

WASHINGTON FEDERAL INC
Form 10-Q
May 01, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-34654

WASHINGTON FEDERAL, INC.
(Exact name of registrant as specified in its charter)

Washington 91-1661606
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

425 Pike Street Seattle, Washington 98101
(Address of principal executive offices and zip
code)
(206) 624-7930
(Registrant's telephone number, including area
code)

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of class: April 29, 2019

Common stock, \$1.00 par value 80,442,401

Table of Contents

WASHINGTON FEDERAL, INC. AND SUBSIDIARIES

PART I

Item 1. Financial Statements (Unaudited)

The Consolidated Financial Statements of Washington Federal, Inc. and Subsidiaries filed as a part of the report are as follows:

Consolidated Statements of Financial Condition as of March 31, 2019 and September 30, 2018 3

Consolidated Statements of Operations for the three and six months ended March 31, 2019 and March 31, 2018 4

Consolidated Statements of Comprehensive Income for the three and six months ended March 31, 2019 and March 31, 2018 5

Consolidated Statements of Stockholders' Equity for the three and six months ended March 31, 2019 and March 31, 2018 6

Consolidated Statements of Cash Flows for the six months ended March 31, 2019 and March 31, 2018 8

Notes to Interim Consolidated Financial Statements 10

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 37

Item 3. Quantitative and Qualitative Disclosures About Market Risk 48

Item 4. Controls and Procedures 48

PART II

Item 1. Legal Proceedings 49

Item 1A. Risk Factors 49

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 49

Item 3. Defaults Upon Senior Securities 49

Item 4. Mine Safety Disclosures 49

Item 5. Other Information 49

Item 6. Exhibits 49

Signatures 50

Table of ContentsWASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

	March 31, 2019	September 30, 2018
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$279,554	\$268,650
Available-for-sale securities, at fair value	1,545,606	1,314,957
Held-to-maturity securities, at amortized cost	1,553,683	1,625,420
Loans receivable, net of allowance for loan losses of \$133,086 and \$129,257	11,894,836	11,477,081
Interest receivable	50,790	47,295
Premises and equipment, net	277,010	267,995
Real estate owned	7,522	11,298
FHLB and FRB stock	138,390	127,190
Bank owned life insurance	219,167	216,254
Intangible assets, including goodwill of \$301,368 and \$301,368	310,266	311,286
Federal and state income tax assets, net	—	1,804
Other assets	158,384	196,494
	\$16,435,208	\$15,865,724
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Customer accounts		
Transaction deposit accounts	\$6,782,998	\$6,582,343
Time deposit accounts	4,939,365	4,804,803
	11,722,363	11,387,146
FHLB advances	2,610,000	2,330,000
Advance payments by borrowers for taxes and insurance	25,839	57,417
Federal and state income tax liabilities, net	4,180	—
Accrued expenses and other liabilities	68,546	94,253
	14,430,928	13,868,816
Stockholders' equity		
Common stock, \$1.00 par value, 300,000,000 shares authorized; 135,506,620 and 135,343,417 shares issued; 80,435,217 and 82,710,911 shares outstanding	135,507	135,343
Additional paid-in capital	1,669,860	1,666,609
Accumulated other comprehensive income (loss), net of taxes	8,634	8,294
Treasury stock, at cost; 55,071,403 and 52,632,506 shares	(1,071,957)	(1,002,309)
Retained earnings	1,262,236	1,188,971
	2,004,280	1,996,908
	\$16,435,208	\$15,865,724

SEE NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Table of ContentsWASHINGTON FEDERAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
	(In thousands, except share data)		(In thousands, except share data)	
INTEREST INCOME				
Loans receivable	\$ 141,061	\$ 126,529	\$ 278,126	\$ 251,040
Mortgage-backed securities	19,343	17,667	38,535	34,566
Investment securities and cash equivalents	7,178	4,883	13,543	9,253
	167,582	149,079	330,204	294,859
INTEREST EXPENSE				
Customer accounts	29,666	16,414	56,245	31,052
FHLB advances	17,846	15,364	34,737	30,771
	47,512	31,778	90,982	61,823
Net interest income	120,070			