



April 2020
Earnings Release
Supplemental Information
COVID-19

Portfolios at Risk:	CRE Loans Outstanding	C&I Loans Outstanding	% Total Loans
Accommodation and Food Service	\$267 million	\$25 million	2.4%
Oil & Gas	---	\$297 million	2.4%
Retail Trade	\$45 million	\$18 million	.5%
Arts, Entertainment & Recreation	\$35 million	\$41 million	.6%
Health Care	\$135 million	\$51 million	1.5%

Conducting ongoing reviews of portfolio and monitoring for potential credit impacts from COVID-19.

Ready to Help Small Businesses and Individuals:

Paycheck Protection Program (PPP)	4,500 Applications have been processed	WaFd has approved \$475 Million, with another \$225 Million application in process
Small Business Lifeline	Offering nearly 1,000 small business lines of credit	Available up to \$200,000 and are interest free for the first 90 days
Mortgage Assistance Programs	Allowing homeowners to defer their payments for 3 months	Offered at no cost. We are also offering quick refinance programs so borrowers can lower their monthly payments
Processing Payment Deferral Requests	1,000 or 4.5% Consumer mortgage deferrals for up to 3 months	100 or 2.1% Commercial deferral requests for up to 6 months

Capital Management

- 1) Bank is very well capitalized with TCE + ALLL to TCA ratio at 10.63%, which would rank us as the 24th best capitalized publicly traded bank in the United States
- 2) Current Cash Dividend is at \$0.22 per quarter which is a 45% payout ratio of the current quarter's earnings of \$0.49. The bank has paid out a cash dividend for 148 consecutive quarters and believes the current dividend is reasonable based on expected earnings going forward but the Board will act in the long-term interest of shareholders if earnings diminish substantially as a result of COVID-19 credit costs.
- 3) The Company's ongoing share repurchase program remains in place; however, management believes that it is prudent to pause repurchases for the time being as it continues to evaluate the extent of the COVID-19 related economic impact.

ALLOWANCE FOR LOAN LOSSES & CECL

CECL Implementation Expectations

- 1) The Company is considering early election of CECL accounting standard. If an early election is made, a one-time entry to opening retained earnings (October 1, 2019) will be recorded to increase the allowance for credit losses and decrease retained earnings based on the CECL calculation as of that date.
- 2) Assuming a CECL adoption, the Bank's Allowance for Credit Losses as a % of gross loans would move from 1.10% as of March 31, 2020 to 1.31%.

ALLOWANCE FOR LOAN LOSSES & CECL

Implementation Expectations

Below is a chart of national and peer banks and their ALLL to loans ratios.

Reporting Bank / Segment (*)	Allowance as a % of Loans	
	12/31/2019 Incurred Loss	3/31/2020 CECL
JP Morgan Chase & Co	1.37%	2.29%
Bank of America Corp	0.95%	1.49%
Wells Fargo & Company	0.97%	1.09%
U.S. Bancorp	1.33%	1.92%
Truist Financial Corporation	0.50%	1.61%
PNC Financial Services Group	1.14%	1.48%
Citizens Financial Group, Inc.	1.02%	1.66%
KeyCorp	0.94%	1.29%
PNC	1.14%	1.48%
First Republic Bank	0.55%	0.57%
Zions Bancorp., N.A.	1.01%	1.46%
Western Alliance Bancorp	0.79%	1.02%
Home Bancshares	0.94%	2.01%
Bank of Hawaii	1.00%	1.21%
Community Bank System, Inc.	<u>0.72%</u>	<u>0.81%</u>
Average for selected banks:	0.96%	1.43%
WAFD Allowance / Loans (Incurred loss)	1.04%	1.10%
WAFD Pro-Forma (with CECL Adoption)		1.31%
Summary for Banks reporting 3/31/20 earnings by / before 4/20/20		
Top Quartile	1.11%	1.68%
Mean	0.92%	1.39%
Median	0.94%	1.46%
Bottom Quartile	0.65%	1.04%

(*) Source for peer bank data: Piper Sandler Summary of 1Q2020 Reporting Bank Metrics

ALLOWANCE FOR LOAN LOSSES & CECL

Implementation Expectations

Below is a chart of some of our most comparable peer bank ALLL.

Bank	Most Recent Quarter	Allowance as % Gross Loans
Columbia Bank	12/31/2019	0.96%
Western Alliance	12/31/2019	0.79%
Umpqua	12/31/2019	0.73%
Banner Bank	12/31/2019	1.06%
TCBI	12/31/2019	0.72%
Glacier	12/31/2019	1.30%
Bank of Hawaii	12/31/2019	1.00%
Zions Bancorporation	12/31/2019	1.01%
Heritage Financial	12/31/2019	0.96%
Peer Average		0.95%
WAFD Bank	12/31/2019	1.04%