

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

| | <u>March 31, 2015</u> | <u>September 30, 2014</u> |
|---|---------------------------------------|---------------------------|
| | (In thousands, except per share data) | |
| ASSETS | | |
| Cash and cash equivalents..... | \$ 675,064 | \$ 781,843 |
| Available-for-sale securities..... | 2,756,906 | 3,049,442 |
| Held-to-maturity securities..... | 1,479,781 | 1,548,265 |
| Loans receivable, net..... | 8,420,988 | 8,148,322 |
| Covered loans, net..... | 138,005 | 176,476 |
| Interest receivable..... | 40,359 | 52,037 |
| Premises and equipment, net..... | 264,063 | 257,543 |
| Real estate held for sale..... | 60,822 | 55,072 |
| Real estate held for investment..... | 4,068 | 4,808 |
| Covered real estate held for sale..... | 15,668 | 24,082 |
| FDIC indemnification asset..... | 23,115 | 36,860 |
| FHLB & FRB stock..... | 150,918 | 158,839 |
| Bank owned life insurance..... | 100,961 | - |
| Intangible assets, net..... | 300,903 | 302,909 |
| Federal and state income taxes..... | 7,908 | 16,515 |
| Other assets..... | 171,490 | 143,028 |
| | <u>\$ 14,611,019</u> | <u>\$ 14,756,041</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities | | |
| Customer accounts | | |
| Transaction deposit accounts..... | \$ 5,707,797 | \$ 5,490,687 |
| Time deposit accounts..... | 4,984,828 | 5,226,241 |
| | <u>10,692,625</u> | <u>10,716,928</u> |
| FHLB advances..... | 1,830,000 | 1,930,000 |
| Advance payments by borrowers for taxes and insurance..... | 18,008 | 29,004 |
| Accrued expenses and other liabilities..... | 102,246 | 106,826 |
| | <u>12,642,879</u> | <u>12,782,758</u> |
| Stockholders' Equity | | |
| Common stock, \$1.00 par value, 300,000,000 shares authorized; 133,622,663 and 133,322,909 shares issued; 95,088,294 and 98,404,705 shares outstanding..... | 133,623 | 133,323 |
| Paid-in capital..... | 1,640,984 | 1,638,211 |
| Accumulated other comprehensive income, net of taxes..... | 23,485 | 20,708 |
| Treasury stock, at cost; 38,534,369 and 34,918,204 shares..... | (602,463) | (525,108) |
| Retained earnings..... | 772,511 | 706,149 |
| | <u>1,968,140</u> | <u>1,973,283</u> |
| | <u>\$ 14,611,019</u> | <u>\$ 14,756,041</u> |
| CONSOLIDATED FINANCIAL HIGHLIGHTS | | |
| Common stockholders' equity per share..... | \$ 20.70 | \$ 20.09 |
| Tangible common stockholders' equity per share..... | 17.53 | 17.01 |
| Stockholders' equity to total assets..... | 13.47% | 13.40% |
| Tangible common stockholders' equity to tangible assets..... | 11.65% | 11.58% |
| Weighted average rates at period end | | |
| Loans and mortgage-backed securities..... | 4.10% | 4.17% |
| Total earning assets..... | 3.63 | 3.63 |
| Customer accounts..... | 0.48 | 0.51 |
| Borrowings..... | 3.49 | 3.52 |
| Total costing liabilities..... | 0.92 | 0.97 |
| Interest rate spread..... | 2.71 | 2.66 |

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | Quarter Ended March 31, | | Six Months Ended March 31, | |
|---|---------------------------------------|------------------|----------------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| | (In thousands, except per share data) | | | |
| INTEREST INCOME | | | | |
| Loans & covered assets..... | \$ 109,274 | \$ 106,334 | \$ 217,567 | \$ 213,561 |
| Mortgage-backed securities..... | 18,143 | 21,072 | 37,318 | 40,440 |
| Investment securities and cash equivalents..... | 5,213 | 4,945 | 11,029 | 9,608 |
| | <u>132,630</u> | <u>132,351</u> | <u>265,914</u> | <u>263,609</u> |
| INTEREST EXPENSE | | | | |
| Customer accounts..... | 12,574 | 14,780 | 26,018 | 30,279 |
| FHLB advances and other borrowings..... | 16,176 | 16,935 | 33,832 | 34,382 |
| | <u>28,750</u> | <u>31,715</u> | <u>59,850</u> | <u>64,661</u> |
| Net interest income..... | 103,880 | 100,636 | 206,064 | 198,948 |
| Provision (reversal) for loan losses..... | <u>(3,949)</u> | <u>(4,336)</u> | <u>(9,449)</u> | <u>(8,936)</u> |
| Net interest income after provision (reversal) for loan losses..... | 107,829 | 104,972 | 215,513 | 207,884 |
| OTHER INCOME | | | | |
| Loan fee income..... | 2,048 | 1,324 | 4,112 | 3,370 |
| Deposit fee income..... | 5,405 | 3,381 | 11,383 | 5,085 |
| Other income (loss)..... | 3,388 | 1,997 | 726 | 4,035 |
| | <u>10,841</u> | <u>6,702</u> | <u>16,221</u> | <u>12,490</u> |
| OTHER EXPENSE | | | | |
| Compensation and benefits..... | 30,469 | 27,836 | 59,629 | 52,962 |
| Occupancy | 8,239 | 7,346 | 16,374 | 14,396 |
| FDIC premiums | 2,380 | 2,767 | 3,055 | 5,701 |
| Product delivery..... | 5,420 | 4,066 | 11,047 | 5,384 |
| Information technology | 3,882 | 3,931 | 7,912 | 6,860 |
| Other expense..... | 6,934 | 6,113 | 12,909 | 10,876 |
| | <u>57,324</u> | <u>52,059</u> | <u>110,926</u> | <u>96,179</u> |
| Gain (loss) on real estate acquired through foreclosure, net..... | <u>1,473</u> | <u>553</u> | <u>1,788</u> | <u>(1,398)</u> |
| Income before income taxes..... | 62,819 | 60,168 | 122,596 | 122,797 |
| Income taxes provision..... | 22,458 | 21,511 | 43,828 | 43,904 |
| NET INCOME..... | \$ 40,361 | \$ 38,657 | \$ 78,768 | \$ 78,893 |
| PER SHARE DATA | | | | |
| Basic earnings..... | \$.42 | \$.38 | \$.81 | \$.77 |
| Diluted earnings..... | .42 | .38 | .81 | .77 |
| Cash Dividends per share..... | .13 | .10 | .28 | .20 |
| Basic weighted average number of shares outstanding..... | 96,373,366 | 102,013,857 | 97,270,403 | 102,173,829 |
| Diluted weighted average number of shares outstanding, including dilutive stock options..... | 96,725,234 | 102,488,844 | 97,635,201 | 102,652,984 |
| PERFORMANCE RATIOS | | | | |
| Return on average assets..... | 1.11% | 1.07% | 1.08% | 1.13% |
| Return on average common equity..... | 8.29% | 7.85% | 8.06% | 8.05% |
| Net interest margin..... | 3.10% | 3.03% | 3.05% | 3.07% |