



October 2020
Earnings Release
Supplemental Information

Portfolios at Risk:	\$ Loans	% of Total Loans Outstanding	Original LTV * (CRE Only) **	\$ Loans Currently Deferred	% Deferred Loans to Total Outstanding
Accommodation and Food Service	\$316 million	2.4%	65.5%	\$72 million	0.6%
Retail Trade	\$58 million	0.4%	73.3%	—	0.0%
Arts, Entertainment & Recreation	\$98 million	0.8%	34.0%	\$11 million	0.1%
Health Care	\$190 million	1.5%	43.5%	\$2 million	0.0%
At Risk Portfolio Total:	\$662 million	5.1%	54.5%	\$85 million	0.7%

* Represents the average LTV at origination. Individual Loans may vary significantly. Does not represent current LTV due to changing loan amounts and credit profile.

** CRE loans in at risk portfolio total \$511 million

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

	\$ Loans Outstanding	% of Total Loans Outstanding	Original LTV *	\$ Loans Currently Deferred	% Deferred Loans to Total Outstanding
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Other Portfolios:

Oil & Gas	\$305 million	2.4%	N/A	–	0.0%
Office Owner Occupied	\$145 million	1.2%	65.2%	\$8 million	0.1%
Office Non-Owner Occupied	\$798 million	6.2%	63.6%	\$5 million	0.0%

* Represents the average LTV at origination. Individual Loans may vary significantly. Does not represent current LTV due to changing loan amounts and credit profile.

Loans Receivable By Risk Rating (\$ Amortized Cost)

	Internally Assigned Grade			Total
	Pass	Special Mention	Substandard	
(In thousands, except ratio data)				
Loan Type				
Commercial loans				
Multi-family	\$ 1,506,692	\$ 13,721	\$ 17,827	\$ 1,538,240
Commercial real estate	1,681,230	92,184	111,274	1,884,688
Commercial & industrial	1,898,708	64,695	152,109	2,115,512
Construction	1,187,786	61,177	103,450	1,352,413
Land - acquisition & development	137,998	15,573	-	153,571
Total commercial loans	6,412,414	247,350	384,660	7,044,424
Consumer loans				
Single-family residential	\$ 5,270,665	\$ 192	\$ 23,104	\$ 5,293,961
Construction - custom	295,953	-	-	295,953
Land - consumer lot loans	101,151	-	243	101,394
HELOC	139,647	-	575	140,222
Consumer	83,304	-	11	83,315
Total consumer loans	5,890,720	192	23,933	5,914,845
Total	\$ 12,303,134	\$ 247,542	\$ 408,593	\$ 12,959,269

Total grade as a % of total loans as of 9/30/2020

94.9%

1.9%

3.2%

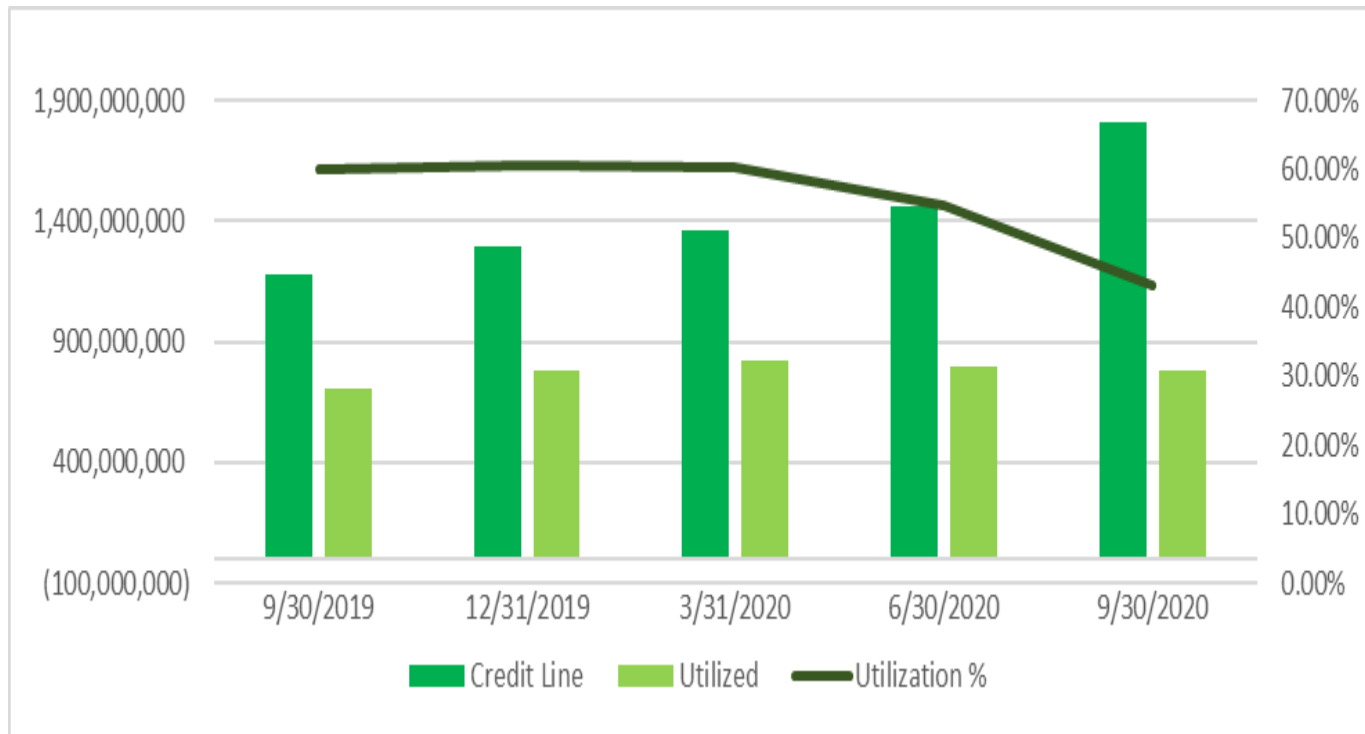
Total grade as a % of total loans as of 6/30/2020

95.5%

2.3%

2.2%

Line of Credit Utilization



Q4 includes \$200 million in originations to highly rated public entities

Commercial Construction Loans by NAICS Code

Amortized Cost (in thousands)	Total	% of Total
Real Estate and Rental and Leasing	\$ 848,655	62.8%
SFR Homebuilding	353,648	26.1%
Accommodation and Food Services	115,128	8.5%
Health Care and Social Assistance	19,423	1.4%
Transportation and Warehousing	10,158	0.8%
Arts, Entertainment, and Recreation	5,401	0.4%
Total	\$ 1,352,414	100.0%

Ready to Help Small Businesses and Individuals:

Paycheck Protection Program (PPP)

6,500 Approved loans

Over \$780 million

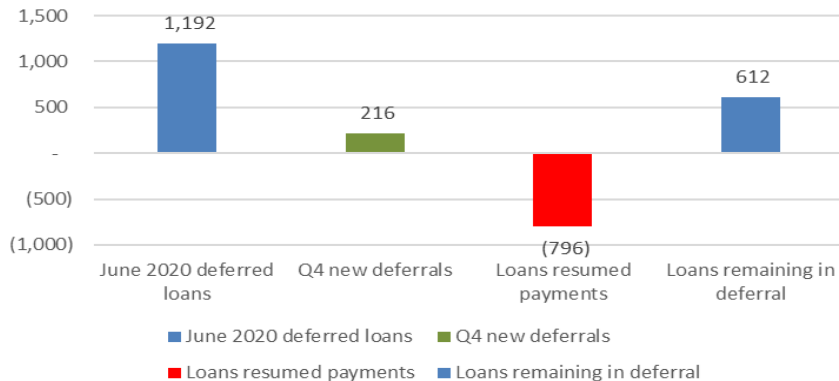
Processing Payment Deferral Requests

Consumer mortgage deferrals are typically granted for 3 months but can be for up to 6 months

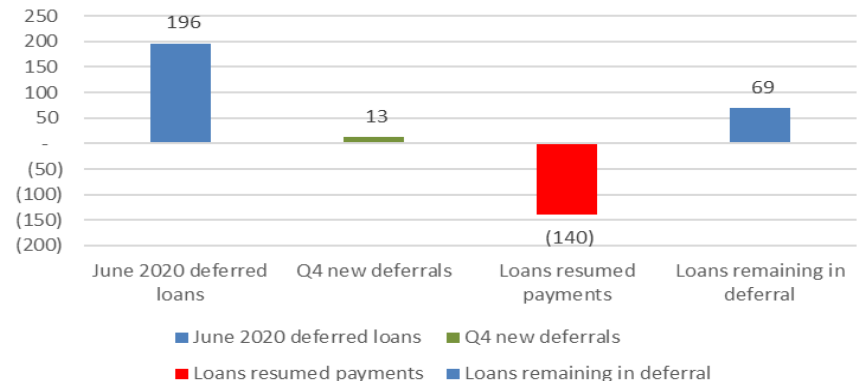
Commercial deferral requests for up to 6 months

	Consumer Mortgage Deferrals	% of Total	Commercial Deferrals	% of Total
June 2020	\$346 million	5.7%	\$416 million	6.1%
September 2020	\$171 million	2.9%	\$167 million	2.4%

Consumer Mortgage Deferred Loan Count



Commercial Deferred Loan Count



Capital Management

- 1) Bank is very well capitalized with TCE + ACL to TCA ratio at 10.12%, which would rank us as the **28th** best capitalized publicly traded bank in the United States
- 2) Current cash dividend is at **\$0.22** per quarter which is a 48% payout ratio of the current quarter's earnings of \$0.45. The Company has paid out a cash dividend for 150 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 Credit Losses Rollforward

	10/1/2019 (CECL Adoption)	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020
(In thousands)					
Allowance for credit losses:					
Commercial loans					
Multi-family	\$ 10,404	\$ 10,506	\$ 11,742	\$ 12,088	\$ 13,853
Commercial real estate	13,024	13,067	14,639	15,807	22,516
Commercial & industrial	32,235	33,676	38,576	42,179	38,665
Construction	22,768	21,919	23,348	25,693	24,156
Land - acquisition & development	10,904	10,413	10,399	10,641	10,733
Total commercial loans	89,335	89,581	98,704	106,408	109,923
Consumer loans					
Single-family residential	47,771	46,356	46,817	47,149	45,186
Construction - custom	2,880	2,930	3,175	3,336	3,555
Land - consumer lot loans	2,635	2,567	2,578	2,671	2,729
HELOC	2,048	2,034	2,246	2,588	2,571
Consumer	4,615	4,045	3,581	3,197	2,991
Total consumer loans	59,949	57,932	58,397	58,941	57,032
Total allowance for loan losses	149,284	147,513	157,101	165,349	166,955
Reserve for unfunded commitments	17,650	18,250	18,650	19,500	25,000
Total allowance for credit losses	\$ 166,934	\$ 165,763	\$ 175,751	\$ 184,849	\$ 191,955
Beginning balance					
		\$ 166,934	\$ 165,763	\$ 175,751	\$ 184,849
Net (charge-offs) recoveries		2,579	1,788	(1,702)	606
Net provision (release)		(3,750)	8,200	10,800	6,500
Ending balance		\$ 165,763	\$ 175,751	\$ 184,849	\$ 191,955
Total ACL as a % of Gross Loans		1.24%	1.31%	1.29%	1.33%

Allowance for Credit Losses Peer Comparison (excluding unfunded commitments)

<u>As of June 30, 2020</u>	<u>ACL as % of Loans</u>
Columbia Bank	1.55%
Western Alliance Bank	1.24%
Umpqua Bank	1.57%
Banner Bank	1.52%
HomeStreet Bank	1.20%
Cullen/Frost Bankers	1.39%
First Interstate BancSystem	1.46%
Washington Trust Bank	1.95%
Glacier Bank	1.42%
Heritage Bank	1.53%
Peer Average	1.48%
WaFd Bank	1.28%
WaFd Bank (excluding PPP loans with zero ACL)	1.36%
WaFd Bank (Commercial Loans)	1.56%
WaFd Bank (Commercial Loans excluding PPP loans)	1.74%
WaFd Bank (Consumer Loans)	0.96%

Single Family Residential Portfolio

Current Loan to Value as of June 30, 2020, Average Loan to Value is 39%

