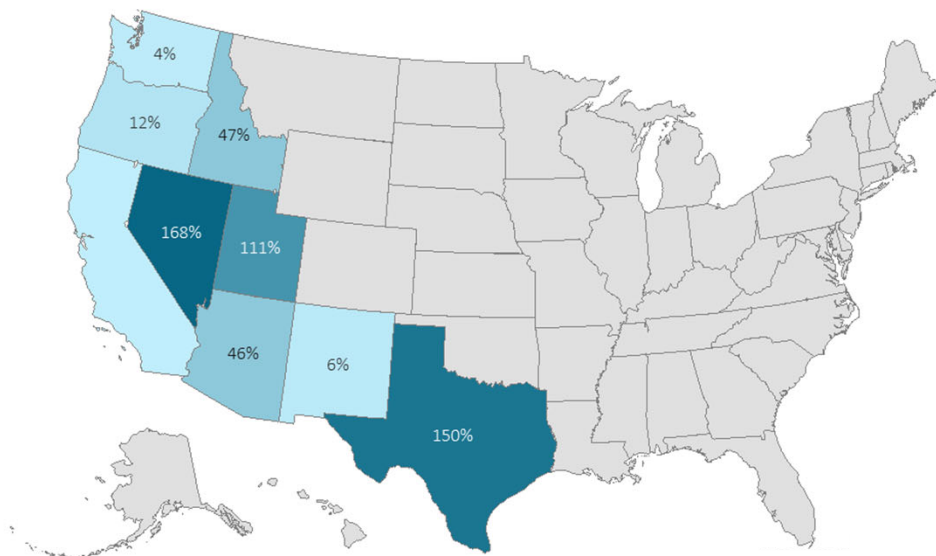


**United Way Matching Campaign**  
WaFd Bank matches employee contributions made to United Way agencies in all nine states. In fiscal year 2024 pledges from colleagues were \$375,525. WaFd matched \$375,495 and \$750,000 matched by FHLB for a total of \$1,501,020

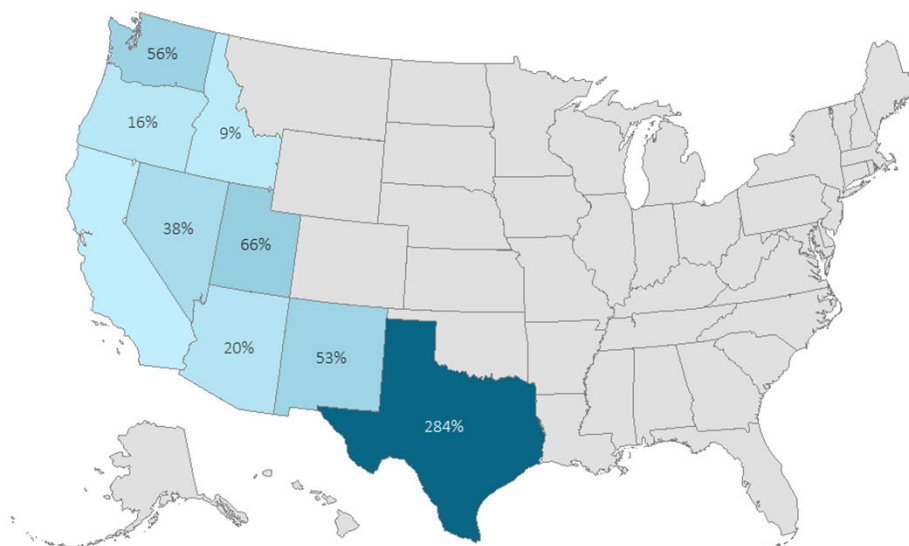
# 5 Year Change by Percentage in Each Geographical Area <sup>1</sup>

From September 30, 2019, to December 31, 2024

5 Year percentage change in Loans by Geographical Area



5 Year percentage change in Deposits by Geographical Area



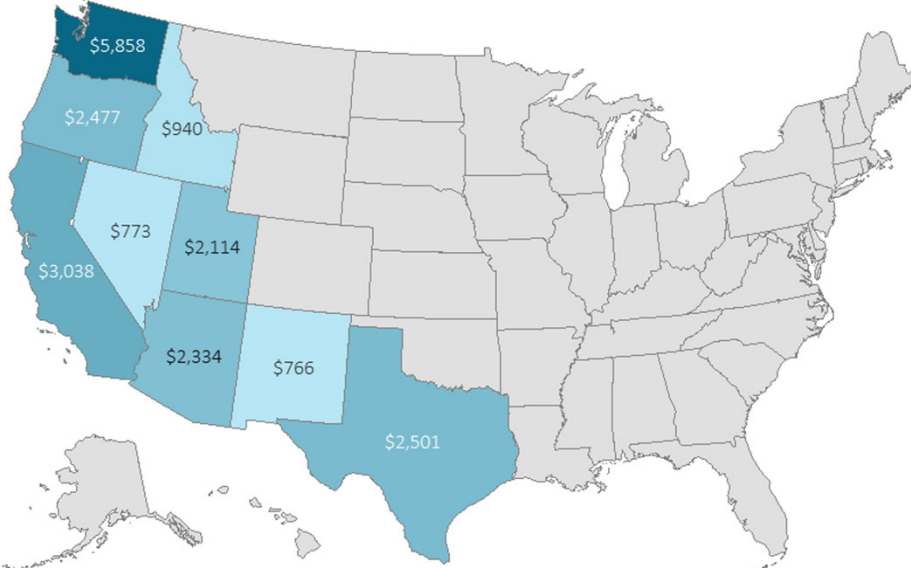
<sup>1</sup> WaFd entered the California market with the LBC merger 3/1/24.

# Loan and Deposit Balances by Geographical Area

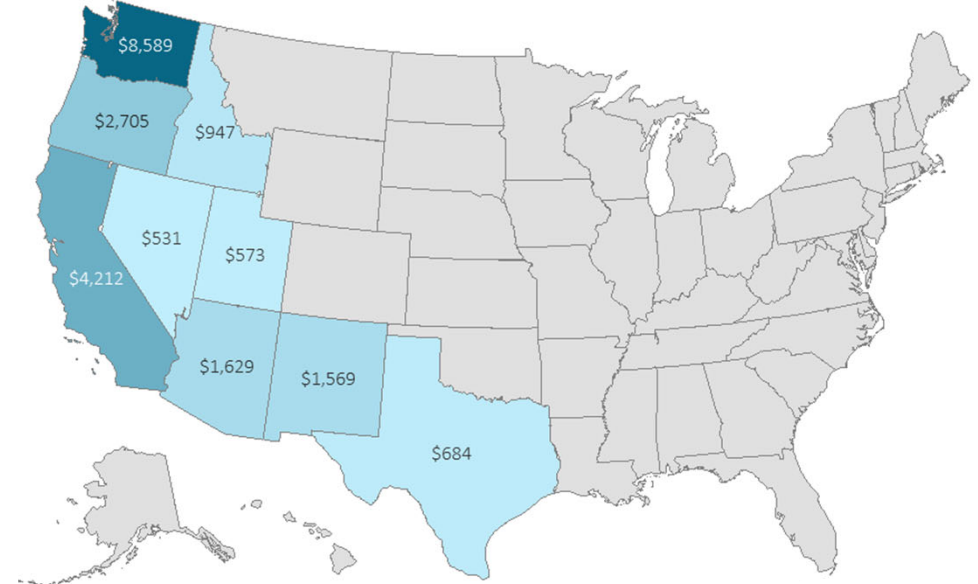
As of December 31, 2024

\$ In Millions

## Loan Balances by Geographical Area



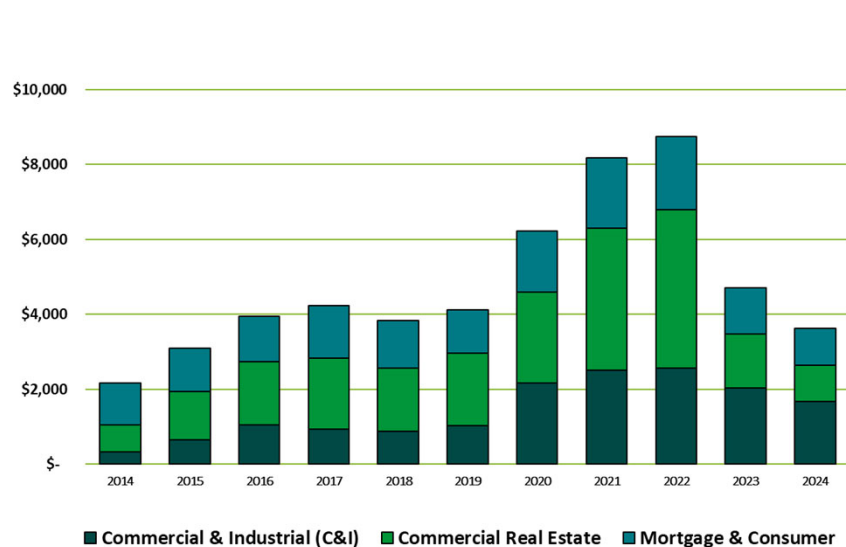
## Deposit Balances by Geographical Area



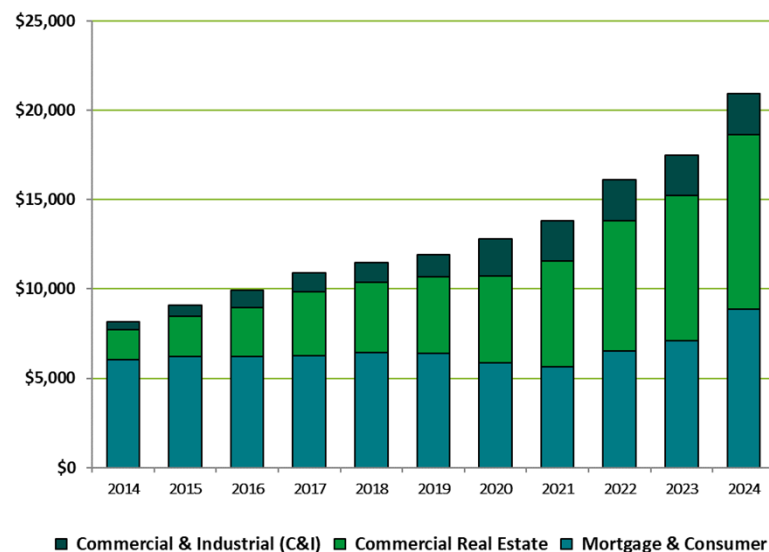
# Loan Growth – Through Different Interest Rate Environments

\$ in millions.

## New Loan Originations



## Loan Growth



- Originations overall are reduced due to both rising interest rates and an intentional slowing to temper growth
- Commercial loans make up a greater portion of all originations over time, making up 73% of all originations in 2024 compared to 49% in 2014

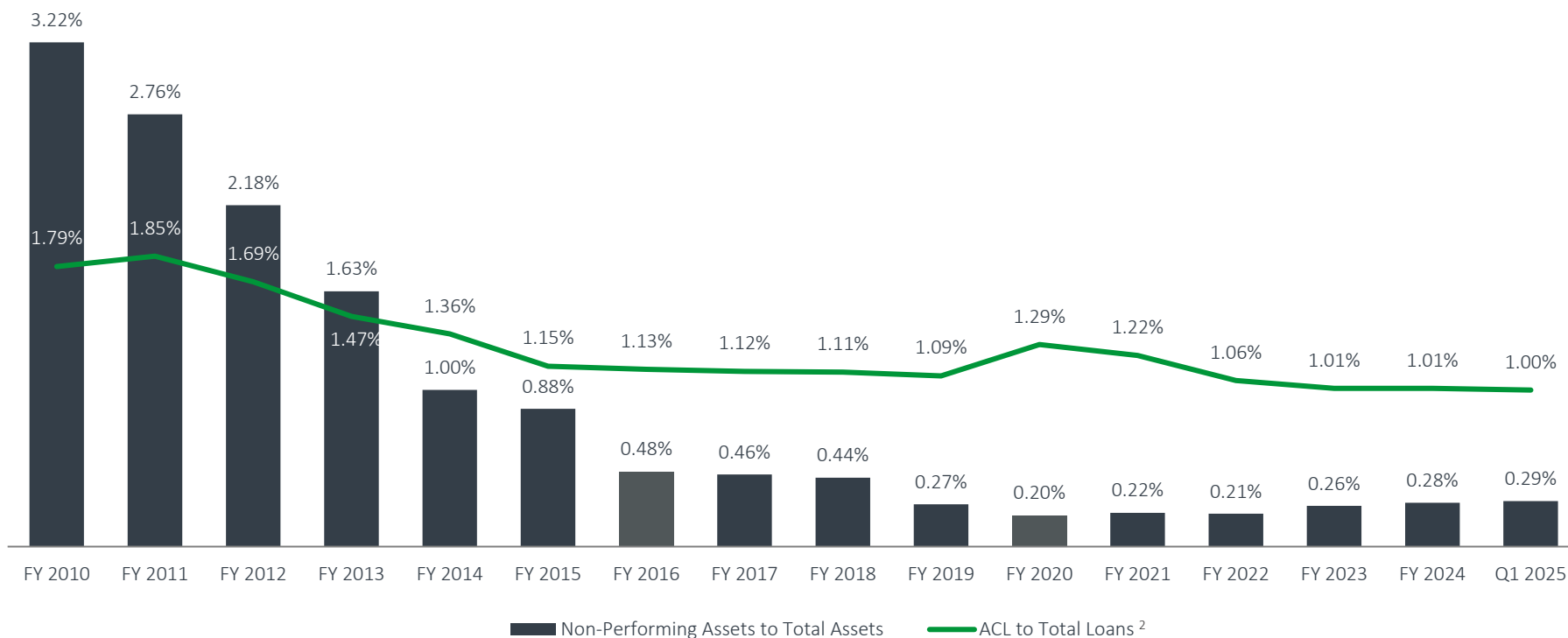
- Although originations have slowed, they are keeping up with repayments largely through funding of construction loans previously originated.
- Mortgage and Consumer loans currently make up 42% of total net loans compared to 74% in 2014 as a result in the origination trend noted at left

# Non-Performing Assets Near Record Lows

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

- ACL at 12/31/2024 amounted to \$204 million, representing 259% of total NPAs <sup>1</sup>
- Non-performing assets \$79 million as of 12/31/2024, 0.29% of Total Assets

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



<sup>1</sup> ACL to Total Loans does not include ACL related to unfunded commitments of \$20.5 million.

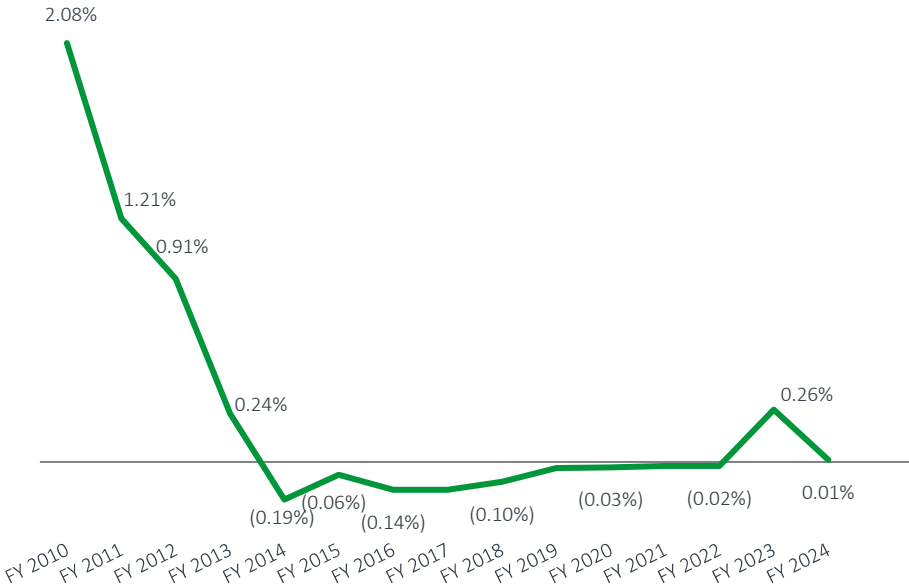
<sup>2</sup> Effective October 1, 2020, the Company implemented FASB's Current Expected Credit Loss (CECL) Standard

# Strong Credit Quality

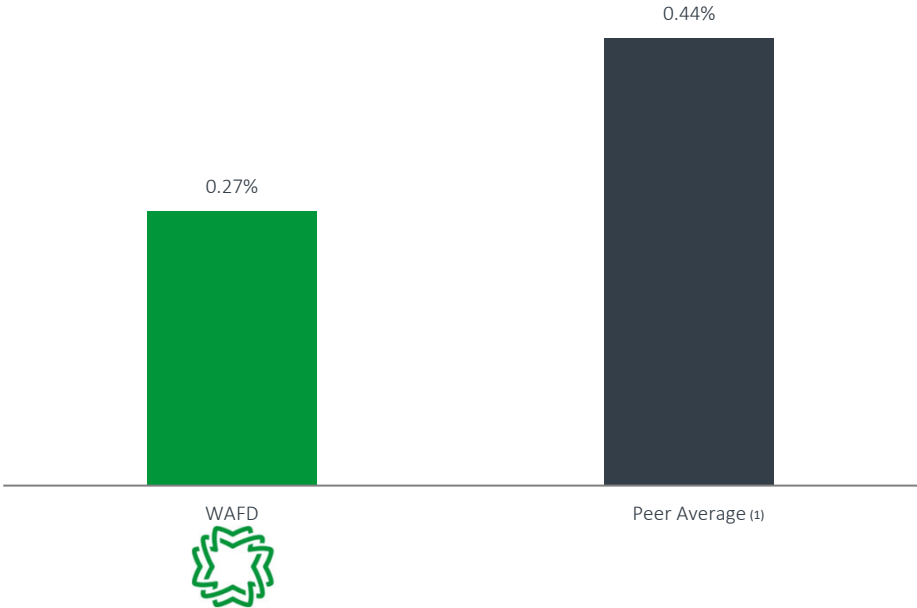
## Strong Credit Quality Characterized by Limited Charge-Offs

The Bank experienced nine consecutive years of net recoveries, fiscal 2014 through fiscal 2022, during which net recoveries totaled \$74.8 million. Although we experienced net charge-offs in fiscal 2023, those were the result of one large charge-off rather than a more widespread issue within the overall portfolio. Charge-off and recovery activity was minimal in FY 2024.

**Net Loan Charge-offs (recoveries)**



**Average NCOs Per Year – Last 20 Years**



Source: S&P Global, Company Filings  
 1 Peers represent Proxy Peers as specified in the Company's latest Proxy Statement

# Net Loan Portfolio Average Current LTV

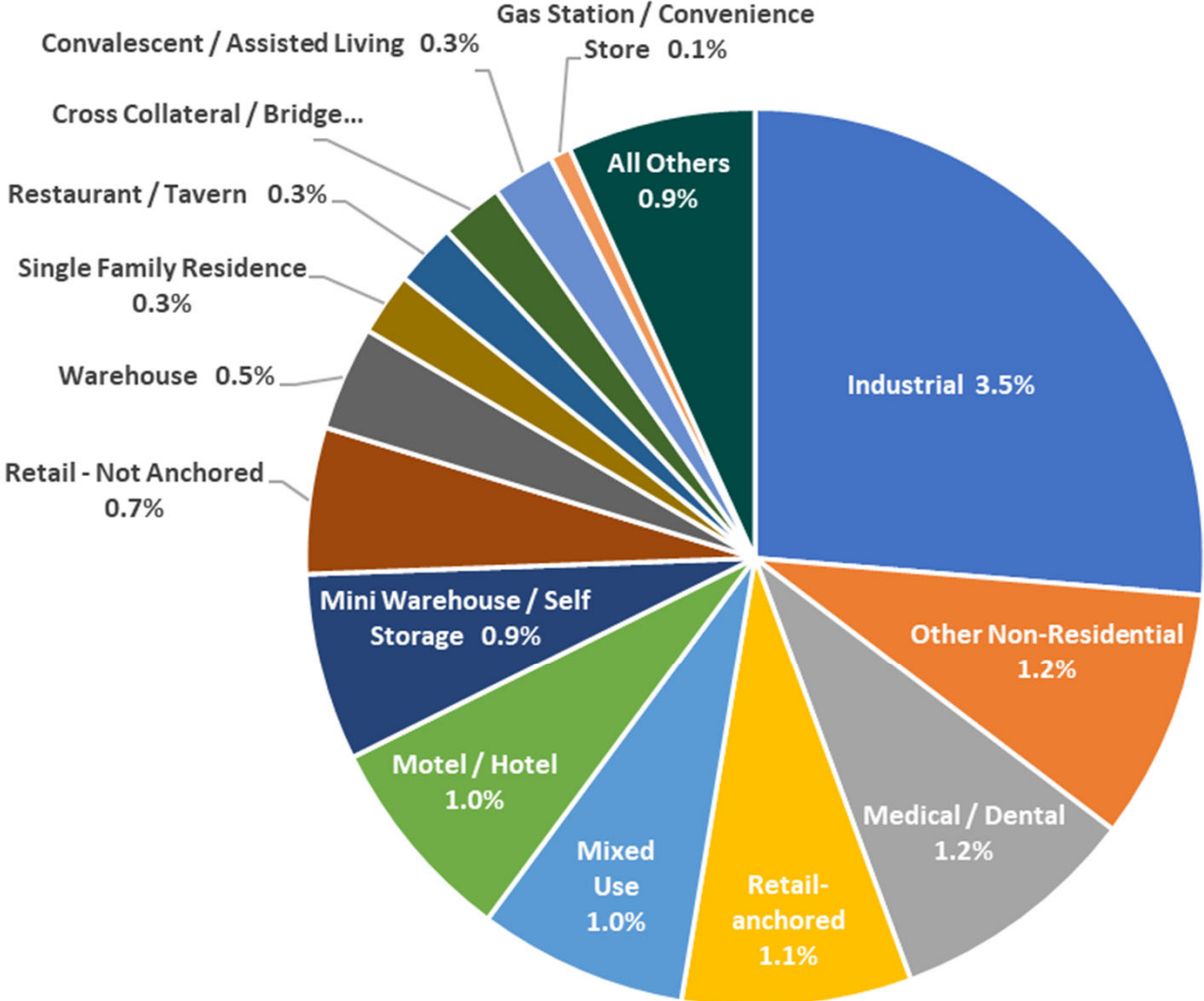
As of December 31, 2024

\$ In Thousands

	Net Balance	% of Loans	WTD Avg Current LTV	% Delinquent based on \$
Multifamily	\$ 4,714,800	22%	58%	0.50%
CRE - Office	783,196	4%	65%	0.00%
CRE - Other	2,789,689	13%	48%	0.02%
CRE Construction - Multifamily	860,326	4%	51%	0.00%
CRE Construction - Other	501,819	2%	42%	0.90%
C&I	2,343,246	11%	NA	0.10%
SFR	8,320,765	40%	38%	0.36%
SFR Custom Construction	154,495	1%	50%	0.55%
Other	592,165	3%	NA	0.52%
	\$ 21,060,501	100%		0.31%

# Other CRE Property Types as % of Total Net Loans

As of December 31, 2024



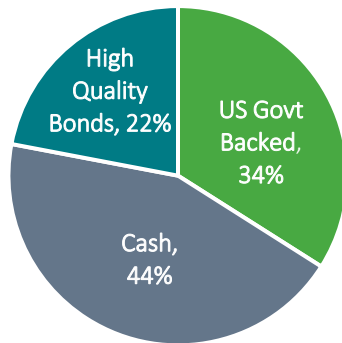


# Significant Liquidity and High-Quality Securities Portfolio

High quality, \$4.8 billion cash and investment portfolio with \$7.7 billion remaining collateral and lines as a source of additional potential liquidity

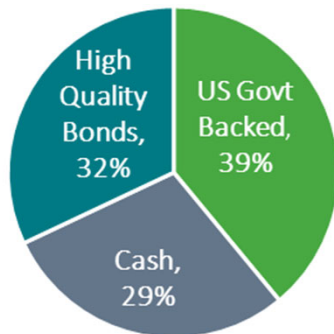
## Cash and Securities Composition

Dec 31, 2024



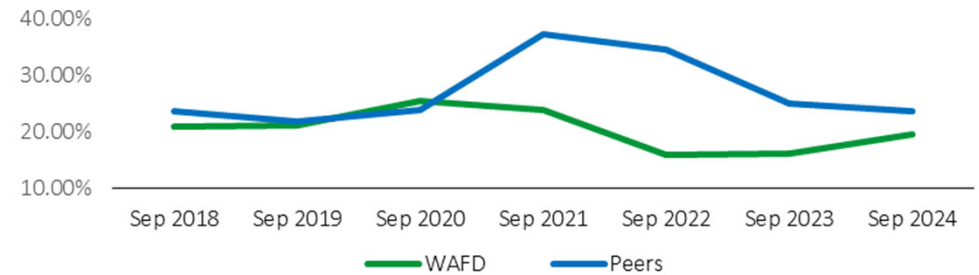
Total Cash and Securities: \$4.8Bn  
Cash and Securities / Total Assets: 17%

Dec 31, 2023



Total Cash and Securities: \$3.6Bn  
Cash and Securities / Total Assets: 16%

## Cash & Securities / Total Assets<sup>1</sup>



Source: SNL Financial, Company Filings

<sup>1</sup> Peers represent Banks similar to WaFd in size, geography and operations

As of 12/31/2024, WAFD maintains over \$5.3bn of balance sheet Liquidity.

- Cash and Securities is 19% of assets
- Investment Portfolio targets low credit risk / moderate duration
- 76% Cash and US Government-backed Agency Bonds and MBS
- Current Yield on Cash and Investments Portfolio is 4.53%

Liquidity is tested quarterly through utilizing various scenarios to determine their affect on available liquidity. Whether minor or extreme, these tests show strong liquidity as a result of deposits and borrowing capacity from reliable collateralized sources.

# Investment Portfolio

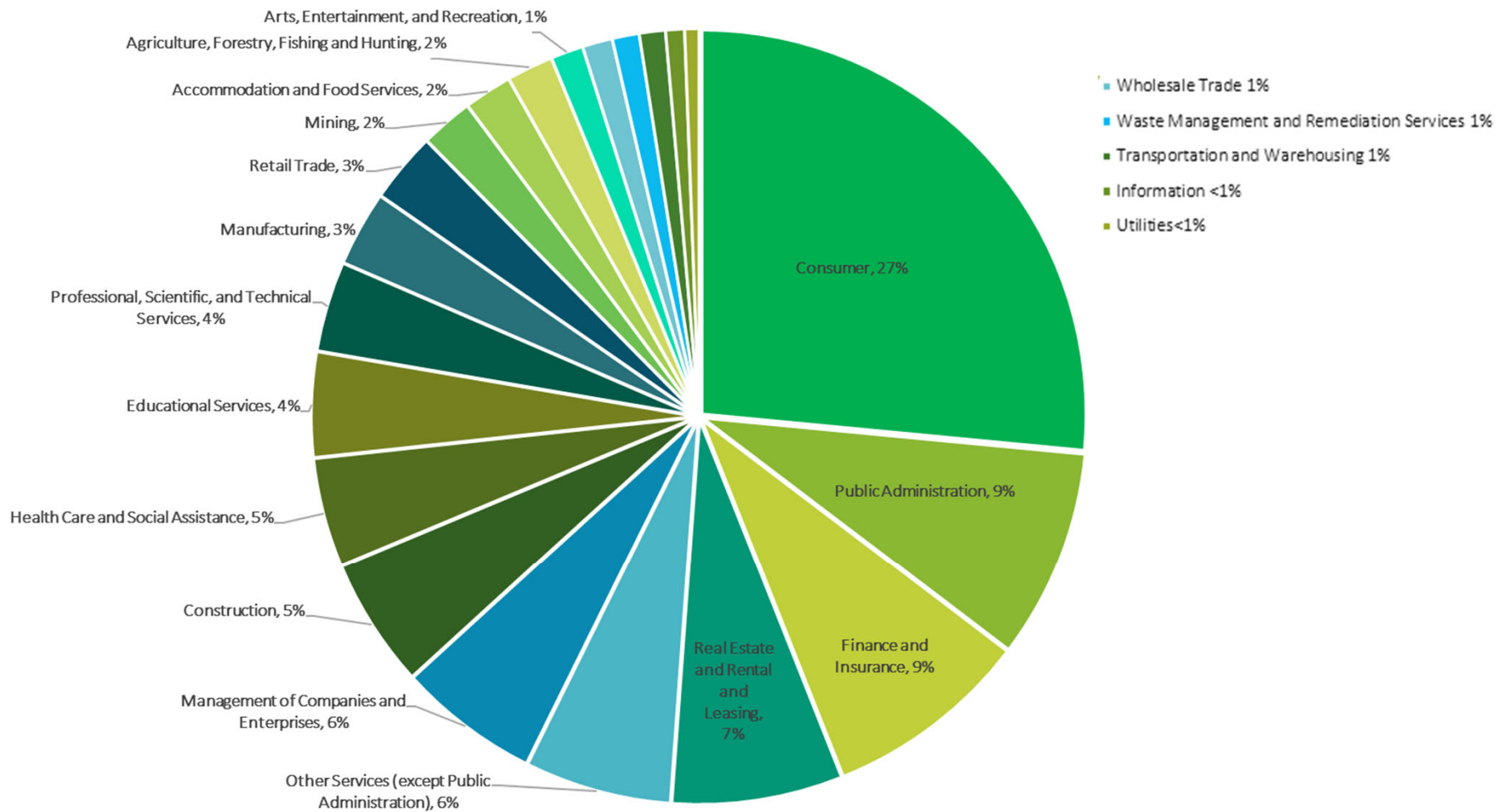
*High quality, \$3.2 Billion investment portfolio with a duration of 2.9 years. Portfolio is 54% variable rate.*

HTM Investments	Fair Value	Gain/Loss	WAL	Expected Yield
Agency MBS	\$ 485,106	\$ (52,242)	7.4	3.58%

AFS Investments	Fair Value	Gain/Loss	WAL	Expected Yield
Agency MBS	\$ 1,600,089	\$ (56,089)	5.32	4.30%
Agency and Student Loan Bonds	840,975	1,149	13.6	5.60%
Corporate Bonds	267,873	(13,425)	4.6	4.40%
Municipal Bonds	34,794	(671)	10.5	5.20%
	\$ 2,743,731	\$ (69,036)		

Hedges	Gain/Loss	WAL
Borrowing Cash Flow Hedges	\$ 138,870	

# Highly Diversified Deposit Base - % of Deposits by Industry

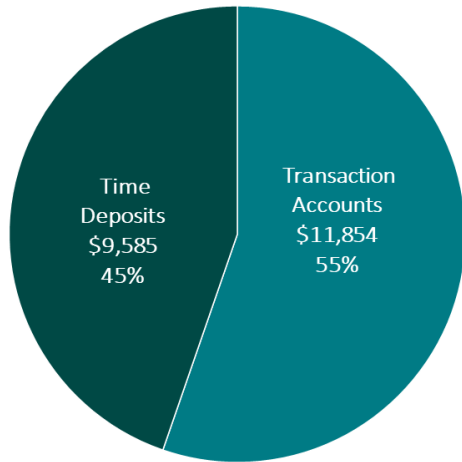


*Top 20 depositors make up 9.7% of total deposits. 24.8% of total deposits are uninsured and not collateralized as of December 31, 2024.*

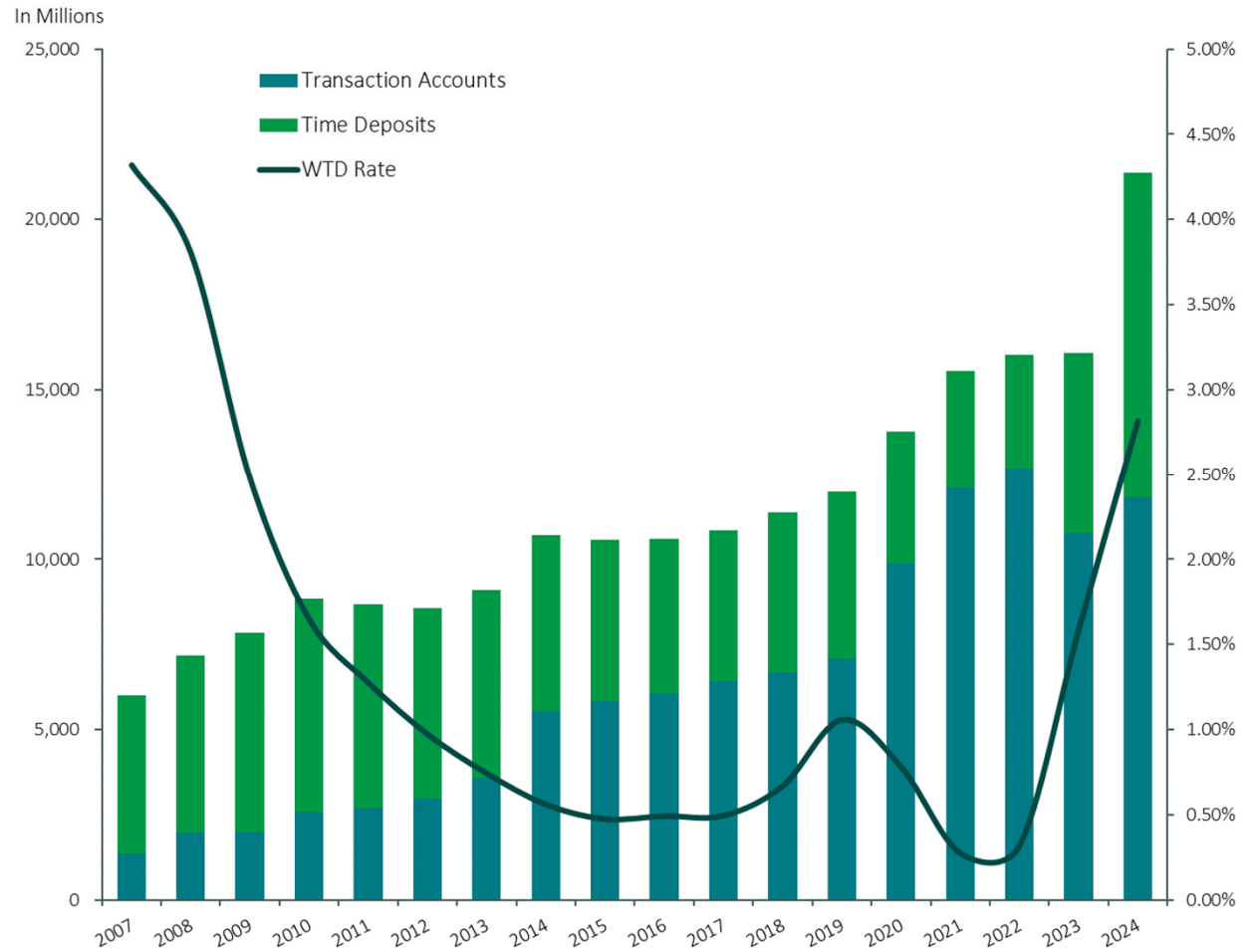
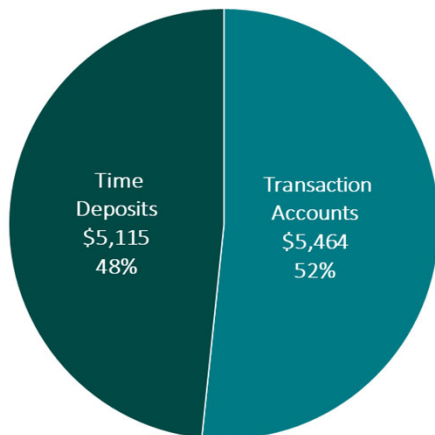
# Deposit Trends

Shifting away from time deposits in favor of transaction accounts. Checking accounts now make up 33% of all deposits

As of 12/31/2024



As of 12/31/2014



# Deposit Flows

Overall changes by quarter and balances by type

Customer Deposit Accounts	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
Checking - Noninterest Bearing	3,269,773	3,266,734	3,070,895	2,856,165	2,729,888	2,604,281	2,482,010	2,514,310	2,500,467	2,489,394
Checking - Interest Bearing	3,472,402	3,497,795	3,971,814	4,125,554	4,124,463	4,084,933	4,579,413	4,481,465	4,486,444	4,554,922
Savings	1,069,801	1,059,093	1,002,034	943,915	817,547	777,204	771,260	733,973	718,560	714,755
Money Market	4,856,275	4,867,905	4,503,090	3,954,709	3,358,603	3,191,646	4,506,179	4,199,257	4,111,714	4,094,788
CDs	3,297,369	3,338,043	3,412,203	3,980,605	4,863,849	5,380,723	9,000,911	9,255,760	9,556,785	9,584,918
<b>Total</b>	<b>15,965,620</b>	<b>16,029,570</b>	<b>15,960,035</b>	<b>15,860,948</b>	<b>16,120,424</b>	<b>16,038,787</b>	<b>21,339,773</b>	<b>21,184,765</b>	<b>21,373,970</b>	<b>21,438,777</b>
Quarter % Change	-2.6%	0.4%	-0.4%	-0.6%	1.6%	1.1%	33.1%	-0.7%	0.9%	0.3%
Quarter \$ Change	(425,028)	63,950	(69,534)	(99,088)	259,477	177,839	5,300,986	(155,008)	189,205	64,807
Uninsured & Uncollateralized Deposits	4,856,149	4,876,840	4,238,629	4,033,174	4,124,355	4,182,289	5,436,402	5,238,217	5,134,192	5,317,511
% of Total Deposits	30.4%	30.4%	26.6%	25.4%	25.6%	26.1%	25.5%	24.7%	24.0%	24.8%

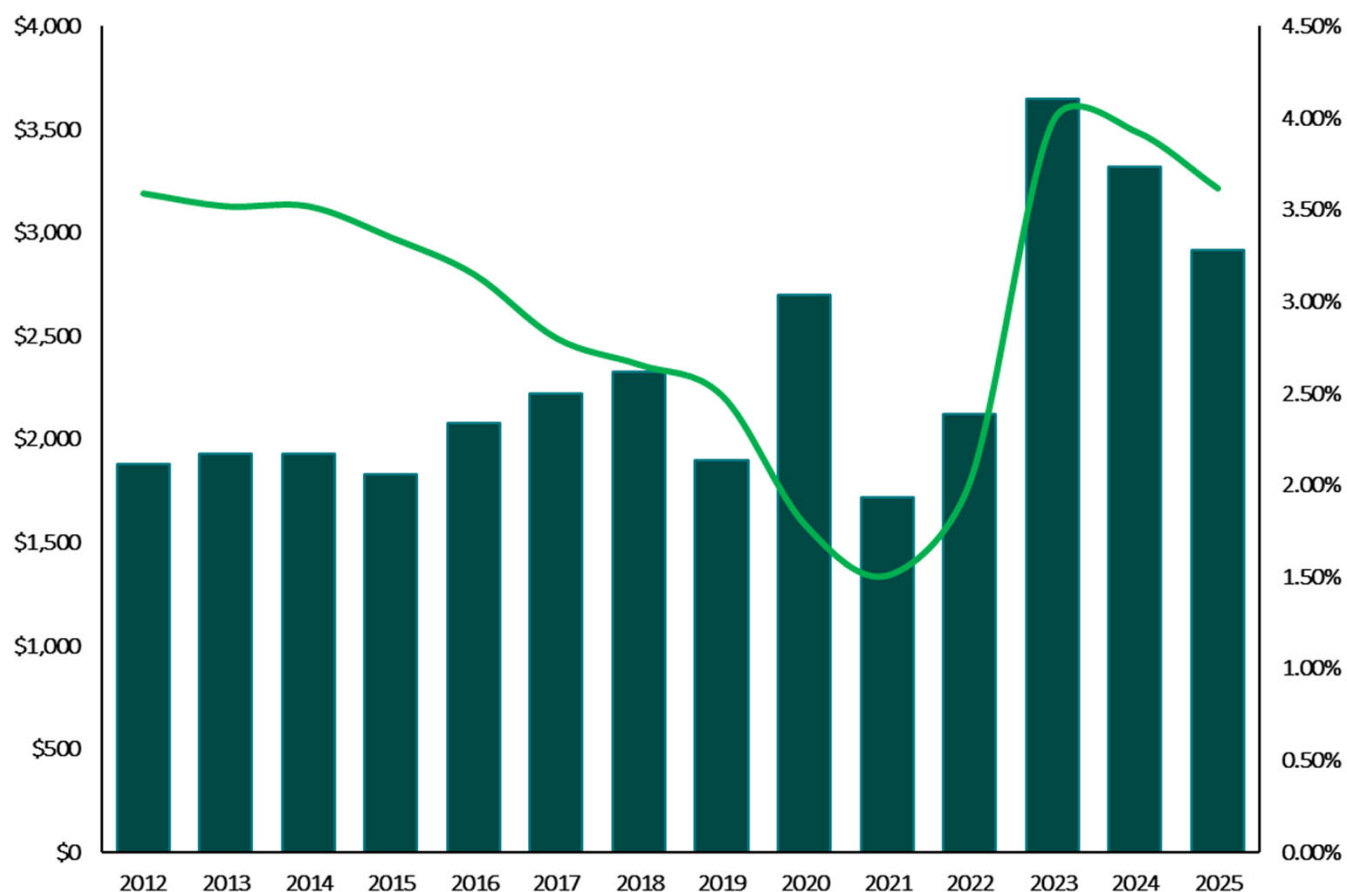
- Deposit balances increased in FY24 as a result of the LBC merger. The merger added \$3.7 billion in time deposits and \$1.9 billion in transaction accounts.
- 75% of deposits are collateralized or insured.

\*(Balances \$ in thousands)

# Borrowings and Debt Outstanding & Weighted Rate

Total Debt is 98.3% FHLB and 1.7% Junior Subordinated debentures and is used in part to manage interest rate risk. Current period decrease reflects the \$1.0 billion in Fed's Term Funding borrowings paid off with the proceeds from the LBC loan sales.

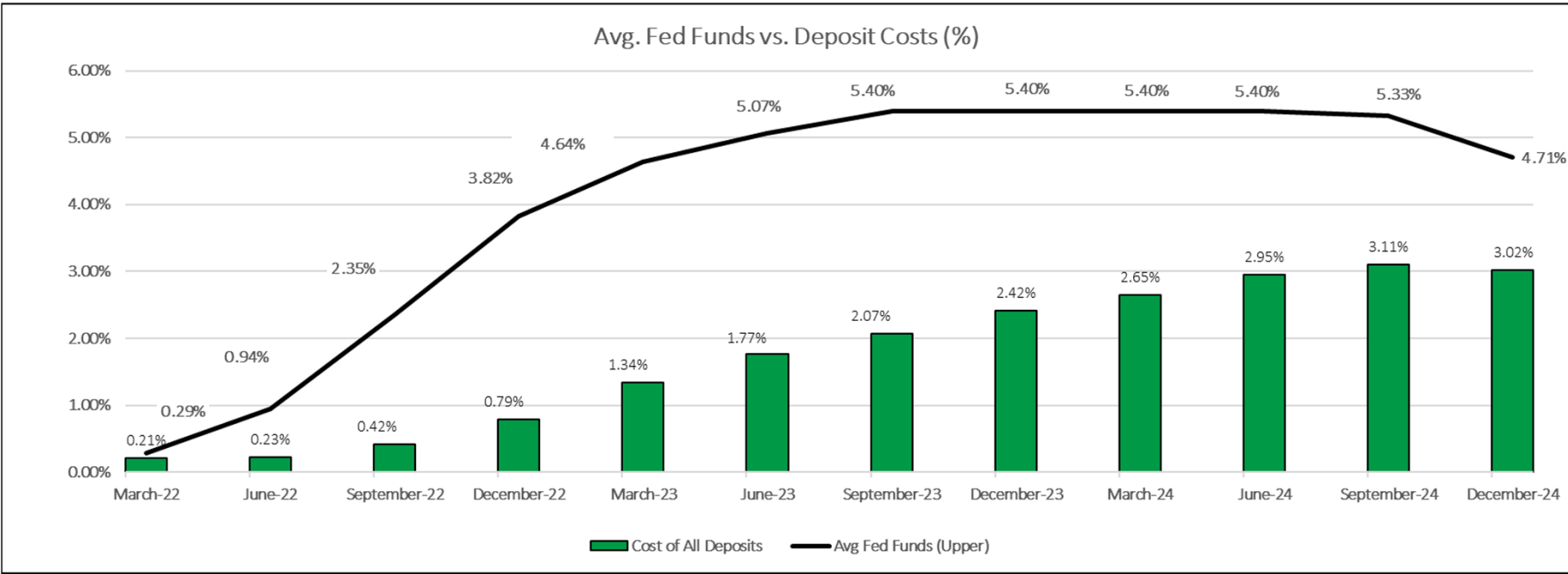
Increase in borrowings for 2020 was from locking in \$1 billion of funding at a fixed rate of 66 bps for 10 years. More recent increases served to ensure sufficient balance sheet liquidity.



## Effective Maturity Schedule

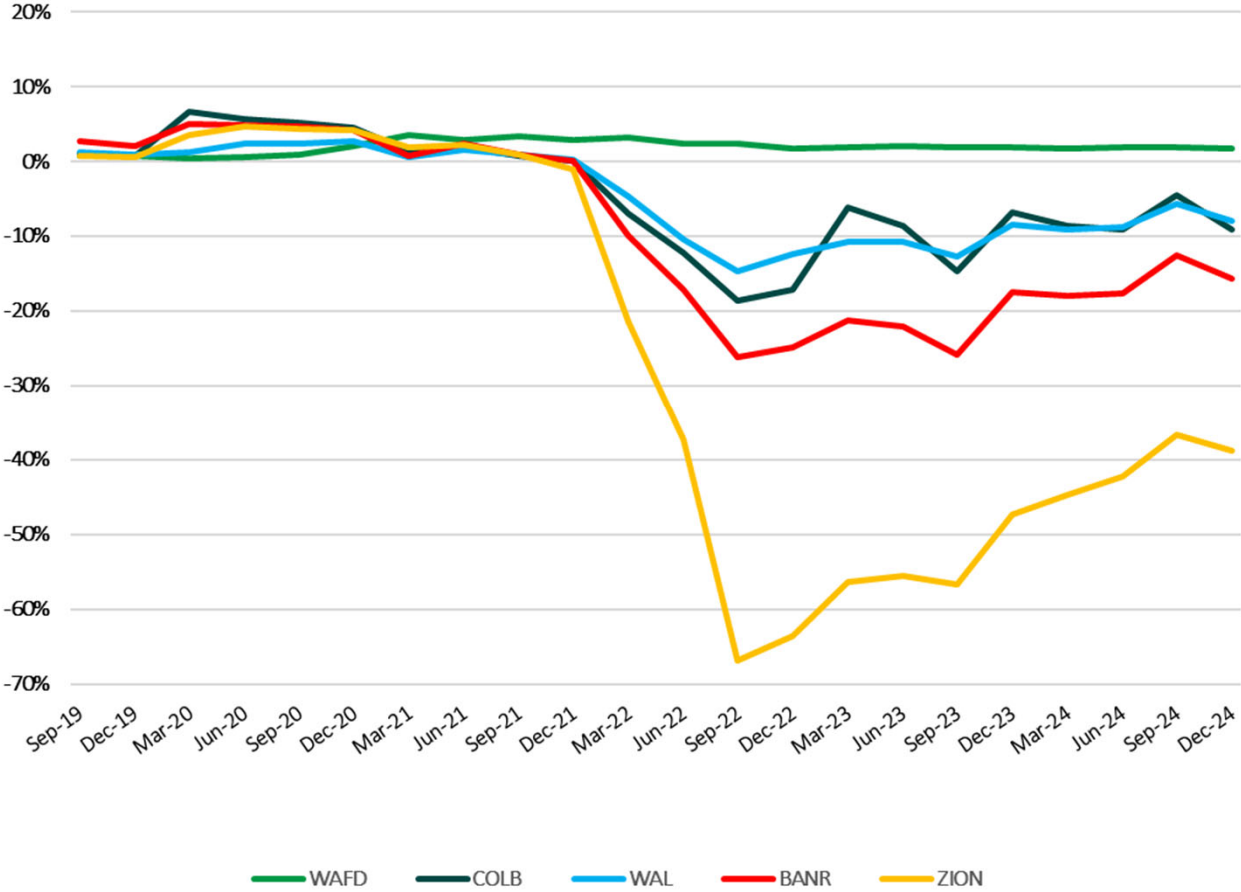
	Amount \$ million	Rate
Within 1 year:	\$1,850	4.84%
1 to 3 years:	\$ 194	3.14%
3 to 5 years:	\$ 18	0.00 %
5+ years:	\$ 851	1.15%

# Cost of Deposits in the Rising Rate Environment



# AOCI vs our Peers

Total Accumulated Other Comprehensive Income as a percent of Equity





# Income Statement Comparison

*\$ In thousands*

	Three Months Ended,			
	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>\$ Change</u>	<u>% Change</u>
<b>INTEREST INCOME</b>				
Loans.....	\$ 286,597	\$ 245,792	\$ 40,805	17%
Mortgage-backed securities.....	18,337	11,266	7,071	63%
Investment securities and cash equivalents.....	40,183	29,788	10,395	35%
	<u>345,117</u>	<u>286,846</u>	<u>58,271</u>	<u>20%</u>
<b>INTEREST EXPENSE</b>				
Customer accounts.....	162,150	96,671	65,479	68%
FHLB advances and other borrowings.....	27,536	37,938	(10,402)	-27%
	<u>189,686</u>	<u>134,609</u>	<u>55,077</u>	<u>41%</u>
<b>NET INTEREST INCOME</b> .....	<b>155,431</b>	<b>152,237</b>	<b>3,194</b>	<b>2.1%</b>
Provision (release) for credit losses.....	0	0	0	
<b>Net interest income after provision(reversal)</b> .....	<b>\$ 155,431</b>	<b>\$ 152,237</b>	<b>\$ 3,194</b>	<b>2.1%</b>

# Income Statement Comparison

*In thousands*

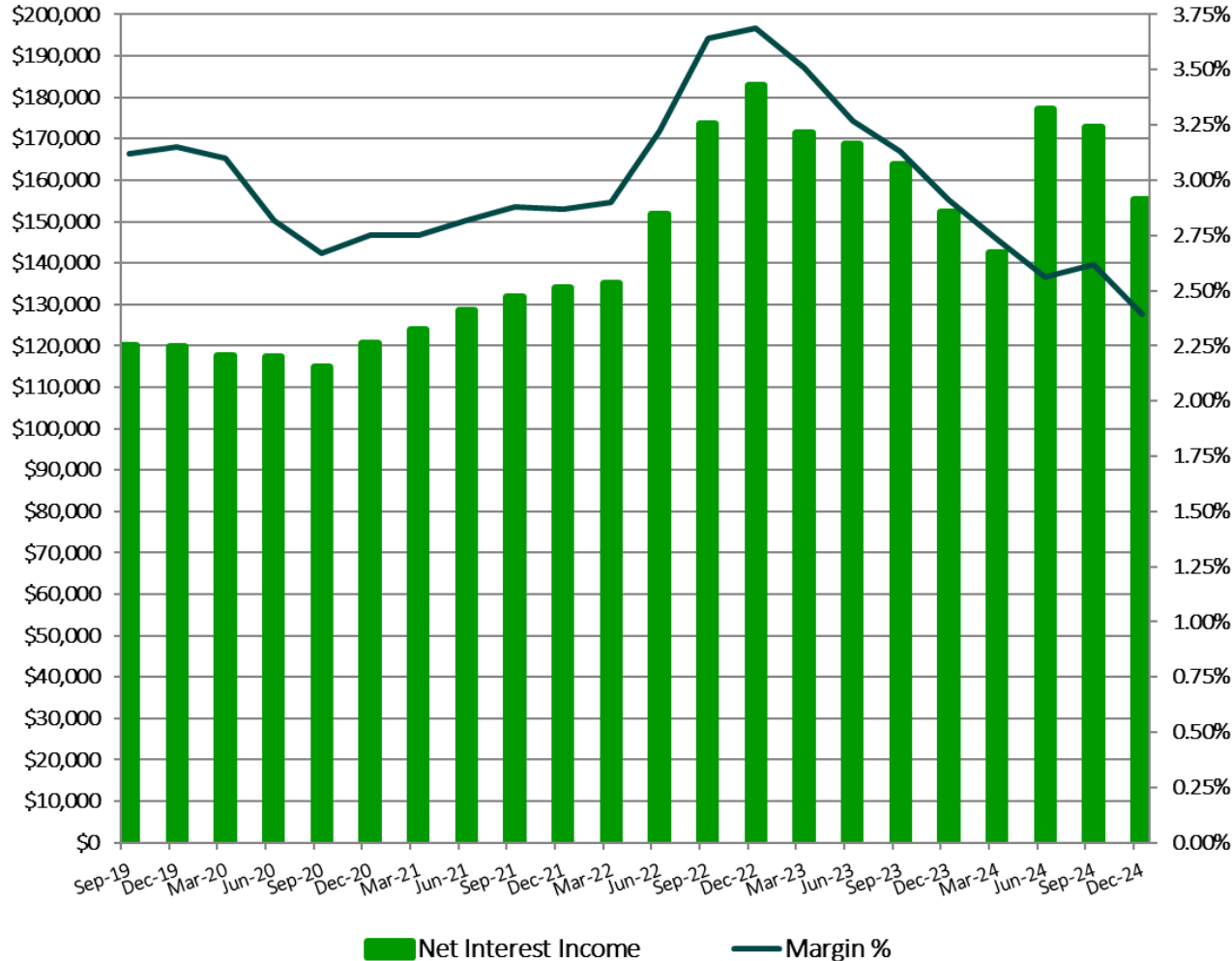
	Three Months Ended,		\$ Change	% Change
	<u>12/31/2024</u>	<u>12/31/2023</u>		
<b>OTHER INCOME</b>	\$ 15,702	\$ 14,167	\$ 1,535	10.8%
<b>OTHER EXPENSE</b>				
Compensation and benefits.....	59,927	49,841	10,086	20.2%
Occupancy.....	10,788	9,371	1,417	15.1%
FDIC insurance.....	4,850	6,570	(1,720)	-26.2%
Product delivery.....	5,785	6,009	(224)	-3.7%
Information technology.....	14,192	12,866	1,326	10.3%
Other expense.....	15,769	11,883	3,886	32.7%
	<u>111,311</u>	<u>96,540</u>	<u>14,771</u>	15.3%
Gain (loss) on REO.....	<u>429</u>	<u>1,826</u>	<u>(1,397)</u>	-77%
Income before income taxes.....	60,251	71,690	(11,439)	-16.0%
Income taxes.....	<u>12,984</u>	<u>13,237</u>	<u>(253)</u>	-1.9%
<b>NET INCOME</b> .....	<u>\$ 47,267</u>	<u>\$ 58,453</u>	<u>\$ (11,186)</u>	<b>-19.1%</b>
Dividends on preferred stock.....	<u>3,656</u>	<u>3,656</u>	<u>0</u>	
<b>Net Income available to common shareholders</b> .....	<u>\$ 43,611</u>	<u>\$ 54,797</u>	<u>\$ (11,186)</u>	<b>-20.4%</b>

*Efficiency Ratio of 65.0% for the quarter ending 12/31/2024 up from 58.02% for the quarter ending 12/31/2023 as a result of restructuring costs recognized in the current quarter.*

*Effective tax rate for the quarter ending 12/31/2024 is 21.55% compared to 18.46% for the quarter ending 12/31/2023.*

# Net Interest Income and Net Interest Margin

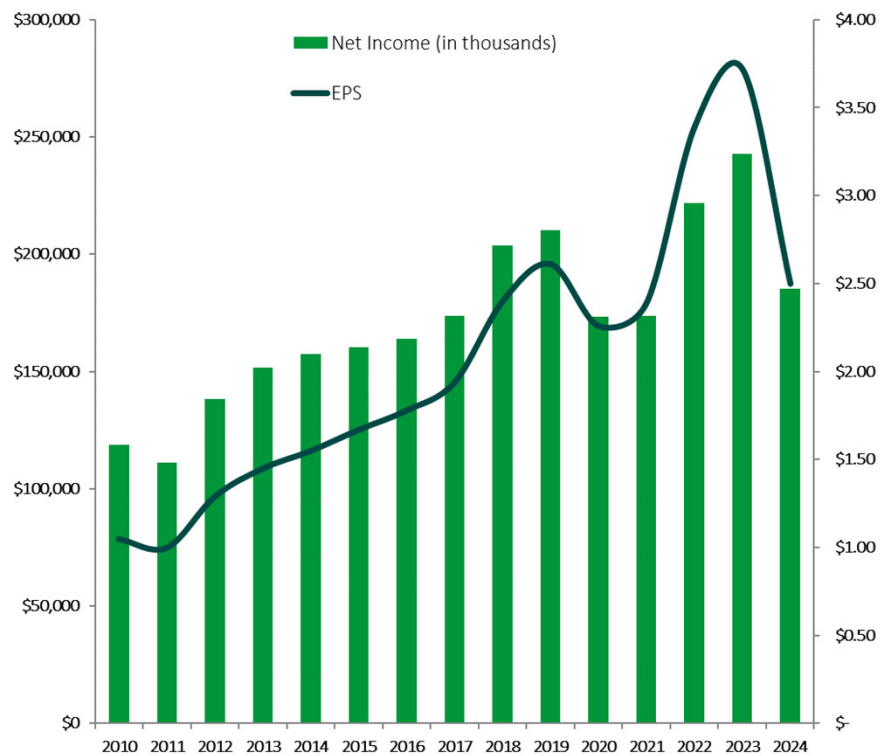
Net interest income in thousands.



- IRR measures as of Dec 31, 2024:**
- Net Interest Income (NII) would increase by 3.2% in +200 bps immediate and parallel shock and would increase by 3.5% in a -200 bps immediate parallel shock.
  - Net Portfolio Value (NPV) after +200bps shock is 28.4% lower (\$848mm) and at \$2.135 billion would be 8.52% of total assets NPV after -200bps shock is 16.8% higher (\$501 mm) and at \$3.485 billion would be 12.6% of total assets.

# Net Income and Common Earnings Per Share

## Annual



## Quarterly

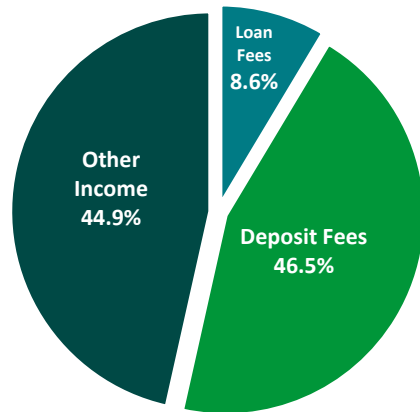


March 31, 2024 Net Income and EPS reflect merger-related expenses of \$25 million and the preliminary ACL provision of \$16 million.

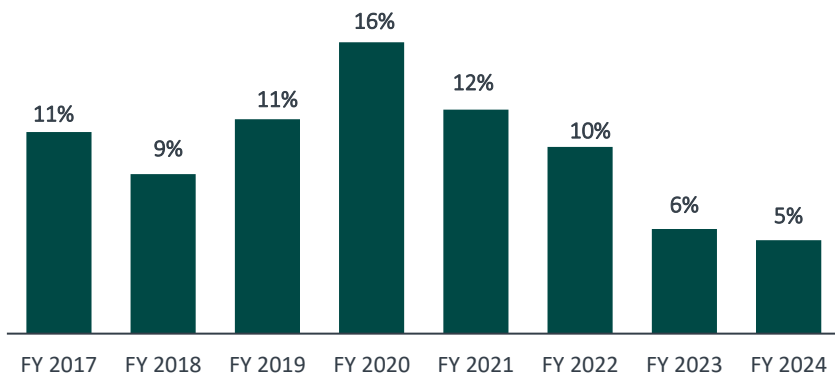
# Non-Interest Income

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

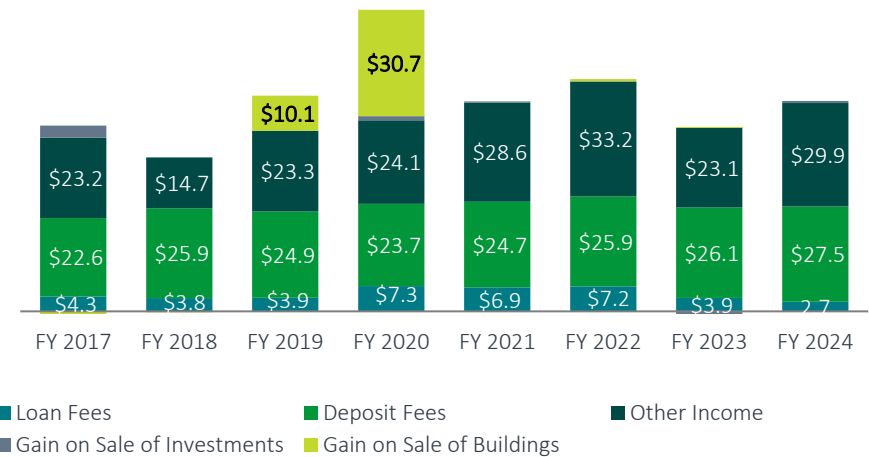
Non-Interest Income for Quarter-Ended 12/31/2024



Non-Interest Income / Total Loan Revenue



Non-Interest Income Over Time (\$MM)



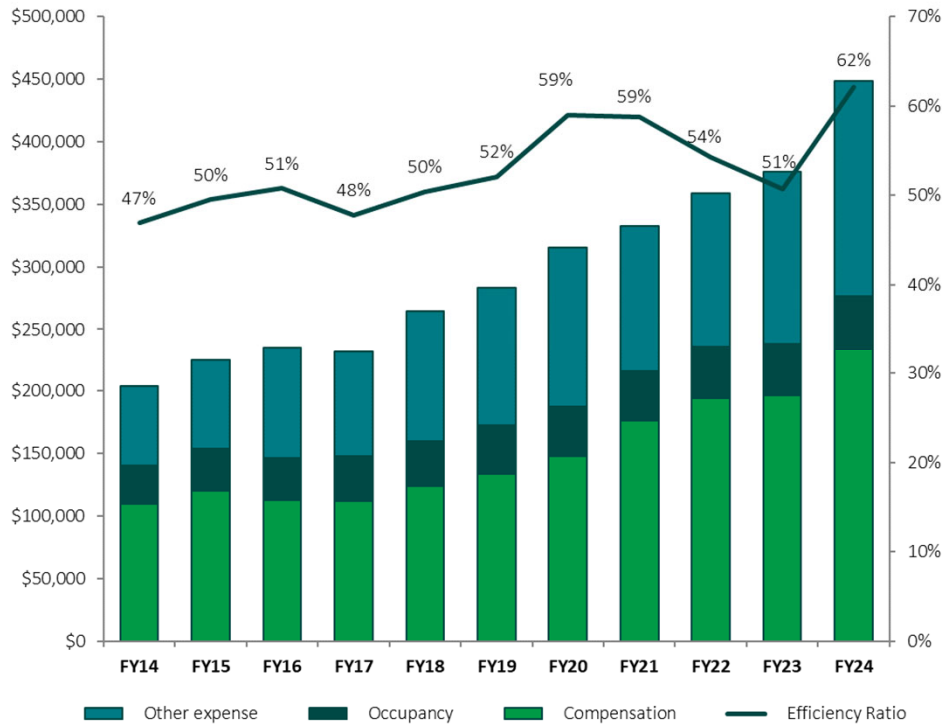
Other Income includes:

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

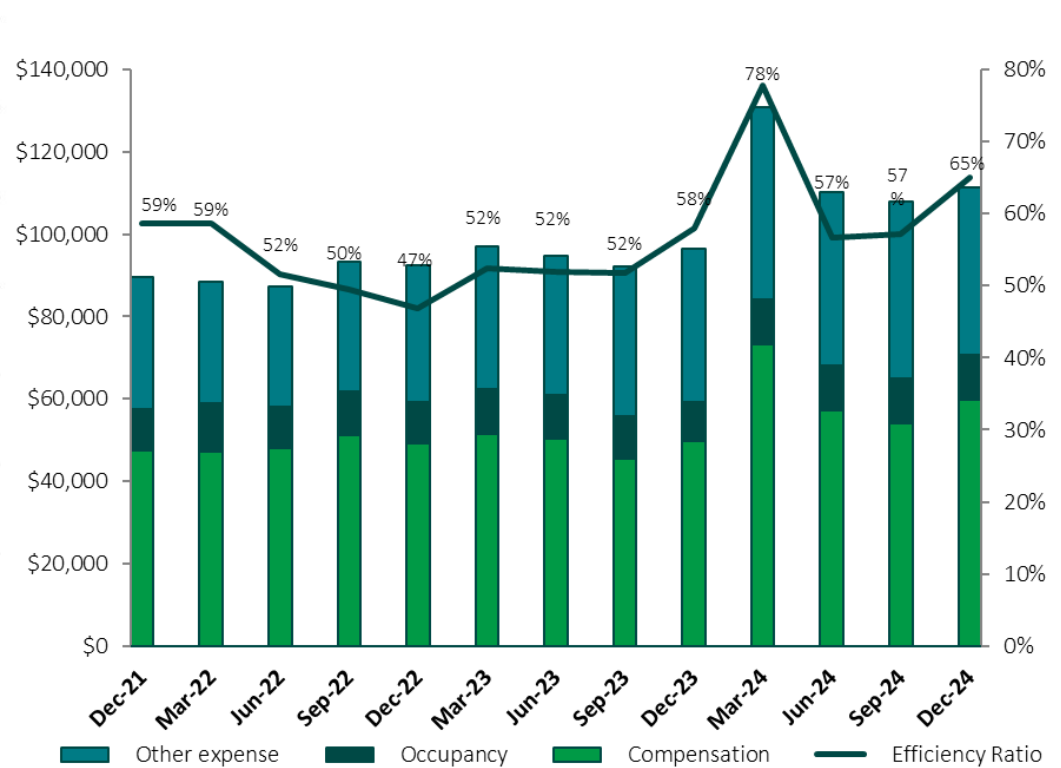
# Non-Interest Expense Over Time

Annual and Quarterly - Expenses in thousands

Annual



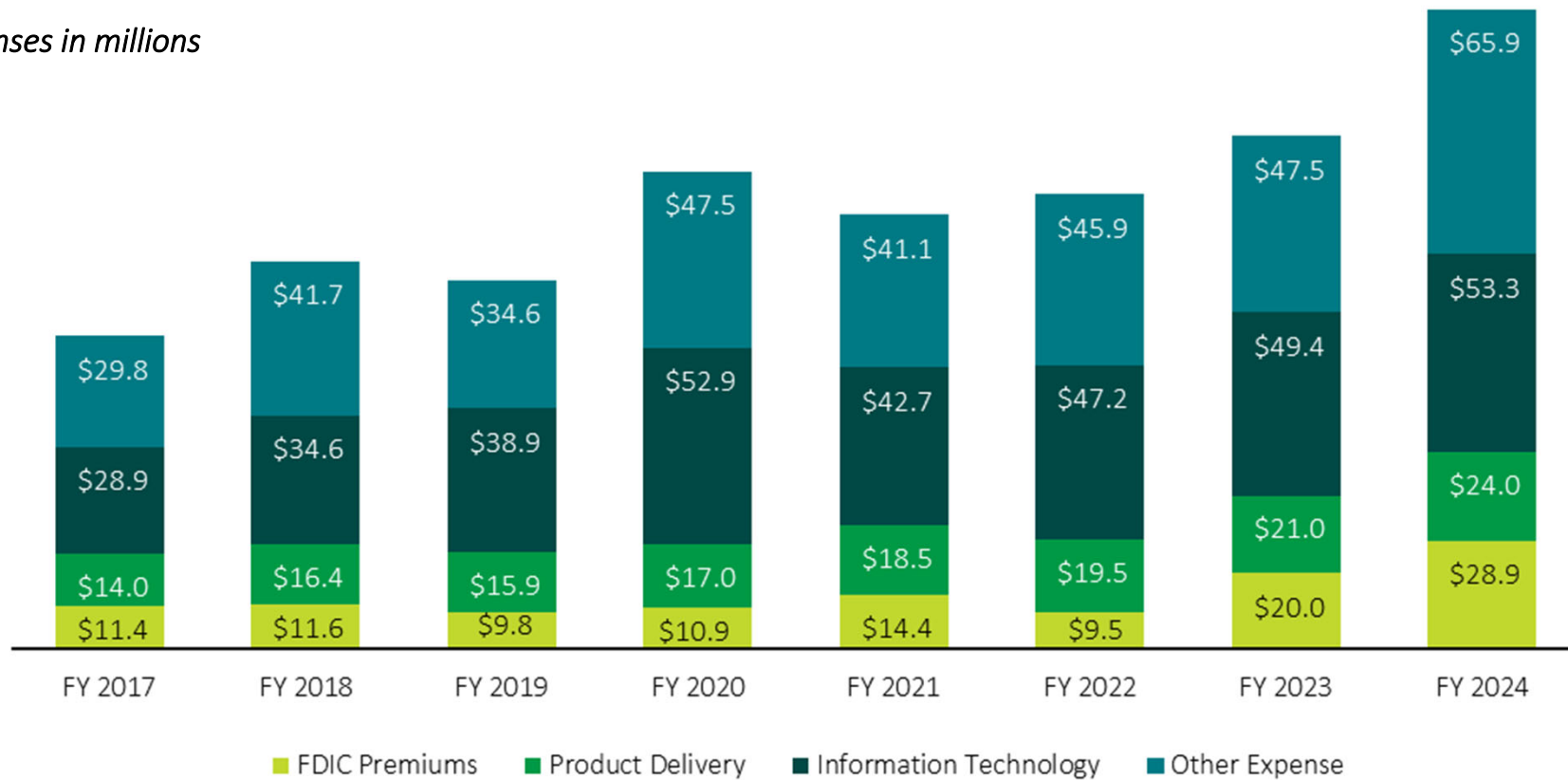
Quarterly



Non-interest expense includes FDIC premiums, product delivery & IT related costs and other miscellaneous expenses. The quarter-ended March 31, 2024 includes merger related expenses and other non-operating expenses. If removed, the adjusted efficiency ratio for 2024 would be 57.5%. See additional details for 'other' expenses within Other Non-Interest Expense on the next page.

# Breakout of Non-Interest Expense

Expenses in millions

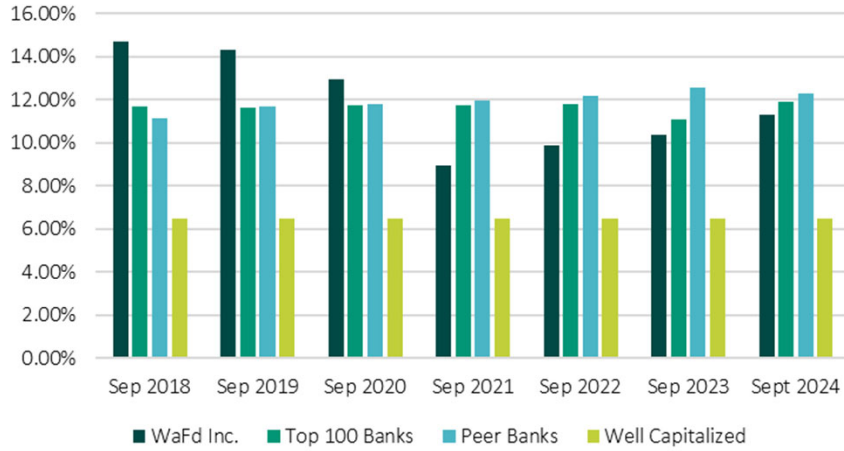


Non-Interest Expense includes:

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

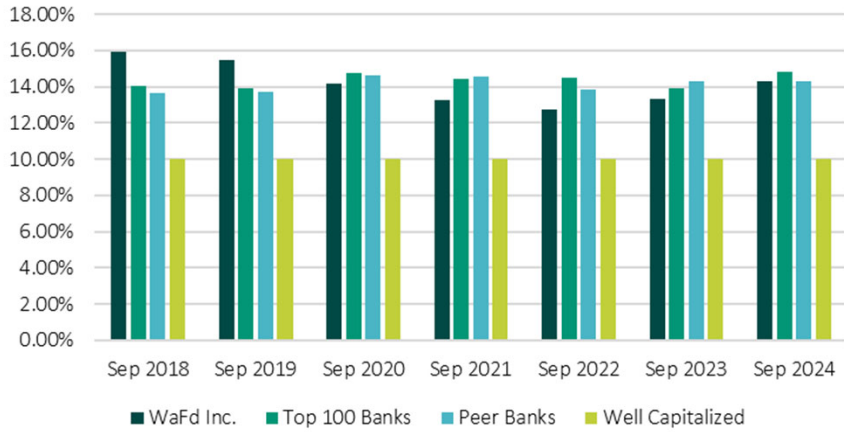
# Capital Ratios

Common Equity Tier 1 Ratio

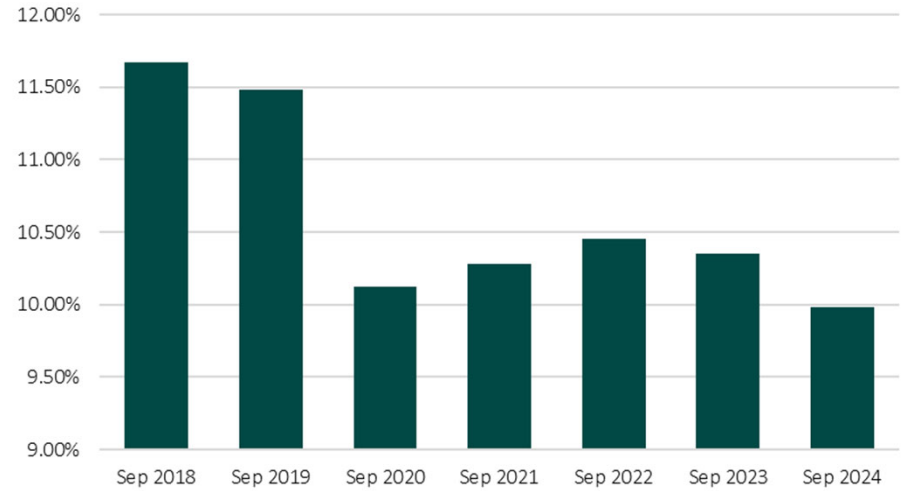


*WAFD does not seek to maximize leverage. Rather, we aspire to be the bank that can best weather the next storm on the horizon.*

Total Risk-Based Capital



TCE+ACL/Tang Assets



• Source: S&P Global, Company Filings



# Returning Capital to Shareholders

## Return of Income to Common Shareholders

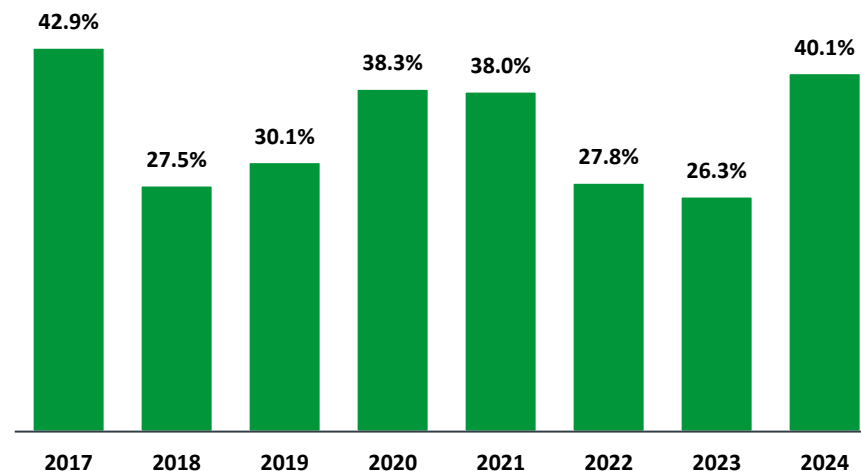
	Net Income	Stock Buyback & Dividends	Percent of Income returned to Shareholders
2016	\$164,049	\$137,808	84%
2017	\$173,532	\$172,892	100%
2018	\$203,850	\$220,246	108%
2019	\$210,256	\$187,163	89%
2020	\$173,438	\$178,629	103%
2021	\$173,581	\$414,527	239%*
2022	\$221,705	\$64,837	29%
2023	\$242,801	\$94,255	39%
2024	\$185,416	\$101,355	55%

\* Preferred stock issuance proceeds were used to repurchase 8 million shares

## Share Repurchases

	# of Shares	Wtd Price Paid	% Outstanding at beginning of the year
2016	3,867,563	\$22.72	4%
2017	3,137,178	\$31.36	3%
2018	4,865,357	\$33.74	6%
2019	4,065,352	\$30.46	5%
2020	3,339,530	\$33.58	4%
2021	10,810,113	\$32.25	14%
2022	92,774	\$35.14	0.1%
2023	1,165,161	\$26.14	2%
2024	1,070,207	\$25.29	1.6%

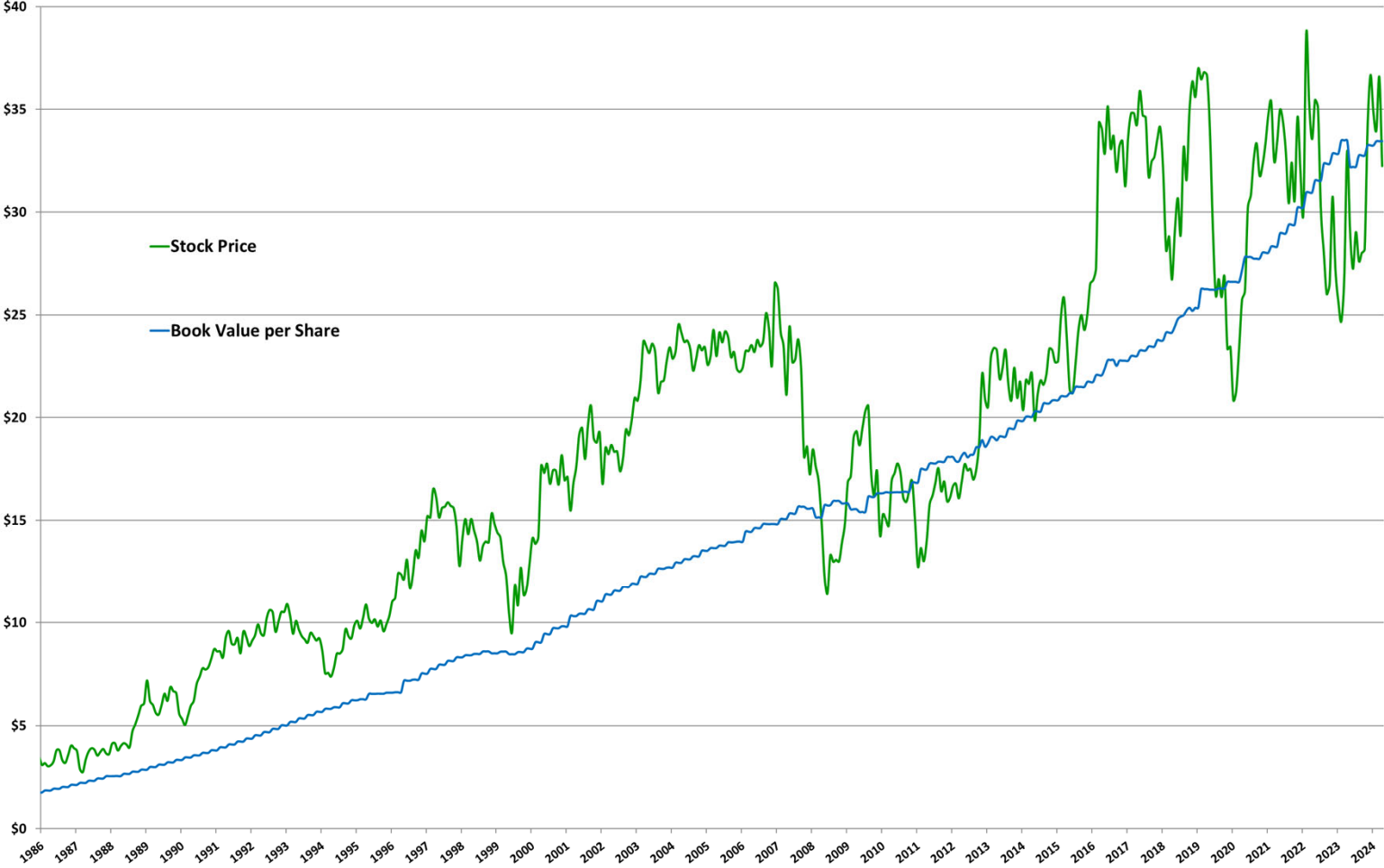
## Common Dividend as a % of Net Income



## Recent Capital Activities

- Current cash dividend of \$0.26 provides a yield of 3.42% based on the current stock price (Feb 5th)
- 1,070,207 shares were repurchased in fiscal 2024 with a weighted price of \$25.29
- Since 2013, 49 million shares repurchased which is 46% of total outstanding shares as of 9/30/2012
- During the fiscal year the Board of Directors authorized an additional 10 million shares for repurchase.
- 11.5 million shares remain in buyback authorization

# Stock Price & Book Value Per Share



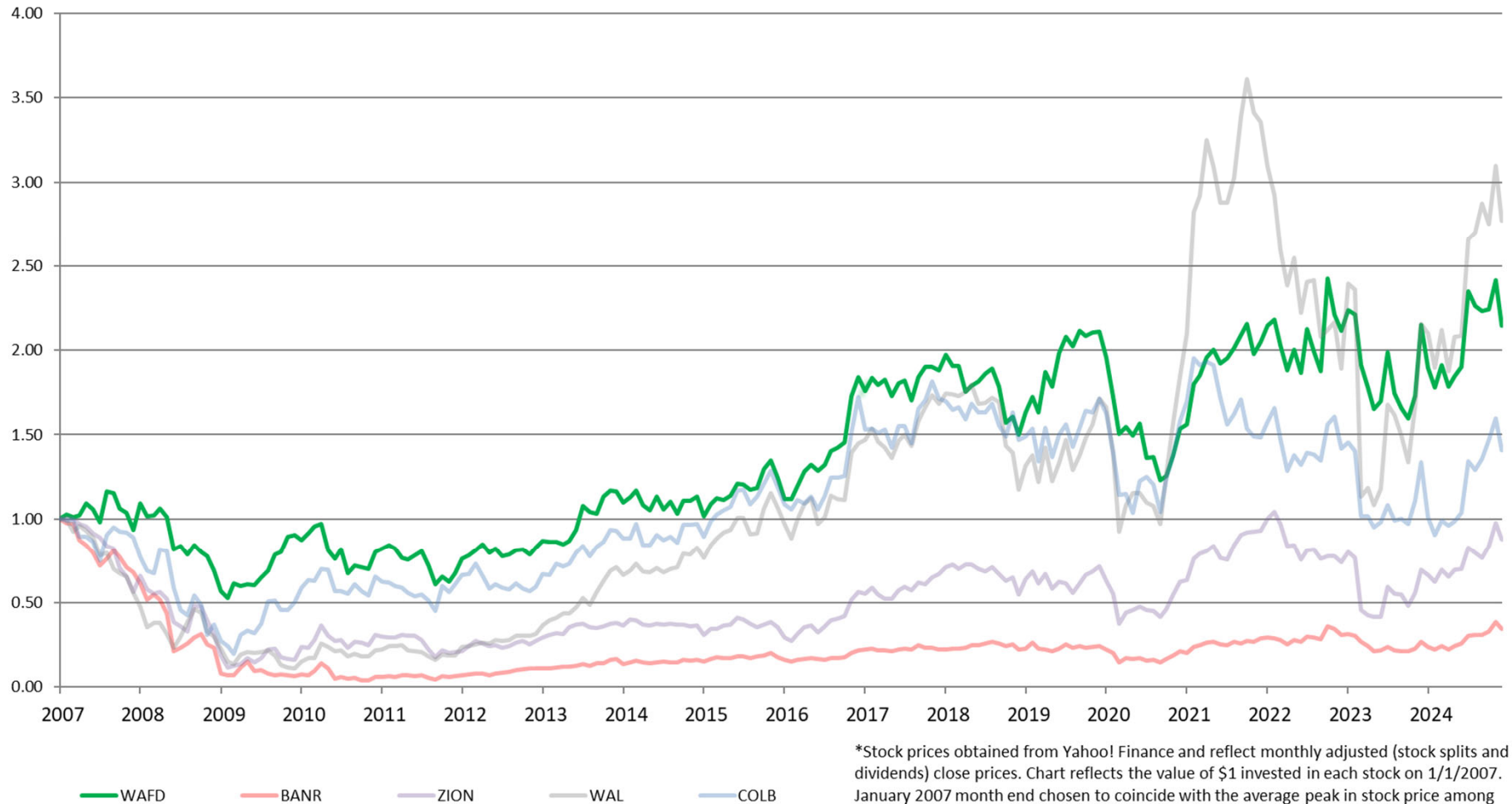
**As of 12/31/2024:**

Book Value per Share \$33.45  
 Price to BV: .964

Tangible Book Value per Share \$27.93  
 Price to TBV: 1.15

# Perspective through the last Credit Cycle

## Stock Performance Comparison as of 12/31/2024



\*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 5 banks.



PROUD BANKING PARTNER FOR SEATTLE SPORTS

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