



January 2021
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	\$334 million	2.6%	59.6%	–	0.0%
Retail Trade	\$57 million	0.4%	70.8%	–	0.0%
Arts, Entertainment & Recreation	\$108 million	0.8%	50.0%	\$16 million	0.1%
Health Care	\$267 million	2.0%	36.0%	–	0.0%
At Risk Portfolio Total:	\$766 million	5.8%	50.5%	\$16 million	0.1%

* 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 \$369 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	\$325 million	2.5%	N/A	–	0.0%
Office Owner Occupied	\$190 million	1.5%	64.4%	\$8 million	0.1%
Office Non-Owner Occupied	\$809 million	6.2%	61.3%	\$1 million	0.0%

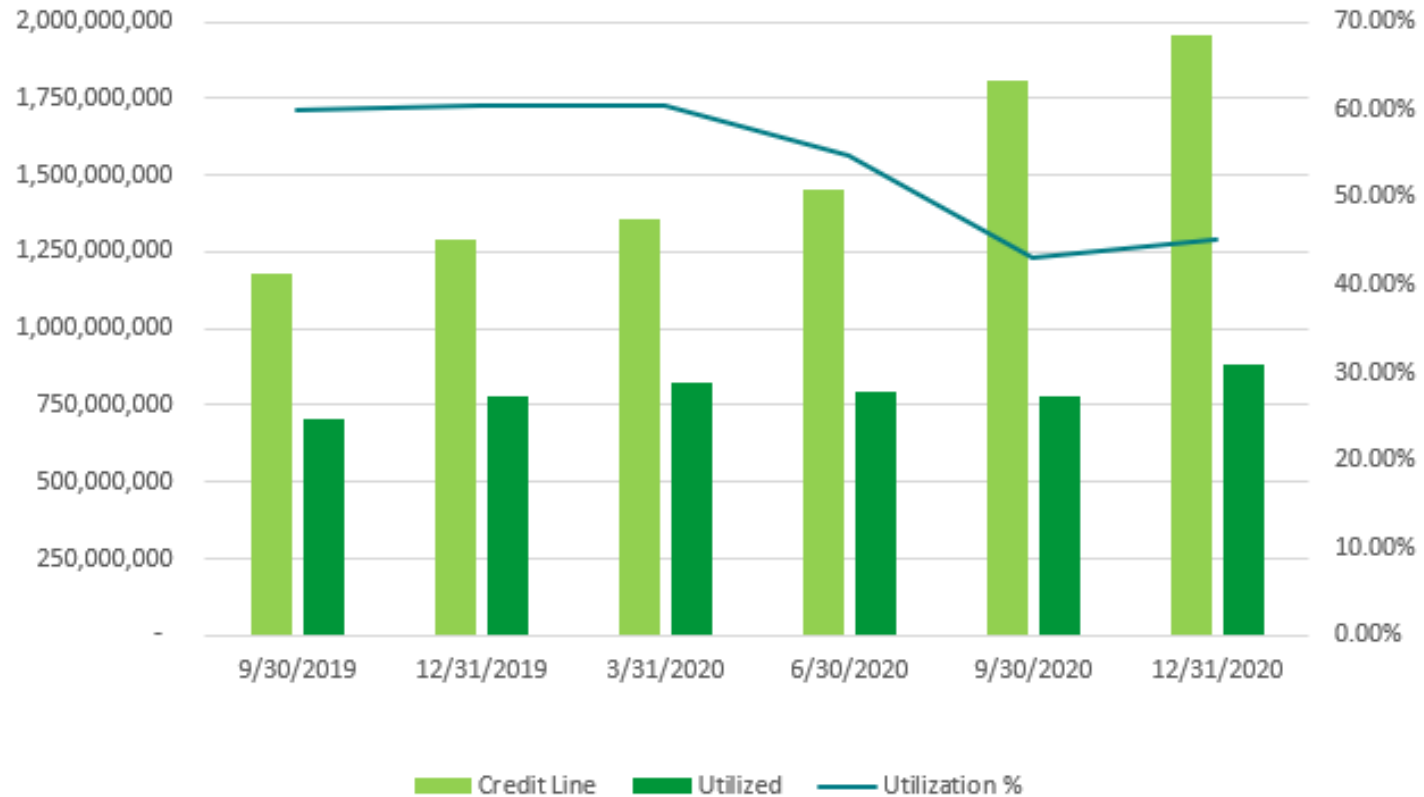
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Loans Receivable By Risk Rating (\$ Amortized Cost)

As of December 31, 2020

Loan Type	Internally Assigned Grade			
	Pass	Special Mention	Substandard	Total
	(In thousands, except ratio data)			
Commercial Loans				
Multi-family	\$ 1,500,612	\$ 12,607	\$ 96,581	\$ 1,609,799
Commercial real estate	1,705,411	48,906	188,537	1,942,854
Commercial & industrial	1,844,707	40,483	358,275	2,243,465
Construction	1,325,454	9,504	58,149	1,393,107
Land - acquisition & development	117,077	15,613	19,931	152,621
Total commercial loans	\$ 6,493,261	\$ 127,113	\$ 721,473	\$ 7,341,847
Consumer loans				
Single-family residential	\$ 5,028,918	\$ 479	\$ 19,038	\$ 5,048,435
Construction - custom	299,351	-	-	299,351
Land - consumer lot loans	109,470	-	375	109,845
HELOC	140,132	16	124	140,272
Consumer	111,448	1	-	111,449
Total Consumer loans	5,689,319	496	19,537	5,709,352
Total	\$ 12,182,580	\$ 127,609	\$ 741,010	\$ 13,051,199
Total grade as a % of total loans as of 12/31/2020	93.3%	1.0%	5.7%	
Total grade as a % of total loans as of 9/30/2020	94.9%	1.9%	3.2%	

Line of Credit Utilization



Commercial Construction Loans by NAICS Code

As of December 31, 2020

Amortized Cost (in thousands)	Total	% of Total
Real Estate and Rental and Leasing	\$ 917,512	65.9%
Construction	319,549	22.9%
Accommodation and Food Services	121,090	8.7%
Health Care and Social Assistance	20,663	1.5%
Transportation and Warehousing	10,558	0.8%
Arts, Entertainment, and Recreation	3,735	0.3%
Total	\$ 1,393,107	100.0%

Ready to Help Small Businesses and Individuals:

Paycheck Protection Program (PPP)

6,500 Approved loans

Over **\$780 million**

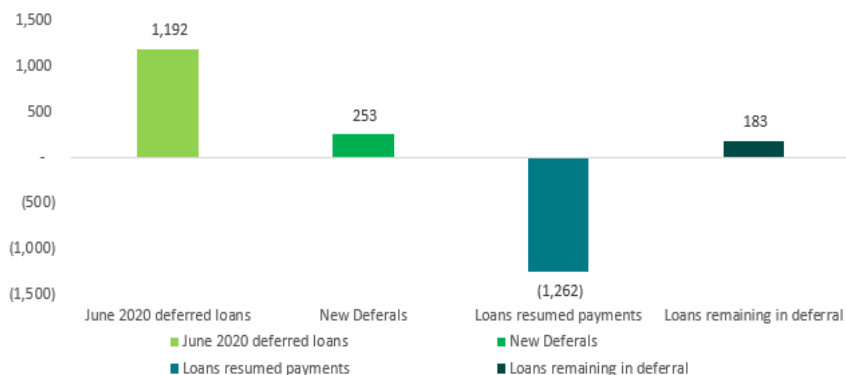
Processing Payment Deferral Requests

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

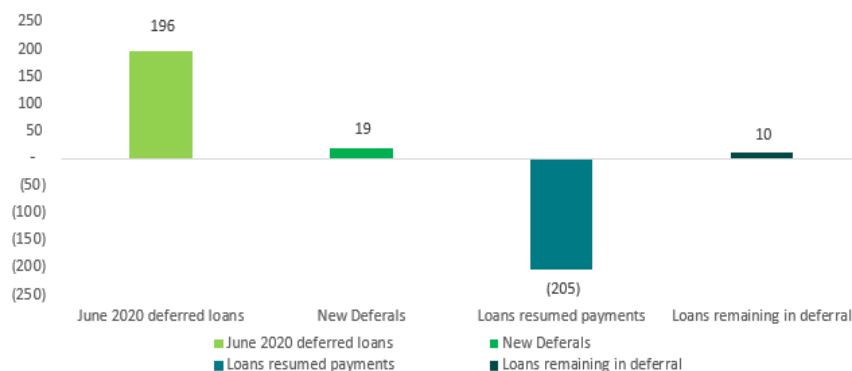
Commercial deferral requests granted for up to 6 months

	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%
December 2020	\$46 million	0.8%	\$32 million	0.4%

Consumer mortgage - December 2020



Commercial - December 2020



Capital Management

- 1) Bank is very well capitalized with TCE + ACL to TCA ratio at 10.2%, which would rank us as the **32nd** best capitalized publicly traded bank in the United States
- 2) Current cash dividend is at **\$0.22** per quarter which is a 43% payout ratio of the current quarter's earnings of \$0.51. The Company has paid out a cash dividend for 151 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

	October 1, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
(In thousands)						
Allowance for credit losses:						
Commercial loans						
Multi-family	\$ 10,404	\$ 10,506	\$ 11,742	\$ 12,088	\$ 13,853	\$ 14,363
Commercial real estate	13,024	13,067	14,639	15,807	22,516	23,496
Commercial & industrial	32,235	33,676	38,576	42,179	38,665	44,317
Construction	22,768	21,919	23,348	25,693	24,156	26,365
Land - acquisition & development	10,904	10,413	10,399	10,641	10,733	10,666
Total commercial loans	89,335	89,581	98,704	106,408	109,923	119,207
Consumer loans						
Single-family residential	47,771	46,356	46,817	47,149	45,186	38,613
Construction - custom	2,880	2,930	3,175	3,336	3,555	3,594
Land - consumer lot loans	2,635	2,567	2,578	2,671	2,729	2,958
HELOC	2,048	2,034	2,246	2,588	2,571	2,362
Consumer	4,615	4,045	3,581	3,197	2,991	3,455
Total consumer loans	59,949	57,932	58,397	58,941	57,032	50,982
Total allowance for loan losses	149,284	147,513	157,101	165,349	166,955	170,189
Reserve for unfunded commitments	17,650	18,250	18,650	19,500	25,000	26,500
Total allowance for credit losses	\$ 166,934	\$ 165,763	\$ 175,751	\$ 184,849	\$ 191,955	\$ 196,689
Beginning balance		\$ 166,934	\$ 165,763	\$ 175,751	\$ 184,849	\$ 191,955
Net (charge-offs) recoveries		2,579	1,788	(1,702)	606	1,734
Net provision (release)		(3,750)	8,200	10,800	6,500	3,000
Ending balance		\$ 165,763	\$ 175,751	\$ 184,849	\$ 191,955	\$ 196,689
Total ACL as a % of Gross Loans		1.24%	1.31%	1.29%	1.33%	1.33%

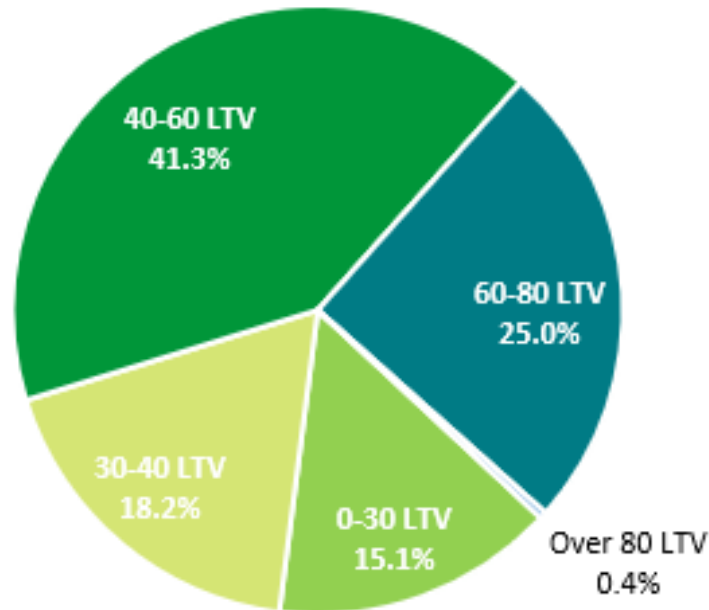
Allowance for Credit Losses Peer Comparison

(excluding unfunded commitments)

<u>As of September 30, 2020</u>	<u>ACL as % of Loans</u>
Columbia Bank	1.62%
Western Alliance Bank	1.19%
Umpqua Bank	1.54%
Banner Bank	1.65%
HomeStreet Bank	1.24%
Cullen/Frost Bankers	1.45%
First Interstate BancSystem	1.43%
Washington Trust Bank	2.06%
Glacier Bank	1.42%
Heritage Bank	1.57%
Peer Average	1.52%
WaFd Bank	1.29%
WaFd Bank (excluding PPP loans with zero ACL)	1.37%
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 Sept 30, 2020, Average Loan to Value is 38%



	Amount	% of Portfolio
SFR Delinquencies as of 12/31/2020	\$32 million	0.6%
SFR Net Charge Offs (Recoveries) for the year-ended 9/30/2020	(\$1.2 million)	(0.02%)