

OFFICE OF THRIFT SUPERVISION

APPROVAL OF HOLDING COMPANY APPLICATION AND  
SECTION 10(1) NOTIFICATION

ORDER NO.: 97-59

DATE: June 19, 1997

Washington Federal, Inc., Seattle, Washington ("Holding Company") seeks approval of the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3, to acquire Washington Savings Bank, Seattle, Washington ("Savings Bank"). The Holding Company presently is a unitary savings and loan holding company by virtue of its ownership of Washington Federal Savings and Loan Association, Seattle, Washington ("Association"). In addition, the Savings Bank requests that it be deemed a savings association for purposes of 12 U.S.C. § 1467a, in accordance with 12 U.S.C. § 1467a(l) (collectively, the "Applications").

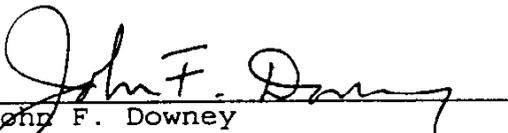
The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1467a(e) and (l) and 12 C.F.R. § 574.7 and under the Community Reinvestment Act, 12 U.S.C. § 2901, et seq., and the OTS regulations thereunder at 12 C.F.R. Part 563e. In addition, the OTS has considered a digest by the OTS West Regional Office, an analysis dated June 17, 1997, prepared by Corporate Activities, and a legal opinion, dated June 13, 1997, issued by the Business Transactions Division. Based on the foregoing statutes, regulations, and materials, the OTS has determined that the proposed transaction would be in compliance with all of the applicable standards and criteria, provided the conditions set forth below are satisfied. Accordingly, the Applications are hereby approved, provided that the following conditions are complied with in a manner satisfactory to the West Regional Director, or his designee ("Regional Director"):

1. The Holding Company and the Savings Bank shall receive all required regulatory approvals prior to consummation of the proposed transactions with copies of all such approvals supplied to the OTS West Regional Office;

2. The proposed transactions shall be consummated no later than 120 calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transactions, the chief financial officers of the Holding Company and the Savings Bank shall certify to the Regional Director, in writing, that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Holding Company and the Savings Bank, respectively, since the date of the financial statements submitted with the Applications;
4. The Holding Company and the Savings Bank shall obtain all required regulatory and shareholder approvals prior to consummation, and will act to satisfy all requirements and conditions imposed by the OTS, and comply with all applicable laws, rules, and regulations;
5. No later than five calendar days from the date of consummation of the acquisition of the Savings Bank, the Holding Company shall file with the Regional Director a certification by legal counsel stating the effective date of the acquisition, the exact number of shares of stock of the Savings Bank acquired and that the acquisition has been consummated in accordance with the provisions of all applicable laws and regulations, the Applications, and this Order;
6. The Savings Bank and the Association shall be operated as separate legal entities so that: (1) their respective accounts and records are not intermingled; (2) each observes the procedural formalities of separate legal entities; (3) each is held out to the public as a separate enterprise; and (4) neither dominates the other to the extent that one is treated as a mere department of the other;
7. The Savings Bank shall not use the word "Federal," or any derivative thereof, in its corporate title or for signage or advertising purposes; and
8. The OTS may require revisions or modifications to the Expense Sharing Agreement contained in the Applications or subsequent agreements between or among the Holding Company, the Association and/or the Savings Bank relating to interaffiliate services and transactions if the Assistant Regional Director determines that the Expense Sharing Agreement or subsequent agreements are inconsistent with OTS regulations or policies, or are otherwise not fair to or in the best of the Association or the Savings Bank.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective June 19, 1997.

  
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John F. Downey  
Executive Director, Supervision