

WASHINGTON FEDERAL INC
Form S-4/A
May 18, 2012
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As filed with the Securities and Exchange Commission on May 18, 2012

Registration No. 333-181283

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

PRE-EFFECTIVE AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WASHINGTON FEDERAL, INC.

(Exact name of Registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation or organization)	6035 (Primary Standard Industrial Classification Code No.) 425 Pike Street Seattle, Washington 98101 (206) 624-7930	91-1661606 (I.R.S. Employer Identification No.)
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(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

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Roy M. Whitehead

Chairman, President and Chief Executive Officer

Washington Federal, Inc.

425 Pike Street

Seattle, Washington 98101

(206) 624-7930

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with a copy to:

Norman B. Antin, Esq.

Jeffrey D. Haas, Esq.

Patton Boggs LLP

2550 M Street, NW

Washington, DC 20037

Telephone: (202) 457-6000

Andrew H. Ognall, Esq.

Lane Powell PC

601 SW Second Avenue

Suite 2100

Portland, Oregon 97204

Telephone: (503) 778-2169

Approximate date of commencement of proposed sale to the public: As soon as practicable following the effectiveness of this Registration Statement, satisfaction or waiver of the other conditions to closing of the merger described herein, and consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated Filer

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum		Amount of Registration Fee
		Offering Price Per Share or Unit(2)	Proposed Maximum Aggregate Offering Price(2)	
Common Stock, par value \$1.00 per share	1,996,338	N/A	\$70,273,000	\$8,054*

* Previously paid.

- (1) Based upon an estimate of the maximum number of shares of common stock of Washington Federal, Inc., or Washington Federal, to be issued pursuant to the Agreement and Plan of Merger, dated as of April 4, 2012, among Washington Federal, South Valley Bancorp, Inc., or South Valley, and the Stockholders Representative, based on (a) 6,739,831 shares of South Valley stock outstanding and (b) an exchange ratio of 0.2962 a share of Washington Federal common stock for each share of South Valley common stock. Pursuant to Rule 416, this Registration Statement also covers additional securities that may be issued as a result of stock splits, stock dividends or similar transactions.
- (2) Pursuant to Rule 457(f) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on the aggregate book value of the South Valley common stock to be canceled upon completion of the merger described herein, as of April 30, 2012, the latest practicable date prior to the date of filing this Registration Statement, in accordance with Rule 457(f)(2). South Valley is a privately held company and no market exists for its common stock.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained in this document is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

DATED MAY 18, 2012, SUBJECT TO COMPLETION

SOUTH VALLEY BANCORP, INC.

803 Main Street

Klamath Falls, Oregon 97601

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

, 2012

Dear South Valley shareholders:

You are cordially invited to attend a special meeting of shareholders of South Valley Bancorp, Inc. to be held at .m., Pacific Time, on , 2012 at . At the special meeting, you will be asked to consider and vote upon a proposal to approve an agreement and plan of merger pursuant to which South Valley will be merged with and into Washington Federal, Inc.

If the merger agreement is approved and the merger is subsequently completed, each outstanding share of South Valley common stock will be converted into the right to receive:

0.2962 of a share of Washington Federal common stock for an aggregate of 1,996,338 shares of Washington Federal common stock, with cash paid in lieu of any fractional shares of Washington Federal common stock;

a contingent cash payment equal to the pro rata portion of an earn out from the net proceeds collected from a pool of specified assets of South Valley, which may be paid over a five-year period, subject to a one-year extension by Washington Federal; and

a contingent cash payment equal to the pro rata portion of the net proceeds, if any, received by South Valley from the sale of its trust business and/or wealth management business prior to the closing of the merger.

The value implied by the exchange ratio for the stock portion of the merger consideration for one share of South Valley common stock on , 2012 was \$, based on the closing price per share of Washington Federal common stock on that date. Because the exchange ratio for the stock portion of the merger consideration is fixed, the implied value will fluctuate based on the market price of Washington Federal common stock and will not be known at the time you vote on the merger. Washington Federal common stock is listed on the Nasdaq Global Select Market under the symbol WAFD. You should obtain current market quotations for Washington Federal common stock. South Valley's common stock is not listed or traded on any established securities exchange or quotation system.

The cash portion of the merger consideration is contingent upon (a) the collection of up to a maximum of \$39.1 million of a specified pool of assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing of the merger and (b) South Valley's ability to complete the sale of its trust business and/or wealth management business prior to the closing of the merger. To the extent that South Valley is able to collect upon the specified pool of its assets prior to the closing of the merger, then the holders of South Valley common stock will receive their pro rata share of the earn out amount equal to 100% of the cash collected and received on the assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. If collections on the specified South Valley assets are made by Washington Federal after the closing of the merger, then holders of South Valley common

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stock will receive their pro rata share of the earn out amount equal to 51.2% of the cash collected and received on the specified South Valley assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. If the specified South Valley assets were collected in their entirety prior to the consummation of the merger, South Valley shareholders would receive an additional cash payment equal to \$5.81 per South Valley share, less the deductions and expenses related to such assets. If none of the specified pool of South Valley assets were collected prior to consummation of the merger, but were collected in full within five years (subject to extension) of the closing of the merger, South Valley

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shareholders would receive an additional cash payment of \$2.97 per South Valley share, less the deductions and expenses related to such assets. As of May 17, 2012, a total of approximately \$185,000 has been collected on the specified pool of South Valley assets, which amount will be available for distribution to the South Valley shareholders on a pro rata basis following completion of the merger, less deductions for accrued interest, amounts owed to third parties and other collection expenses. There is no assurance that any additional collections will be made on the assets or that South Valley shareholders will receive any additional amount of the contingent cash consideration for their shares of South Valley common stock. The terms and conditions for the contingent cash portions of the merger consideration are described more fully in the accompanying proxy statement/prospectus.

South Valley shareholders also will receive a cash payment, if any, equal to their pro rata portion of the net proceeds received from South Valley's sale of its trust business and/or wealth management business, provided that the sale of such business or businesses is completed prior to the closing of the merger. South Valley has not completed any appraisals or valuations with respect to the trust business and/or the wealth management business.

The merger cannot be completed unless the holders of a majority of the outstanding shares of South Valley common stock vote in favor of approval of the merger agreement at the special meeting.

Based on our reasons for the merger described in the accompanying document, including the fairness opinion issued by our financial advisor, D.A. Davidson & Co., our board of directors believes that the merger is fair to you and in your best interests. **Accordingly, our board of directors unanimously recommends that you vote FOR approval of the merger agreement.**

The accompanying proxy statement/prospectus gives you detailed information about the special meeting, the merger and related matters. **We urge you to read this entire document carefully, including the considerations discussed under Risk Factors, beginning on page 15, and the annexes to the accompanying proxy statement/prospectus, which include the merger agreement.**

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card.

We appreciate your continuing loyalty and support, and we look forward to seeing you at the special meeting.

Sincerely,

William E. Castle
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Washington Federal common stock to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated _____, 2012 and is being first mailed

to shareholders of South Valley on or about _____, 2012

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SOUTH VALLEY BANCORP, INC.

803 Main Street

Klamath Falls, Oregon 97601

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held on , 2012

To the shareholders of South Valley Bancorp, Inc.:

We will hold a special meeting of shareholders of South Valley Bancorp, Inc. at .m., Pacific Time, on , 2012, at , for the following purposes:

to consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of April 4, 2012, among Washington Federal, Inc., South Valley and the Stockholders Representative, or the merger agreement, as described in the attached proxy statement/prospectus;

to consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

to transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

We have fixed the close of business on , 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the special meeting. Only holders of South Valley common stock of record at the close of business on that date will be entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting.

Our board of directors has determined that the merger agreement is in the best interests of South Valley and its shareholders and unanimously recommends that shareholders vote FOR approval of the merger agreement and FOR approval of the proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement.

Holders of South Valley common stock have the right to dissent from the merger and assert dissenters rights, provided the requirements of Oregon law governing dissenters rights are followed. A copy of Sections 60.551 to 60.594 of the Oregon Revised Statutes, which govern dissenters rights, is attached as Annex C to the proxy statement/prospectus that accompanies this notice.

If you have any questions concerning the merger or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of South Valley common stock, please contact William E. Castle, South Valley s President and Chief Executive Officer, at (541) 880-5200.

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Your vote is very important. Whether or not you plan to attend the special meeting, please promptly complete, sign, date and return your proxy card in the enclosed envelope.

By Order of the Board of Directors

William E. Castle
President and Chief Executive Officer

Klamath Falls, Oregon

, 2012

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Washington Federal from documents that are not included in or delivered with this document. You can obtain these documents through the Securities and Exchange Commission, or Commission, website at <http://www.sec.gov>, or by requesting them in writing or by telephone from Washington Federal as follows:

Washington Federal, Inc.

425 Pike Street

Seattle, Washington 98101

Attention: Edwin C. Hedlund

(206) 624-7930

If you would like to request documents, please do so by _____, 2012 in order to receive them before the special meeting.

For additional information regarding where you can find information about Washington Federal, please see [Where You Can Find More Information](#) beginning on page _____.

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QUESTIONS AND ANSWERS

ABOUT THE SPECIAL MEETING AND MERGER

Q: What am I being asked to vote on?

A: You are being asked to vote to approve the merger agreement and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of adoption of the merger agreement.

Q: Why is my vote important?

A: If you do not vote your shares of South Valley common stock, it will be more difficult for South Valley to obtain the necessary quorum to take action at the special meeting. The merger agreement must be approved by the holders of majority of the outstanding shares of South Valley common stock. If you do not vote, it will have the same effect as a vote against the merger agreement. **The South Valley board of directors recommends that you vote FOR approval of the merger agreement.**

Q: What do I need to do now?

A: After you have carefully read this document, indicate on your proxy card how you want your shares to be voted. Then sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. This will enable your shares of South Valley common stock to be represented and voted at the special meeting.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your bank, broker or other nominee will not be able to vote shares held by it in street name on your behalf without instructions from you. You should instruct your bank, broker or other nominee to vote your shares by following the directions your bank, broker or other nominee provides to you.

Q: What if I abstain from voting or fail to instruct my broker?

A: If you are a holder of South Valley common stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, referred to as a broker non-vote, then the abstention or broker non-vote will be counted towards a quorum at the special meeting, but it will have the same effect as a vote against approval of the merger agreement. With respect to the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies, an abstention or a broker non-vote will have no effect on the outcome of the proposal.

Q: Can I attend the meeting and vote my shares in person?

A: Yes. All South Valley shareholders are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If your shares are held in street name, then you are not the shareholder of record and you must bring a legal proxy from your

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broker, bank or other nominee confirming that you are the beneficial owner of the shares in order to vote in person at the special meeting.

Q: Can I change my vote?

A: Yes. Regardless of the method you used to cast your vote, if you are a holder of record, you may change your vote by:

delivering to South Valley prior to the special meeting a written notice of revocation addressed to Loren L. Lawrie, Corporate Secretary, South Valley Bancorp, Inc., 803 Main Street, Klamath Falls, Oregon 97601;

completing, signing and returning a new proxy card with a later date before the date of the special meeting, and any earlier proxy will be revoked automatically; or

attending the special meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker or other nominee to vote your shares, you must follow directions you receive from your broker or other nominee to change your vote.

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Q: Will I have dissenters' rights in connection with the merger?

A: Yes. Holders of South Valley common stock have the right to dissent from the merger and assert dissenters' rights, provided the requirements of Oregon law governing dissenters' rights are followed.

Q: Will South Valley be required to submit the merger agreement to its shareholders even if the South Valley board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the special meeting, South Valley is required to submit the merger agreement to its shareholders even if the South Valley board of directors has withdrawn, modified or qualified its recommendation, consistent with the terms of the merger agreement.

Q: Should I send in my stock certificates now?

A: No. You should not send in your stock certificates at this time. Instructions for surrendering your South Valley common stock certificates in exchange for the merger consideration will be sent to you after we complete the merger.

Q: Where will my shares of Washington Federal common stock be listed?

A: Washington Federal intends to apply to have the shares of Washington Federal common stock to be issued in the merger approved for quotation on the Nasdaq Global Select Market. Washington Federal's common stock currently trades on the Nasdaq Global Select Market under the symbol WAFD.

Q: When do you expect to complete the merger?

A: The parties expect to complete the merger in the third quarter of 2012. However, there is no assurance when or if the merger will occur. South Valley shareholders must first approve the merger agreement at the special meeting, the necessary regulatory approvals must be obtained and other conditions to the consummation of the merger must be satisfied.

Q: Who should I call with questions?

A: If you have questions about the merger or the process for voting or if you need additional copies of this document or a replacement proxy card, please contact William E. Castle, South Valley's President and Chief Executive Officer, at (541) 880-5200.

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SUMMARY

*This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement/prospectus, including the merger agreement and the other documents to which we have referred you. See *Where You Can Find More Information* beginning on page . Page references are included in this summary to direct you to a more complete description of the topics.*

*Throughout this proxy statement/prospectus, *South Valley*, *we* and *our* refers to *South Valley Bancorp, Inc.*, *Washington Federal* refers to *Washington Federal, Inc.* and the *Bank* refers to *Washington Federal, Washington Federal's* banking subsidiary. Also, we refer to the merger between *South Valley* and *Washington Federal* as the *merger*, the subsidiary merger between the *Bank* and *South Valley Bank & Trust*, *South Valley's* banking subsidiary, as the *subsidiary merger* and the agreement and plan of merger, dated as of April 4, 2012, among *Washington Federal, South Valley* and the *Stockholders' Representative*, as the *merger agreement*.*

Parties to the Proposed Merger (Page)

Washington Federal, Inc. Washington Federal is a savings and loan holding company incorporated under the laws of the State of Washington and the parent company of the Bank, a federally chartered savings and loan association with 166 full service banking offices located in Washington, Oregon, Idaho, Arizona, Utah, Nevada, New Mexico and Texas. Washington Federal's principal asset is all of the capital stock of the Bank. Washington Federal had total consolidated assets of approximately \$13.6 billion, total deposits of approximately \$8.8 billion and total consolidated shareholders' equity of approximately \$1.9 billion at March 31, 2012. Washington Federal's principal executive offices are located at 425 Pike Street, Seattle, Washington 98101 and its telephone number is (206) 624-7930.

South Valley Bancorp, Inc. South Valley is a bank holding company headquartered in Klamath Falls, Oregon. As of March 31, 2012, South Valley had consolidated assets of \$856.2 million, deposits of \$757.9 million and net loans of \$550.5 million. South Valley's wholly owned bank subsidiary, South Valley Bank & Trust, is the sixth largest bank in Oregon of all banks headquartered in Oregon (excluding banks with out-of-state holding companies). South Valley operates 24 full-service community banking offices across four regions in Oregon: Klamath/Lake, Central Oregon, Rogue and Three Rivers. As of March 31, 2012, South Valley Bank & Trust's trust department had \$165.5 million of assets under administration, 307 trust clients and 12 employees, including five trust officers. As of March 31, 2012, South Valley's broker-dealer and investment adviser subsidiary, South Valley Wealth Management, had \$312.8 million of assets under administration, 2,356 client relationships and 11 employees, including seven financial advisors. South Valley's corporate office is located at 803 Main Street, Klamath Falls, Oregon 97601 and its telephone number is (541) 884-1264.

In February 2011, South Valley Bank & Trust entered into a Memorandum of Understanding, or MOU, with the Federal Deposit Insurance Corporation, or FDIC, and the Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities, or DFCS. Under the MOU, South Valley Bank & Trust is required to take specified actions relating to its financial condition and business operations, and may not pay cash dividends to South Valley without prior written approval from the FDIC and the DFCS. In May 2011, the South Valley board of directors adopted resolutions at the direction of the Federal Reserve Bank of San Francisco, or Federal Reserve, requiring South Valley to take corrective actions and refrain from specified actions to ensure South Valley Bank & Trust's compliance with the MOU, and that are substantially similar in substance and scope to the MOU. Under these resolutions, South Valley may not pay any dividends on or repurchase its common stock, or receive dividends from South Valley Bank & Trust, without the prior written approval of the Federal Reserve and the DFCS. South Valley does not expect to be permitted to pay or receive dividends or repurchase shares until it meets all of the requirements of the MOU and the board resolutions. The MOU will remain in effect until stayed, modified, terminated or suspended by the FDIC and the DFCS.

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The Merger (Page)

The merger agreement is attached to this proxy statement/prospectus as Annex A, which is incorporated by reference into this proxy statement/prospectus. Please read the entire merger agreement. It is the legal document that governs the merger. In the proposed merger, South Valley will merge with and into Washington Federal. Immediately following the merger, the subsidiary merger is expected to be completed with South Valley Bank & Trust merging with the Bank, with the Bank as the surviving entity. The parties expect to complete the merger and the subsidiary merger in the third quarter of 2012.

South Valley Shareholders Will Receive Whole Shares of Washington Federal Common Stock and May Receive Contingent Cash Payments for Each Share of South Valley Common Stock Exchanged Pursuant to the Merger (Page)

If the merger of South Valley with and into Washington Federal is completed, each outstanding share of South Valley common stock (subject to certain exceptions) will be converted into the right to receive:

0.2962 of a share of Washington Federal common stock, with cash paid in lieu of any fractional shares of Washington Federal common stock;

a contingent cash payment equal to the pro rata portion of an earn out from the net proceeds collected from a pool of specified assets of South Valley, which may be paid over a five-year period, subject to a one-year extension by Washington Federal; and

a contingent cash payment equal to the pro rata portion of the net proceeds, if any, received by South Valley from the sale of its trust business and/or wealth management business prior to the closing of the merger.

Washington Federal will not issue fractional shares. Instead, South Valley shareholders will receive the value of any fractional share interest in cash, based on the closing price of a share of Washington Federal common stock on the business day immediately preceding the consummation of the merger.

The cash portion of the merger consideration is contingent upon (i) the collection up to a maximum of \$39.1 million of a specified pool of assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing of the merger and (ii) South Valley's ability to complete the sale of its trust business and/or wealth management business prior to the closing of the merger.

The specified pool of assets of South Valley subject to collection for purposes of the contingent cash portion of the merger consideration had an aggregate book value of approximately \$39.1 million as of March 31, 2012. To the extent that South Valley is able to collect upon the specified pool of its assets prior to the closing of the merger, then the holders of South Valley common stock will receive their pro rata share of the earn out amount equal to 100% of the cash collected and received on the specified South Valley assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. If collections on the specified South Valley assets are made by Washington Federal after the closing of the merger, then holders of South Valley common stock will receive their pro rata share of the earn out amount equal to 51.2% of the cash collected and received on the specified South Valley assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. After the full amount of an expense reserve provided for in the merger agreement is funded, all proceeds recovered by Washington Federal with respect to each specified asset will be applied in the following order of priority: first, for the payment of all collection expenses relating to the specified asset recovered; second, for the payment of all accrued interest on the specified asset recovered; and third, on the principal of the specified asset recovered. See *The Merger-The Merger Consideration-Earn Out Amount* beginning on page .

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If the specified South Valley assets were collected in their entirety prior to the consummation of the merger, then South Valley shareholders would receive an additional cash payment equal to \$5.81 per South Valley share, less the deductions and expenses related to such assets. If none of the specified pool of South Valley assets were collected prior to consummation of the merger, but were collected in full within five years (subject to extension) of the closing of the merger, then South Valley shareholders would receive an additional cash payment of \$2.97 per South Valley share, less the deductions and expenses related to such assets. As of May 17, 2012, a total of approximately \$185,000 has been collected on the specified pool of South Valley assets, which amount will be available for distribution to the South Valley shareholders on a pro rata basis following completion of the merger, less deductions for accrued interest, amounts owed to third parties and other collection expenses.

In addition, South Valley shareholders will receive a cash payment, if any, equal to their pro rata portion of the net proceeds received from South Valley's sale of its trust business and/or wealth management business, provided that the sale of such business is completed prior to the closing of the merger. South Valley has not completed any appraisals or valuations with respect to the trust business and/or the wealth management business.

There are no assurances that either South Valley, prior to the closing of the merger, or Washington Federal, after the closing of the merger, will be able to make any additional collections on the specified assets of South Valley or that South Valley will be able to sell its trust business or wealth management business prior to the closing of the merger. Accordingly, there are no assurances of the amount of cash consideration that you will receive in exchange for your shares of South Valley common stock.

Shareholders Should Wait to Surrender their South Valley Common Stock Certificates

Promptly following the effective date of the merger, you or, if applicable, the record holder of your shares, will be sent a notice of the effectiveness of the merger and a letter of transmittal. The letter of transmittal should be completed and returned to the designated exchange agent along with your stock certificates representing shares of South Valley common stock. After the letter of transmittal has been received and processed, you will be sent the Washington Federal common stock and contingent cash payments to which you are entitled. If you hold shares in street name, you will receive information from your broker or other holder of record advising you of the process for receiving the Washington Federal common stock and contingent cash payments to which you are entitled.

You will need to surrender your South Valley common stock certificates prior to receiving the merger consideration, but you should not send us any certificates now. You will receive detailed instructions on how to exchange your shares along with your letter of transmittal after the merger is completed.

Per Share Market Price Information (Page)

Shares of Washington Federal common stock currently trade on the Nasdaq Global Select Market under the symbol WAFD. The South Valley common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of South Valley common stock. The following table sets forth the closing sale prices of Washington Federal common stock as reported on the Nasdaq Stock Market on April 4, 2012, the last trading-day before the merger was announced, and on , 2012, the last practicable trading-day before the distribution of this proxy statement/prospectus.

To help illustrate the market value of the stock portion of the merger consideration to be received by South Valley's shareholders, the following table also presents the equivalent price per share of South Valley common stock on April 4, 2012 and , 2012, which were determined by multiplying the closing price of the Washington Federal common stock on those dates by the exchange ratio of 0.2962 of a share of Washington Federal common stock for each share of South Valley common stock. The equivalent price per share of South Valley common stock presented below does not reflect any of the contingent cash consideration that may be received from (1) collections of specified assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing of the merger and/or (2) the sale of South Valley's trust

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business and/or wealth management business prior to the closing of the merger. There is no assurance that South Valley shareholders will receive any of the contingent cash consideration for their shares of South Valley common stock.

Date	Historical Market Value Per Share of Washington		Equivalent Market Value Per Share of South Valley
	Federal Common Stock		
At April 4, 2012	\$	16.54	\$ 4.90
At , 2012	\$		\$

The market price of Washington Federal common stock will fluctuate prior to the merger. You should obtain a current price quotation for Washington Federal common stock.

Dividend Information (Page)

Washington Federal currently pays a quarterly cash dividend to its shareholders. On April 20, 2012, Washington Federal paid a cash dividend of \$0.08 per share to common shareholders of record on April 6, 2012. Washington Federal intends to continue to pay a quarterly cash dividend to its shareholders.

Under the MOU, South Valley Bank & Trust may not pay cash dividends to South Valley without the prior written approval from the FDIC and the DFCS. Under the board resolutions that South Valley adopted at the direction of the Federal Reserve, South Valley may not pay any dividends on or repurchase its common stock, or receive dividends from South Valley Bank & Trust, without the prior written approval of the Federal Reserve and the DFCS. South Valley does not anticipate seeking or receiving approval for dividend payments until the provisions of the MOU are stayed or terminated and South Valley's board of directors is permitted by the Federal Reserve to rescind the related board resolutions.

Material Federal Income Tax Consequences of the Merger (Page)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, and it is a condition to the respective obligations of Washington Federal and South Valley to complete the merger that each of them receives a legal opinion to that effect. If the merger is completed, the merger consideration that will be paid to the holders of South Valley common stock will include shares of Washington Federal common stock (including cash for any fractional shares) and potential cash payments (payable at the closing of the merger and/or after the closing of the merger), which payments are contingent upon (i) collections of certain specified assets of South Valley and (ii) the sale by South Valley of its trust business and/or its wealth management business prior to the closing of the merger. See The Merger The Merger Consideration, beginning on page .

Assuming the merger qualifies as a reorganization, subject to the limitations and more detailed discussion set forth in The Merger Material Federal Income Tax Consequences of this proxy statement/prospectus, a South Valley shareholder that is a U.S. holder that receives shares of Washington Federal common stock in exchange for its shares of South Valley common stock generally will not recognize gain or loss on such exchange, other than with respect to (1) cash received in lieu of fractional shares of Washington Federal common stock and (2) the receipt of one or more contingent cash payments as discussed above. The contingent cash payment(s) that may be received by a South Valley shareholder at the closing of the merger or during the five-year period after the closing of the merger (subject to a one year extension) will cause a South Valley shareholder to recognize gain (but not loss) equal to the lesser of (a) the excess of cash received plus the fair market value of the Washington Federal common stock received, over its adjusted tax basis in the shares of South Valley common stock exchanged in the merger and (b) the amount of cash received by such South Valley shareholder in the merger (other than cash received in lieu of fractional shares of Washington Federal common stock).

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Tax matters are complicated, and the tax consequences of the merger to a particular South Valley shareholder will depend in part on such shareholder's individual circumstances. Accordingly, you are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

South Valley's Financial Advisor Believes that the Merger Consideration is Fair to South Valley Shareholders (Page)

Among other factors considered in deciding to approve the merger, the South Valley board of directors received the opinion of its financial advisor, D.A. Davidson & Co., that, as of April 4, 2012 (the date on which the South Valley board of directors approved the merger agreement), the merger consideration was fair to the holders of South Valley common stock from a financial point of view. The written opinion of D.A. Davidson & Co., dated April 4, 2012, is included as Annex B to this proxy statement/prospectus. D.A. Davidson will reissue its opinion to the South Valley board of directors, which will be dated as of the date of this proxy statement/prospectus, in order to confirm its opinion that the merger consideration was fair to the holders of South Valley common stock from a financial point of view as of that date. You should read the opinion completely to understand the assumptions made, matters considered and limitations of the review undertaken by D.A. Davidson & Co. in providing its opinion. D.A. Davidson & Co. provided its opinion for the information and assistance of South Valley's board of directors in connection with its consideration of the merger. The D.A. Davidson & Co. opinion is not a recommendation as to how any holder of South Valley's common stock should vote with respect to the merger. Pursuant to the terms of D.A. Davidson & Co.'s engagement as financial advisor and other advisory services, South Valley agreed to pay D.A. Davidson & Co. a cash fee of \$250,000 concurrently with the rendering of its written opinion to the South Valley board of directors, which fee shall be credited against the contingent portion of D.A. Davidson's fee, which is based upon the aggregate value of the merger consideration payable to the holders of South Valley common stock at the closing of the merger, which (assuming there are no material fluctuations in the stock price of Washington Federal from the date of this proxy statement/prospectus to closing) is expected to range from 2.75% to 3.00% of the aggregate merger consideration paid by Washington Federal at the closing. D.A. Davidson's fee percentage is determined based on the multiple of merger consideration payable to South Valley shareholders at closing divided by South Valley's balance of tangible common equity as of December 31, 2011. Additionally, Washington Federal will pay to D.A. Davidson & Co. one year following the closing of the merger a contingent cash fee that is expected to range from 2.75% to 3.00% of the sum of (1) the aggregate value of the merger consideration payable to South Valley shareholders after closing and (2) the net present value of any remaining consideration payable to South Valley shareholders. As of the date of this proxy statement/prospectus \$250,000 has been paid by South Valley to D.A. Davidson & Co. in connection with this merger transaction.

Our Board of Directors Recommends Approval of the Merger (Page)

Based on South Valley's reasons for the merger described herein, including the fairness opinion of D.A. Davidson & Co., the South Valley board of directors believes that the merger is fair to you and in your best interests and unanimously recommends that you vote **FOR** approval of the merger agreement.

Date, Time and Location of the Special Meeting (Page)

The special meeting will be held at .m., Pacific Time, on , , 2012, at . At the special meeting, South Valley shareholders will be asked to:

approve the merger agreement,

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approve a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement, and

act on any other matters that may properly come before the special meeting.

Record Date and Voting Rights for the Special Meeting (Page)

You are entitled to vote at the special meeting if you owned shares of South Valley common stock as of the close of business on , 2012. You will have one vote at the special meeting for each share of South Valley common stock that you owned on that date.

Shareholders of record may vote by mail or by attending the special meeting and voting in person. Each proxy returned to South Valley (and not revoked) by a holder of South Valley common stock will be voted in accordance with the instructions indicated thereon. If no instructions are indicated, the proxy will be voted **FOR** approval of the merger agreement and **FOR** the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement.

Each participant in, or beneficiary of, the South Valley Bancorp 2009 Restated Employee Stock Ownership Plan, or ESOP, has the right to direct the trustees of the ESOP how to vote those shares of South Valley common stock allocated to the participant's account, or held for the benefit of the beneficiary, at the special meeting by returning signed voting instructions to the trustees of the ESOP. If an ESOP participant or beneficiary does not provide voting instructions to the trustees of the ESOP in a timely manner, the shares of South Valley common stock allocated to the participant's account, or held for the benefit of the beneficiary, will not be voted at the special meeting, which will have the same effect as a vote against the proposal to approve the merger agreement and will have no effect on the proposal to adjourn the special meeting.

Approval of the Merger Agreement Requires a Majority Vote by South Valley Shareholders

The affirmative vote of the holders of a majority of the outstanding shares of South Valley common stock is necessary to approve the merger agreement on behalf of South Valley.

Management of South Valley Owns Shares Which May Be Voted at the Special Meeting (Pages and)

The directors and executive officers of South Valley, who collectively own and have the power to vote approximately 8.04% of the outstanding shares of South Valley common stock as of May 7, 2012, have entered into shareholder agreements with Washington Federal and South Valley pursuant to which they have agreed to vote all of their shares in favor of the merger agreement.

Washington Federal and South Valley Must Meet Several Conditions to Complete the Merger (Page)

Completion of the merger depends on meeting a number of conditions, including the following:

shareholders of South Valley must approve the merger agreement;

Washington Federal and South Valley must receive all required regulatory approvals for the merger and the subsidiary merger, and any waiting periods required by law must have passed;

there must be no law, injunction or order enacted or issued preventing completion of the merger;

the Washington Federal common stock to be issued in the merger must have been approved for trading on the Nasdaq Global Select Market (or on any securities exchange on which the Washington Federal common stock may then be listed);

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Washington Federal and South Valley must receive a legal opinion confirming the tax-free nature of the merger;

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the representations and warranties of each of Washington Federal and South Valley in the merger agreement must be accurate, subject to exceptions that would not have a material adverse effect on Washington Federal or South Valley, respectively;

Washington Federal and South Valley must have complied in all material respects with their respective obligations in the merger agreement; and

dissenting shares shall not represent 15% or more of the outstanding South Valley common stock.

Unless prohibited by law, either Washington Federal or South Valley could elect to waive a condition that has not been satisfied and complete the merger anyway. The parties cannot be certain whether or when any of the conditions to the merger will be satisfied, or waived where permissible, or that the merger will be completed.

Washington Federal and South Valley Must Obtain Regulatory Approvals to Complete the Merger (Page)

To complete the merger, the parties need the prior approval of or waiver from the Federal Reserve, the Office of the Comptroller of the Currency, or OCC, and the DFCS. The U.S. Department of Justice is able to provide input into the approval process of federal banking agencies and will have between 15 and 30 days following any approval of a federal banking agency to challenge the approval on antitrust grounds. Washington Federal and South Valley have filed all necessary applications with the OCC and DFCS, and a waiver request will be filed with the Federal Reserve. Washington Federal and South Valley cannot predict whether the required regulatory approvals and waivers will be obtained or whether any such approvals or waivers will have conditions which would be detrimental to Washington Federal following completion of the merger.

In addition, the obligation of Washington Federal to complete the merger is conditioned on the receipt of the FDIC's consent to the assignment of the existing FDIC shared-loss agreements that South Valley Bank & Trust and the FDIC entered into in connection with the purchase and assumption agreement between the FDIC and South Valley Bank & Trust with respect to the assumption of deposits and purchase of assets by South Valley Bank & Trust of Home Valley Bank. The FDIC has consented to the assignment of the South Valley Bank & Trust shared-loss agreements to the Bank.

Washington Federal and South Valley may Terminate the Merger Agreement (Page)

Washington Federal and South Valley can mutually agree at any time to terminate the merger agreement before completing the merger, even if shareholders of South Valley have already voted to approve it.

Either company also can terminate the merger agreement:

if any required regulatory approvals for consummation of the merger are not obtained;

if the merger is not completed by October 31, 2012;

if the shareholders of South Valley do not approve the merger agreement; or

if the other company breaches any of its representations, warranties or obligations under the merger agreement in a manner which would be reasonably expected to have a material adverse effect on it and the breach cannot be or has not been cured within 30 days of notice of the breach.

In addition, Washington Federal may terminate the merger agreement at any time prior to the special meeting if the board of directors of South Valley withdraws or modifies its recommendation to the South Valley shareholders that the merger agreement be approved in any way which is adverse to Washington Federal, or breaches its covenants requiring the calling and holding of a meeting of shareholders to consider the merger

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agreement and prohibiting the solicitation of other offers. Washington Federal also may terminate the merger agreement if a third party commences a tender offer or exchange offer for 15% or more of the outstanding South

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Valley common stock and the board of directors of South Valley recommends that South Valley shareholders tender their shares in the offer or otherwise fails to recommend that they reject the offer.

Washington Federal and South Valley May Amend and Extend the Merger Agreement (Page)

The parties may amend the merger agreement at any time before the merger actually takes place, and may agree to extend the time within which any action required by the merger agreement is to take place. No amendment may be made after the special meeting which by law requires further approval by the shareholders of South Valley without obtaining such approval.

South Valley's Directors and Executive Officers Have Some Interests in the Merger that Are in Addition to or Different than Your Interests (Page)

South Valley's directors and executive officers have interests in the merger as individuals which are in addition to, or different from, their interests as shareholders of South Valley. These interests include, among other things:

Officers and employees of South Valley and South Valley Bank & Trust participate in the ESOP which will be terminated prior to closing of the merger and all remaining assets will be allocated to the participants in the plan; and

Washington Federal's agreement to honor indemnification obligations of South Valley for a period of six years, as well as, to purchase liability insurance for South Valley's directors and officers for three years following the merger, subject to the terms of the merger agreement.

The board of directors of South Valley was aware of the foregoing interests and considered them, among other matters, in approving the merger agreement and the merger.

South Valley is Prohibited from Soliciting Other Offers (Page)

South Valley has agreed that, while the merger is pending, it will not initiate or, subject to some limited exceptions, engage in discussions with any third party other than Washington Federal regarding extraordinary transactions such as a merger, business combination or sale of a material amount of assets or capital stock (other than its trust business and/or wealth management business).

Accounting Treatment of the Merger (Page)

The merger will be accounted for under the purchase method of accounting under generally accepted accounting principles, or GAAP.

Shareholders of Washington Federal and South Valley Have Different Rights (Page)

Washington Federal is incorporated under the laws of the State of Washington and South Valley is incorporated under the laws of the State of Oregon. The rights of holders of South Valley common stock are governed by Oregon law and South Valley's restated articles of incorporation and restated bylaws and the rights of holders of Washington Federal common stock are governed by Washington law and Washington Federal's restated articles of incorporation and bylaws. Upon consummation of the merger, shareholders of South Valley will receive shares of Washington Federal common stock in exchange for their shares of South Valley common stock and become shareholders of Washington Federal and their rights as shareholders of Washington Federal will be governed by Washington Federal's restated articles of incorporation and bylaws and the Washington Business Corporation Act, or the WBCA. The rights of shareholders of Washington Federal differ from the rights of shareholders of South Valley.

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Termination Fee (Page)

South Valley must pay Washington Federal a termination fee of \$4.7 million if the merger agreement is terminated under specified circumstances.

Stockholders Representative (Page)

South Valley has designated Andrew C. Brandsness to serve as the representative of the South Valley shareholders in connection with the merger. By virtue of the approval of the merger by the shareholders of South Valley, the South Valley shareholders will be deemed to have agreed to appoint Mr. Brandsness to serve as their agent and attorney-in-fact, with full power of substitution, to take the actions that are expressly contemplated under the merger agreement for and on behalf of South Valley's shareholders.

South Valley's Shareholders Have Dissenters Rights (Page)

Under Oregon law, holders of South Valley common stock have the right to dissent from the merger and, if the merger is consummated and all requirements of Oregon law are satisfied by holders seeking to exercise dissenters' rights, to receive cash for the fair value of their shares of South Valley common stock. To perfect dissenters' rights, a South Valley shareholder must send or deliver a notice to South Valley prior to the special meeting and must not vote in favor of the merger. If the merger is approved by South Valley's shareholders, no later than 10 days following the consummation of the merger, Washington Federal, as successor to South Valley, will deliver a written dissenters' notice to all shareholders who have satisfied the required statutory provisions. Dissenting shareholders who receive the notice must demand payment and satisfy other requirements. In any case, a shareholder electing to dissent must strictly comply with all the procedures required by Oregon law. These procedures are described later in this proxy statement/prospectus, and a copy of the relevant provisions of Oregon law is attached as Annex C.

The Shares of Washington Federal Common Stock to be Issued in the Merger Will Be Listed on the Nasdaq Global Select Market (Page)

Pursuant to the merger agreement, the shares of Washington Federal common stock issued in connection with the merger will be listed on the Nasdaq Global Select Market or on any securities exchange on which the Washington Federal common stock may then be listed.

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The following tables present selected consolidated historical financial data of Washington Federal and selected consolidated historical financial data of South Valley.

Selected Consolidated Historical Financial Data of Washington Federal

Set forth below are highlights derived from Washington Federal's audited consolidated financial statements as of and for the years ended September 30, 2007 through 2011 and Washington Federal's unaudited interim consolidated financial data as of and for the six months ended March 31, 2012 and 2011. The results of operations for the six months ended March 31, 2012 are not necessarily indicative of the results of operations for the full year or any other interim period. In the opinion of Washington Federal's management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with Washington Federal's consolidated financial statements and related notes included in Washington Federal's Annual Report on Form 10-K for the year ended September 30, 2011 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, which are incorporated by reference in this document and from which this information is derived. See [Where You Can Find More Information](#) on page [10](#).

	At or for the Six Months Ended March 31,		At or for the Year Ended September 30,				
	2012	2011	2011	2010	2009	2008	2007
	(In thousands, except per share data)						
Balance Sheet Summary:							
Total assets	\$ 13,564,108	\$ 13,388,805	\$ 13,440,749	\$ 13,486,379	\$ 12,582,475	\$ 11,830,141	\$ 10,285,417
Loans and mortgage-backed securities	11,407,960	11,079,534	10,992,053	10,626,842	11,266,295	11,053,223	9,601,947
Investment securities	316,023	340,205	246,004	358,061	21,259	49,001	240,391
Cash and cash equivalents	890,347	911,961	816,002	888,622	498,388	82,600	61,378
Customer accounts	8,798,440	8,790,272	8,665,903	8,852,540	7,842,310	7,169,539	5,996,785
FHLB advances	1,960,041	1,863,541	1,962,066	1,865,548	2,078,930	1,998,308	1,760,979
Other borrowings	800,000	800,000	800,000	800,000	800,600	1,177,600	1,075,000
Stockholders' equity	1,908,057	1,837,641	1,906,533	1,841,147	1,745,485	1,332,674	1,318,127
Stockholders' equity per share	17.85	16.40	17.49	16.37	15.55	15.16	15.07
Average equity to average assets	14.05%	13.75%	13.82%	13.54%	11.57%	11.99%	13.36%
Non-performing assets to total assets	2.11%	2.98%	2.76%	3.22%	4.43%	1.39%	0.15%
Income Statement Data:							
Interest income	\$ 310,507	\$ 324,129	\$ 644,635	\$ 663,560	\$ 691,774	\$ 701,428	\$ 618,682
Interest expense	102,191	117,840	227,696	269,101	318,627	397,641	358,501
Net interest income	208,316	206,289	416,939	394,459	373,147	303,787	260,181
Provision for loan losses	29,209	56,750	93,104	179,909	193,000	60,516	1,550
Other income	(2,478)	(3,261)	(14,117)	39,955	2,655	(60,212)	15,569
Other expense	71,176	67,600	136,059	131,480	107,060	87,220	64,888
Income before income taxes	105,453	78,678	173,659	123,025	75,742	95,839	209,312
Income taxes	37,964	28,324	62,518	4,372	27,570	33,507	74,295
Net income	\$ 67,489	\$ 50,354	\$ 111,141	\$ 118,653	\$ 48,172	\$ 62,332	\$ 135,017
Preferred dividends accrued					7,488		
Net income available to common shareholders	\$ 67,489	\$ 50,354	\$ 111,141	\$ 118,653	\$ 40,683	\$ 62,332	\$ 135,017
Per Share Data:							
Basic earnings	\$ 0.63	\$ 0.45	\$ 1.00	\$ 1.06	\$ 0.46	\$ 0.71	\$ 1.55

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Diluted earnings	0.63	0.45	1.00	1.05	0.46	0.71	1.54
Cash dividends	0.16	0.12	0.24	0.20	0.20	0.84	0.83
Return on average stockholders equity	7.07%	5.44%	5.99%	6.55%	2.87%	4.59%	10.46%
Return on average assets	0.99%	0.75%	0.83%	0.89%	0.33%	0.55%	1.40%
Efficiency ratio	32.65%	31.43%	31.30%	26.26%	27.30%	27.23%	23.56%

Table of Contents**Selected Consolidated Historical Financial Data of South Valley**

Set forth below are highlights from South Valley's consolidated financial data as of and for the years ended December 31, 2007 through 2011 and South Valley's unaudited consolidated financial data as of and for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 are not necessarily indicative of the results of operations for the full year or any other interim period. In the opinion of South Valley's management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

	At or for the Three Months Ended March 31,		At or for the Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(In thousands, except per share data)						
Balance Sheet Summary:							
Total assets	\$ 856,217	\$ 849,170	\$ 867,691	\$ 845,271	\$ 606,065	\$ 614,566	\$ 598,761
Cash and cash equivalents	150,746	73,839	143,007	54,028	21,420	16,918	16,617
Investment securities, available-for-sale	55,685	49,052	45,758	51,096	44,091	48,581	59,615
Loans receivable, net	550,472	628,070	571,987	635,318	482,318	497,418	489,585
Customer accounts (Total deposits)	757,851	748,279	770,552	741,816	505,612	474,136	462,879
FHLB advances	25,240	25,301	25,255	25,316	30,408	30,520	20,614
Total shareholders' equity	70,074	73,067	68,835	72,336	65,272	70,410	68,406
Book value per common share	\$ 10.40	\$ 10.81	\$ 10.22	\$ 10.79	\$ 10.17	\$ 10.65	\$ 10.22
Average shareholders' equity to average assets	8.14%	8.73%	8.52%	9.98%	11.15%	11.78%	11.53%
Return on average shareholders equity	6.71%	0.29%	(5.87)%	3.81%	(2.88)%	7.77%	10.16%
Return on average assets	0.55%	0.02%	(0.50)%	0.38%	(0.32)%	0.91%	1.17%
Efficiency ratio	73.61%	83.42%	85.50%	69.71%	91.37%	71.66%	67.63%
Non-acquired non-performing assets to total assets	4.31%	3.83%	3.45%	2.82%	3.80%	0.82%	0.27%
Select Consolidated Statement of Operations Data:							
Interest income	\$ 8,899	\$ 10,031	\$ 38,917	\$ 36,705	\$ 34,963	\$ 37,844	\$ 42,161
Interest expense	1,235	1,908	6,618	6,910	8,797	11,566	15,797
Net interest income	7,664	8,123	32,299	29,795	26,166	26,278	26,364
Provision for loan losses	1,052	1,525	14,047	8,881	6,755	595	115
Net interest income after provision for loan losses	6,612	6,598	18,252	20,914	19,411	25,683	26,249
Non-interest income	2,107	1,538	6,295	9,928	4,049	4,164	4,676
Non-interest expense	7,192	8,059	32,996	27,689	27,606	21,816	20,991
Income (loss) before income taxes	1,527	77	(8,449)	3,153	(4,146)	8,031	9,934
Provision (benefit) for income taxes	366	25	(4,162)	423	(2,183)	2,527	3,205
Net income (loss)	\$ 1,161	\$ 52	\$ (4,287)	\$ 2,730	\$ (1,963)	\$ 5,504	\$ 6,729
Selected Share Data:							
Earnings (loss) per common share-basic	\$ 0.17	\$ 0.01	\$ (0.64)	\$ 0.41	\$ (0.30)	\$ 0.82	\$ 1.01
Earnings (loss) per common share-diluted	\$ 0.18	\$ 0.01	\$ (0.64)	\$ 0.41	\$ (0.30)	\$ 0.82	\$ 1.01
Dividends declared per common share	\$	\$	\$	\$	\$ 0.24	\$ 0.32	\$ 0.30

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Weighted average common shares outstanding-basic	6,737,986	6,712,105	6,733,496	6,616,058	6,555,699	6,723,246	6,659,975
Weighted average common shares outstanding-diluted	6,626,593	6,723,598	6,733,496	6,619,697	6,555,699	6,723,246	6,659,975

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table sets forth for the Washington Federal common stock and the South Valley common stock certain historical, pro forma and pro forma equivalent per share financial information. The pro forma and pro forma equivalent per share information gives effect to the merger as if the transaction had been effective on the dates presented, in the case of book value data, and as if the transaction had been effective on October 1, 2011, in the case of the income and dividend data. The pro forma information in the table assumes that the merger is accounted for under the purchase method of accounting. The information in the following table is based on, and should be read together with, the historical financial information that Washington Federal and South Valley have presented in prior filings with the Commission. See [Where You Can Find More Information](#) beginning on page .

The pro forma financial information is not necessarily indicative of results that would have occurred had the merger been completed on the date indicated or that may be obtained in the future.

	For the Six Months Ended March 31, 2012	For the Twelve Months Ended September 30, 2011
Net Income Per Common Share:		
Historical:		
Washington Federal		
Basic	\$ 0.63	\$ 1.00
Diluted	0.63	1.00
South Valley		
Basic	0.10	(0.44)
Diluted	0.11	(0.44)
Pro forma combined (1)		
Basic	0.62	0.95
Diluted	0.62	0.95
Equivalent Pro Forma South Valley (2)		
Basic	0.18	0.28
Diluted	0.18	0.28
Dividends Declared Per Common Share:		
Historical:		
Washington Federal (3)	\$ 0.16	\$ 0.24
South Valley		
Equivalent pro forma amount of South Valley (4)	0.05	0.07
Book Value Per Common Share (at period end):		
Historical:		
Washington Federal	\$ 17.85	\$ 17.49
South Valley	10.40	10.28
Pro forma combined (1)	17.73	17.11
Equivalent pro forma amount of South Valley (2)	5.25	5.07

- (1) Pro forma combined amounts are calculated by adding together the historical amounts reported by Washington Federal and South Valley, as adjusted for the estimated purchase accounting adjustments to be recorded in connection with the merger and an estimated 1.996 million shares of Washington Federal common stock to be issued in connection with the merger based on the terms of the merger agreement.
- (2) The equivalent pro forma per share data for South Valley is computed by multiplying the pro forma combined amounts by the exchange ratio of 0.2962.
- (3) It is anticipated that the initial pro forma combined dividend rate will be equal to the current dividend rate of Washington Federal. Accordingly, the pro forma combined dividends per share of Washington Federal common stock is equal to the historical dividends per common share paid by Washington Federal.
- (4)

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The equivalent pro forma cash dividends per common share represent the historical cash dividends per common share declared by Washington Federal and assume no change will occur, multiplied by the exchange ratio of 0.2962.

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RISK FACTORS

*Upon completion of the merger, in exchange for your shares of South Valley common stock, you will receive shares of Washington Federal common stock and, if the conditions for the contingent cash payments are satisfied, cash. Prior to deciding whether or not to approve the transaction, you should be aware of and consider the following risks and uncertainties that are applicable to the merger and Washington Federal, in addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption *Cautionary Statement Concerning Forward-Looking Statements* beginning on page .*

Because the exchange ratio in the merger is fixed and the market price of Washington Federal common stock will fluctuate, you cannot be sure of the value of the merger consideration you will receive.

Upon completion of the merger, each share of South Valley common stock will be converted into the right to receive 0.2962 of a share of Washington Federal common stock, with cash paid in lieu of any fractional shares of Washington Federal common stock. There will be no adjustment to this exchange ratio for changes in the market price of Washington Federal common stock. The market value of Washington Federal common stock that you will receive as part of the merger consideration may vary from the closing price of Washington Federal common stock on the date the merger was announced, on the date that this document was mailed to South Valley shareholders, on the date of the special meeting of the South Valley shareholders and on the date the merger is completed and thereafter. Accordingly, at the time of the special meeting, South Valley shareholders will not know or be able to calculate the market value of the Washington Federal common stock that they would receive as part of the merger consideration upon completion of the merger. The closing prices of Washington Federal common stock on April 4, 2012, the last trading day prior to the public announcement of the merger, and on , 2012, the latest practicable date prior to the printing of this proxy statement/prospectus, were \$16.54 and \$, respectively, resulting in implied values per South Valley share based on the exchange ratio of \$4.90 and \$, respectively. South Valley does not have the right to terminate the merger agreement or to resolicit the vote of its shareholders solely because of changes in the market price of Washington Federal common stock.

South Valley shareholders will not receive any of the contingent cash consideration payments provided for in the merger agreement unless certain conditions are satisfied.

Because the cash portion of the merger consideration is contingent upon the net proceeds from the collection of specified assets of South Valley, both prior to and following the closing of the merger and the sale of South Valley's trust business and/or wealth management business prior to the closing of the merger, there are no assurances of the amount of cash that you will receive for your shares of South Valley common stock. As of May 17, 2012, a total of approximately \$185,000 has been collected on the specified pool of South Valley assets, which amount will be available for distribution to the South Valley shareholders on a pro rata basis following completion of the merger, less deductions for accrued interest, amounts owed to third parties and other collection expenses. If no additional collections are made on the specified assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing, then the shareholders of South Valley will not be entitled to receive any additional cash payments under the earn out provisions of the merger agreement. Similarly, if South Valley does not sell its trust business and/or wealth management business prior to the closing of the merger, then the shareholders of South Valley will not be entitled to receive any cash payment for those businesses. As a result, you will not know the amount of the contingent cash consideration that will be payable to shareholders of South Valley prior to the date of the special meeting.

The federal income tax consequences of the merger for South Valley shareholders will depend on the merger consideration received.

The federal income tax consequences of the merger to you will depend on the merger consideration that you receive. You generally will not recognize any gain or loss on the exchange of your shares of South Valley common stock for shares of Washington Federal common stock (other than cash received in lieu of any

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fractional shares of Washington Federal common stock). However, you generally will recognize gain (but not loss) if you receive any contingent cash payments as additional merger consideration in exchange for your shares of South Valley common stock. See [The Merger](#) [The Merger Consideration](#), beginning on page [16](#). For a detailed discussion of the federal income tax consequences to you of the merger, see [The Merger](#) [Material Federal Income Tax Consequences](#) beginning on page [17](#).

Directors and officers of South Valley have interests in the merger that are in addition to or different than the interests of shareholders.

When considering the recommendation of South Valley's board of directors, you should be aware that some executive officers and directors of South Valley have interests in the merger that are somewhat different from your interests. These arrangements may create potential conflicts of interest. These and certain other additional interests of South Valley's directors and executive officers may cause some of these persons to view the proposed transaction differently than you view it, as a shareholder. See [The Merger](#) [Interests of Certain Persons in the Merger](#) beginning on page [18](#).

Washington Federal may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, Washington Federal's ability to realize anticipated cost savings and to combine the businesses of Washington Federal and South Valley in a manner that does not materially disrupt the existing customer relationships of South Valley or result in decreased revenues resulting from any loss of customers and that permits growth opportunities to occur. If Washington Federal is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Washington Federal and South Valley have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect Washington Federal's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Washington Federal and South Valley during the transition period and on the combined company following completion of the merger.

The market price of Washington Federal common stock after the merger may be affected by factors different from those affecting the shares of South Valley or Washington Federal currently.

Upon completion of the merger, holders of South Valley common stock will become holders of Washington Federal common stock. Washington Federal's business differs from that of South Valley, and, accordingly, the results of operations of the combined company and the market price of Washington Federal common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Washington Federal and South Valley.

The merger is subject to the receipt of approvals, waivers or consents from regulatory authorities that may impose conditions that could have an adverse effect on Washington Federal.

Before the merger can be completed, various approvals, waivers or consents must be obtained from bank regulatory authorities. These authorities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although Washington Federal and South Valley do not currently expect that any such conditions or changes will be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of Washington Federal following the merger. See [The Merger](#) [Regulatory Approvals](#) beginning on page [19](#).

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The fairness opinion obtained by South Valley from its financial advisor will not reflect changes in circumstances between the date of this proxy statement/prospectus and the completion of the merger.

Changes in the operations and prospects of South Valley or Washington Federal, general market and economic conditions and other factors that may be beyond the control of South Valley and Washington Federal, and on which the fairness opinion was based, may alter the value of South Valley or Washington Federal or the prices of shares of South Valley common stock or Washington Federal common stock by the time the merger is completed. The fairness opinion does not speak as of any date other than the date of such opinion, and the fairness opinion does not address the fairness of the merger consideration, from a financial point of view, at the time of the completion of the merger. The opinion is attached as Annex B to this proxy statement/prospectus. For a description of the opinion that South Valley received from its financial advisor, see *The Merger Opinion of South Valley's Financial Advisor* beginning on page . For a description of the other factors considered by South Valley's board of directors in determining to approve the merger, see *The Merger South Valley's Reasons for the Merger* beginning on page .

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of Washington Federal, South Valley and the potential combined company and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as *expects, projects, anticipates, believes, intends, estimates, strategy, plan, potential, possible* and other similar expressions. the expected timing, completion and effects of the merger and all other statements in this proxy statement/prospectus or in the documents incorporated by reference in this proxy statement/prospectus other than historical facts constitute forward-looking statements.

Forward-looking statements involve certain risks and uncertainties. The ability of either Washington Federal or South Valley to predict results or actual effects of its plans and strategies, or those of the combined company, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under *Risk Factors* and those discussed in the filings of Washington Federal that are incorporated into this proxy statement/prospectus by reference, as well as the following:

estimated cost savings and other financial benefits from the merger may not be fully realized within the expected time frame or at all;

deposit attrition, customer loss or revenue loss following the merger may occur or be greater than expected;

that required regulatory, shareholder or other approvals are not obtained or other closing conditions are not satisfied in a timely manner or at all;

the timing and amount of the contingent cash consideration payments under the merger agreement;

reputational risks and the reaction of the companies' customers to the merger transaction;

diversion of management time on merger-related issues;

competitive pressure among depository and other financial institutions may increase significantly;

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costs or difficulties related to the integration of the businesses of Washington Federal and South Valley may be greater than expected;

changes in the interest rate environment may reduce interest margins;

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general economic or business conditions, either nationally or in the states or regions in which Washington Federal does business, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit;

legislation or changes in regulatory requirements, including those arising under the Dodd-Frank Wall Street Reform and Consumer Protection Act, may adversely affect the businesses in which Washington Federal is engaged;

adverse changes may occur in the securities markets; and

competitors of Washington Federal may have greater financial resources and develop products and technology that enable those competitors to compete more successfully than Washington Federal.

Because these forward-looking statements are subject to assumptions and uncertainties, Washington Federal's and South Valley's actual results may differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Washington Federal or South Valley or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Washington Federal and South Valley undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

GENERAL INFORMATION

This document constitutes a proxy statement and is being furnished to all record holders of South Valley common stock in connection with the solicitation of proxies by the board of directors of South Valley to be used at a special meeting of shareholders of South Valley to be held on _____, 2012 and any adjournment or postponement of the special meeting. The purposes of the special meeting are to consider and vote upon a proposal to approve the merger agreement between Washington Federal and South Valley, which provides, among other things, for the merger of South Valley with and into Washington Federal, and a proposal to adjourn the special meeting to the extent necessary to solicit additional votes on the merger agreement.

This document also constitutes a prospectus of Washington Federal relating to the Washington Federal common stock to be issued upon completion of the merger to holders of South Valley common stock as part of the merger consideration. See *The Merger* *The Merger Consideration* beginning on page _____. Based on 6,739,831 shares of South Valley common stock outstanding on May 7, 2012, and an exchange ratio of 0.2962, approximately 1.996 million shares of Washington Federal common stock will be issuable upon completion of the merger as payment for the stock portion of the merger consideration.

Washington Federal has supplied all of the information contained or incorporated by reference herein relating to Washington Federal, and South Valley has supplied all of the information relating to South Valley.

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THE SPECIAL MEETING

Time, Date and Place

A special meeting of shareholders of South Valley will be held at _____ .m., Pacific Time, on _____, _____, 2012 at _____.

Matters to be Considered

The purposes of the special meeting are to:

consider and approve the merger agreement;

consider and approve a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

consider any other matters that may be properly submitted for a vote at the special meeting.

At this time, the South Valley board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented at the special meeting, however, and you have completed, signed and submitted your proxy, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is included in this proxy statement/prospectus as Annex A, and you are encouraged to read it carefully in its entirety.

Recommendation of the South Valley Board of Directors

The South Valley board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. Based on South Valley's reasons for the merger described in this document, including D.A. Davidson & Co.'s fairness opinion, the board of directors of South Valley believes that the merger is in the best interests of South Valley's shareholders and unanimously recommends that you vote **FOR** approval of the merger agreement. See *The Merger* South Valley's Reasons for the Merger beginning on page _____. The South Valley board of directors also unanimously recommends that you vote **FOR** the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement.

Shares Outstanding and Entitled to Vote; Record Date

The close of business on _____, 2012 has been fixed by South Valley as the record date for the determination of South Valley shareholders entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting. At the close of business on the record date, there were _____ shares of South Valley common stock outstanding and entitled to vote, held by _____ holders of record. Each share of South Valley common stock entitles the holder to one vote at the special meeting on all matters properly presented at the meeting.

How to Vote Your Shares

Shareholders of Record. Shareholders of record may vote by mail or by attending the special meeting and voting in person. If you choose to vote by mail, simply mark the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided.

Shares Held in Street Name. If your shares of South Valley common stock are held through a bank, broker or other nominee, you are considered the beneficial owner of such shares held in street name. In such case, this proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee, who is

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considered, with respect to such shares, the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote the shares by following the voting instructions that they have sent, or will send, to you. Without specific instructions from you, your bank, broker or other nominee is not empowered to vote your shares on the proposal to approve the merger agreement or any proposal of the South Valley board of directors to adjourn or postpone the special meeting, if necessary. Not voting these shares will have the effect of voting against the approval of the merger agreement, but will have no effect on the proposal to adjourn the special meeting. Alternatively, if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a proxy executed in your favor by your bank, broker or other nominee.

Participants in the ESOP. Each participant in, or beneficiary of, the ESOP has the right to direct the voting of the shares of South Valley common stock allocated to the participant's account, or held for the benefit of the beneficiary, at the special meeting. Each ESOP participant or beneficiary will receive with this proxy statement/prospectus an ESOP Voting Instructions form to direct the voting of the shares of South Valley common stock allocated to his or her ESOP account. If an ESOP participant or beneficiary does not timely submit a properly completed Voting Instruction form to the trustee of the ESOP, the shares of South Valley common stock allocated to the participant's account, or held for the benefit of the beneficiary, will not be voted at the special meeting, which will have the same effect as a vote against the proposal to approve the merger agreement and will have no effect on the proposal to adjourn the special meeting. Voting instructions received from ESOP participants and beneficiaries with respect to the shares of South Valley common stock allocated to such participant's account, or held for the benefit of such beneficiary, under the ESOP will be held in strict confidence.

Revocation of Proxies

You can revoke your proxy at any time before your shares are voted. If you are a shareholder of record, you can revoke your proxy by:

delivering to South Valley prior to the special meeting a written notice of revocation addressed to Loren L. Lawrie, Corporate Secretary, South Valley Bancorp, Inc., 803 Main Street, Klamath Falls, Oregon 97601;

completing, signing and returning a new proxy card with a later date before the date of the special meeting, and any earlier proxy will be revoked automatically; or

attending the special meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker or other nominee to vote your shares, you must follow directions you receive from your broker or other nominee to change your vote. ESOP participants must follow the directions in the ESOP Voting Instructions to change their vote.

Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy.

Each proxy returned to South Valley (and not revoked) by a holder of South Valley common stock will be voted in accordance with the instructions indicated thereon. If no instructions are indicated, the proxy will be voted **FOR** approval of the merger agreement and **FOR** the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement.

Quorum

A quorum, consisting of the holders of a majority of the shares entitled to vote at the special meeting, must be present in person or by proxy before any action may be taken at the special meeting. Once a share of common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum.

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not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Abstentions and broker non-votes will not be counted for purposes of determining the number of votes cast on a proposal but will be treated as present for quorum purposes. Broker non-votes are shares held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the broker or nominee does not have discretionary voting power under the applicable New York Stock Exchange rules. Under these rules, the proposals to approve the merger agreement and to adjourn the special meeting are not items on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions.

Vote Required

The affirmative vote of the holders of a majority of the outstanding shares of South Valley common stock is necessary to approve the merger agreement on behalf of South Valley. The proposal to adjourn the special meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement, and any other matter properly submitted to shareholders for their consideration at the special meeting, will be approved if the votes cast in favor of the proposal exceeds the votes cast against.

Because the proposal to approve the merger agreement is required to be approved by the holders of a majority of the outstanding shares of South Valley common stock, abstentions and broker non-votes will have the same effect as a vote against the proposal to approve the merger agreement at the special meeting. And for the same reason, the failure of a South Valley shareholder to vote by proxy or in person at the special meeting will have the effect of a vote against this proposal. Because of the vote required for the proposal to adjourn the special meeting, abstentions and broker non-votes will have no effect on this proposal.

Shares of South Valley Subject to Voting Agreements

The directors and executive officers of South Valley, who collectively own and have the power to vote approximately 8.04% of the outstanding shares of South Valley common stock as of May 7, 2012, have entered into shareholder agreements with Washington Federal pursuant to which they have agreed to vote all of their shares in favor of the merger agreement. See [The Merger Shareholder Agreements](#) on page .

As of the close of business on the record date for the special meeting, Washington Federal did not beneficially own any shares of South Valley common stock.

Solicitation of Proxies

South Valley will pay for the costs of mailing this proxy statement/prospectus to its shareholders, as well as all other costs incurred by it in connection with the solicitation of proxies from its shareholders on behalf of its board of directors. In addition to solicitation by mail, the directors, officers and employees of South Valley and its subsidiaries may solicit proxies from shareholders of South Valley in person or by telephone, facsimile or other electronic methods without compensation other than reimbursement for their actual expenses.

Arrangements also will be made with custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and South Valley will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in connection therewith.

Attending the Special Meeting

All holders of South Valley common stock, including shareholders of record and shareholders who hold their shares in street name through banks, brokers or other nominees, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record

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and would like to vote in person at the special meeting, you must produce a proxy executed in your favor by the record holder of your shares. In addition, you must bring a form of personal photo identification with you in order to be admitted at the special meeting. South Valley reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without South Valley's express written consent.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed, including for the purpose of soliciting additional proxies, if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement or if a quorum is not present at the special meeting. Other than an announcement to be made at the special meeting of the time, date and place of an adjourned meeting, an adjournment generally may be made without notice. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow the shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

Questions and Additional Information

If you have questions about the merger or the process for voting or if you need additional copies of this document or a replacement proxy card, please contact William E. Castle, South Valley's President and Chief Executive Officer, at (541) 880-5200.

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THE MERGER

(PROPOSAL ONE)

The following information describes the material aspects of the merger agreement and the merger. This description does not purport to be complete and is qualified in its entirety by reference to the annexes to this proxy statement/prospectus, including the merger agreement. You are urged to carefully read the annexes in their entirety.

General

Under the terms and conditions set forth in the merger agreement, South Valley will be merged with and into Washington Federal, with Washington Federal as the surviving corporation. At the effective time of the merger, each share of common stock of South Valley, no par value per share, outstanding immediately before the effective time of the merger, except as provided below, will, by virtue of the merger and without any action on the part of a South Valley shareholder, be converted into the right to receive:

0.2962 of a share of Washington Federal common stock, with cash paid in lieu of any fractional shares of Washington Federal common stock;

a contingent cash payment equal to the pro rata portion of an earn out from the net proceeds collected from a pool of specified assets of South Valley, which may be paid over a five-year period, subject to a one-year extension by Washington Federal; and

a contingent cash payment equal to the pro rata portion of the net proceeds, if any, received by South Valley from the sale of its trust business and/or wealth management business prior to the closing of the merger.

The value implied by the exchange ratio for the stock portion of the merger consideration for one share of South Valley common stock on [redacted], 2012 was \$ [redacted], based on the closing price per share of Washington Federal common stock on that date, which was the last practicable trading-day before the distribution of this proxy statement/prospectus. Because the exchange ratio for the stock portion of the merger consideration is fixed, the implied value will fluctuate based on the market price of Washington Federal common stock and will not be known at the time you vote on the merger. The contingent cash portion of the merger consideration will be based upon the collections up to a maximum of \$39.1 million on specified assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing of the merger and South Valley's ability to complete the sale of its trust business and/or wealth management business prior to the closing of the merger. There is no assurance as to the amount of the contingent cash consideration that South Valley shareholders will receive in the merger. The terms and conditions for the stock and contingent cash portions of the merger consideration are described more fully in this proxy statement/prospectus under "The Merger Consideration" beginning on page [redacted].

Shares of South Valley common stock held by South Valley shareholders who have elected dissenters' rights will not be converted into the right to receive the merger consideration upon consummation of the merger. The dissenters' rights available to South Valley shareholders are described more fully in this proxy statement/prospectus under "Dissenters' Rights" beginning on page [redacted].

Background of the Merger

The board of directors and management of South Valley have periodically considered various strategic alternatives available to South Valley in evaluating its business and plans, including whether South Valley should continue as an independent entity or combine with a larger financial institution. These reviews have focused on, among other things, South Valley's regulatory status, banking industry trends and conditions, capital markets conditions, the need for shareholder liquidity, the availability of equity capital and the terms on which South Valley could raise capital, the merger and acquisition environment affecting financial institutions, South Valley's historical and projected earnings and prospects, South Valley's competitive position relative to other banks and financial services institutions, and the values that might be obtained from each alternative.

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From 2005 to 2010, South Valley grew from 14 to 24 branches and from \$508.6 million in assets at December 31, 2005 to \$845.3 million in assets at December 31, 2010. During the second quarter of 2009, although South Valley received notification that its application for participation in the TARP Capital Purchase Program was approved, the South Valley board of directors elected not to participate in the program. On May 20, 2010, South Valley sold 246,132 shares of its common stock raising approximately \$3.3 million in capital. On July 23, 2010, South Valley completed the FDIC-assisted acquisition of Home Valley Bank, acquiring approximately \$244.9 million of assets and assuming \$242.6 million of liabilities, including \$227.2 million of deposits. Primarily as a result of the FDIC-assisted acquisition, South Valley Bank & Trust's ratio of Tier 1 capital to average total assets, or Tier 1 leverage ratio, declined to 7.97% as of September 30, 2010, from 11.09% at June 30, 2010.

In 2009 and 2010, as a result of the challenging economic environment, which was especially pronounced in South Valley's Central and Southern Oregon market areas, South Valley experienced increased levels of non-performing assets, delinquencies and adversely classified assets. South Valley recorded a net loss from operations in 2009 and, excluding a one-time bargain purchase gain related to the Home Valley Bank acquisition, would have recorded a net loss from operations in 2010. On September 20, 2010, the FDIC and the DFCS issued a joint safety and soundness examination report, which is referred to in the proxy statement/prospectus as the 2010 Examination Report, following a regular examination of South Valley Bank & Trust. On February 22, 2011, South Valley Bank & Trust entered into the MOU with the FDIC and the DFCS. Under the MOU, South Valley Bank & Trust is required to, among other things, reduce all assets classified as Substandard in the 2010 Examination Report by 50% by June 22, 2011, and by 70% by August 22, 2011; develop and implement plans to improve asset quality and lending and collection practices, and to increase profitability; and increase by August 22, 2011 South Valley Bank & Trust's Tier 1 leverage ratio so that it equals or exceeds 10%. On May 18, 2011, South Valley's board of directors adopted resolutions at the direction of the Federal Reserve requiring South Valley to take corrective actions and refrain from specified actions to ensure South Valley Bank & Trust's compliance with the MOU, and that are substantially similar in substance and scope to the MOU. South Valley Bank & Trust has not met the MOU's Substandard asset reduction requirements or the Tier 1 leverage ratio requirement.

As a result of the MOU, the South Valley board of directors passed a resolution to suspend all repurchases of South Valley common stock. The suspension of stock repurchases, combined with the lack of a liquid market for South Valley common stock and the board of directors' determination to suspend payment of cash dividends, posed a significant liquidity problem for existing South Valley shareholders, many of whom were retired employees of South Valley, and relied on South Valley's repurchase program and past cash dividends as a source of income.

Prior to the issuance of the MOU, South Valley's board of directors formed a Capital Committee to explore strategic alternatives to provide capital to support the Home Valley Bank acquisition, future growth and workout of problem assets during the economic downturn. On January 31, 2011, the Capital Committee and South Valley executive officers met with the investment banking firm of D.A. Davidson & Co., the law firm of Lane Powell PC and independent auditors Moss Adams LLP, to discuss strategic alternatives, including the possibility of raising capital through an initial public offering or private placement. On February 16, 2011, the South Valley board of directors received the Capital Committee's report of its meeting with advisors, discussed the 2010 Examination Report and proposed MOU, as well as capital raise alternatives, and approved the engagement of D.A. Davidson & Co. and Lane Powell PC to further explore capital raise alternatives.

On February 28, 2011, South Valley formally engaged D.A. Davidson & Co. to render financial advisory and investment banking services in connection with a possible capital raise transaction. South Valley and D.A. Davidson & Co. explored and discussed the Small Business Lending Fund, or SBLF, capital investment program offered through the U.S. Department of the Treasury, a private equity led private placement transaction and an initial public offering. On March 23, 2011, D.A. Davidson & Co., together with Lane Powell PC, presented a detailed review of South Valley's strategic alternatives to the South Valley board of directors.

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At a special meeting held on May 3, 2011, the South Valley board of directors further discussed capital needs and options with D.A. Davidson & Co. and discussed the key goals of a capital raise. The board of directors focused on how to most effectively reach the 10% Tier 1 leverage ratio and achieve compliance with the MOU, establish a foundation to explore opportunities for future growth and to provide for shareholder liquidity. The board of directors reviewed the advantages and disadvantages of possible capital raise transactions and discussed valuation, dilution and timing issues. After weighing the alternatives, the board of directors determined to move forward with an initial public offering, with D.A. Davidson & Co. as lead underwriter, and authorized commencement of underwriter and legal counsel due diligence, including a third party credit review.

From May 2011 to July 2011, D.A. Davidson & Co., its counsel and Lane Powell PC completed due diligence and, together with South Valley, prepared a Registration Statement on Form S-1 for filing with the Commission to publicly offer shares of its common stock. South Valley filed the Form S-1 with the Commission on July 29, 2011, initially registering up to \$46.0 million of shares of common stock. On September 28, 2011, South Valley filed an amendment to Form S-1 with the Commission. D.A. Davidson & Co. provided regular reports on the state of capital markets to the South Valley board of directors and the Capital Committee from June 2011 through November 2011. The South Valley board of directors had determined that market conditions in August and September 2011 were not conducive to an initial public offering due to macro-economic factors such as the escalation of the European debt crisis, the United States debt ceiling crisis, the volatility of the stock market and the resulting adverse effect on the capital markets for public offerings. The board of directors decided that South Valley needed to be in a position to explore other alternatives to raise capital. During the initial public offering process, on September 13, 2011, South Valley withdrew, at the request of the U.S. Department of the Treasury, its application for participation in the U.S. Department of the Treasury's SBLF program.

At the direction of the South Valley board of directors, D.A. Davidson & Co. contacted three private equity firms with experience in investments in financial institutions and investments in privately held companies. On September 29 and 30, 2011, D.A. Davidson & Co. and South Valley management held in-person meetings with the three private equity firms to discuss a potential investment in South Valley in a private placement transaction. Two private equity firms expressed interest and executed non-disclosure agreements to receive additional due diligence information. On October 19, 2011, one of the private equity firms that expressed interest in a possible transaction made a presentation to the South Valley board of directors, outlining the potential structure of an investment.

On October 24, 2011, the FDIC and DFCS commenced a regular joint safety and soundness examination of South Valley Bank & Trust, which is referred to in this proxy statement/prospectus as the 2011 Examination. On October 28, 2011, South Valley determined to postpone further work on the initial public offering due to the uncertainty of the results of the 2011 Examination and the impending staleness, on November 14, 2011, of financial statements included in the Form S-1 filed with the Commission. As a result of the foregoing and due to capital markets and economic conditions, South Valley formally withdrew the Form S-1 on November 7, 2011, but continued to explore alternative strategies to comply with the MOU.

On November 10, 2011, South Valley executive officers and its board of directors participated in an exit review with the FDIC and DFCS following completion of the 2011 Examination. The regulatory agencies commented on levels of non-performing assets and the continued need for additional capital for South Valley Bank & Trust, and indicated that South Valley Bank & Trust may be subject to further regulatory action. At a meeting of the South Valley board of directors held on November 16, 2011, D.A. Davidson & Co. provided an update of discussions with private equity firms and reviewed other options available to South Valley. In November 2011, the South Valley board of directors hired a third party consultant to perform an in-depth cost savings review. After receiving the final report from the third party consultant on December 21, 2011, the board of directors approved cost savings initiatives to preserve capital, including the elimination of discretionary ESOP contributions for 2011 and 2012, and, in January 2012, a reduction in workforce. On November 22, 2011, South Valley engaged a third party credit review firm to provide a due diligence review of South Valley Bank & Trust's loan portfolio for potential private equity investors. The final report from the third party credit review firm was received on December 22, 2011.

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On December 21, 2011, the South Valley board of directors held a strategic planning meeting, discussing all alternatives, including returning to the capital markets through a public offering, continuing discussions with respect to private equity investment and the potential sale or merger of South Valley with a strategic buyer. The board of directors authorized management to enter into an updated engagement with D.A. Davidson & Co., dated December 21, 2011, to include advice with respect to the sale or merger of South Valley or a similar transaction with a strategic buyer. On January 27, 2012, members of South Valley management and its board of directors, representatives of D.A. Davidson & Co. and a representative of one of South Valley Bank & Trust's significant customers, participated in a conference call with a private equity firm to perform continuing due diligence in connection with a potential private capital raise.

In January and February 2012, D.A. Davidson & Co. began to solicit interest in a potential merger transaction with South Valley. D.A. Davidson & Co. created a list of 16 potential merger partners and began to contact the parties to solicit non-binding indications of interest. From the original list of potential parties, six indicated sufficient interest to sign a confidentiality agreement and two parties ultimately provided written, non-binding indications of interest to South Valley on February 9, 2012, each of which was subject to due diligence on South Valley. On February 9, 2012, South Valley also received a verbal indication of interest from one private equity firm in a private placement transaction to raise up to \$32.5 million with a proposed price of \$2.50 to \$3.50 per share, provided that South Valley Bank & Trust resolved its exposure to a pool of identified assets prior to a transaction.

On February 13, 2012, the South Valley board of directors met to discuss the initial indications of interest and authorized management to proceed with the due diligence process with both potential merger partners. The board of directors considered the proposals from each of the institutions and evaluated the proposals on the amount and form of consideration proposed.

On February 20, 2012, senior management of Washington Federal and South Valley met in Medford, Oregon, to discuss due diligence and the business prospects of their respective institutions. On February 25, 2012, senior management of Washington Federal and South Valley met in Klamath Falls to continue discussions regarding the general business and operations of South Valley. During late February through mid-March 2011, Washington Federal and one other bidder conducted a business, legal and financial due diligence review of South Valley. Washington Federal and the other bidder reviewed, among other items of South Valley's operations, a portion of its loan portfolio and related documentation. On March 5, 2012, the other potential merger partner indicated that it would not proceed with further discussions and withdrew its non-binding, initial indication of interest.

On March 8, 2012, after Washington Federal completed its due diligence, South Valley received a revised non-binding indication of interest from Washington Federal for the acquisition of South Valley. Washington Federal offered \$5.00 per South Valley share (or an approximate implied value of \$33.7 million at that time) to be paid in Washington Federal common stock, for the guaranteed stock portion of the merger consideration, and a contingent earn out portion of the merger consideration to be paid in cash, which could total up to approximately \$13.6 million in value, or \$2.02 per share, for total consideration of up to \$7.02 per share. The earn out portion of the merger consideration related to collections on a certain pool of specified assets of South Valley. The proposal also contemplated the subsidiary merger of South Valley Bank & Trust with and into the Bank.

On March 9, 2012, the South Valley board of directors discussed the revised indication of interest with D.A. Davidson & Co. and Lane Powell PC. Various terms of the proposal were considered at the meeting, including the value of the guaranteed stock portion of the merger consideration, the fixed exchange ratio, and the structure of a contingent earn out portion of the merger consideration, with Washington Federal proposing to share 50% of the collection from the earn out assets, whether collections occurred before or after the merger. At the special meeting, South Valley senior management presented an overview of the status of the assets that would be subject to the earn out and reiterated their belief that the assets remained collectible, but that not all of the earn

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out assets would be collected prior to a potential merger closing. As a result of the discussion at the meeting, the board of directors requested that D.A. Davidson & Co. contact Washington Federal to propose an increase in the guaranteed stock portion of the merger consideration and a revision to the earn out consideration to provide that South Valley shareholders received 100% of the value of collections on the earn out assets prior to the closing of the merger and 80% of collections following the closing of the merger.

On March 12, 2012, senior management of Washington Federal met with D.A. Davidson & Co. to discuss South Valley's counteroffer. On March 14, 2012, Washington Federal proposed a revised earn out structure, with South Valley shareholders receiving 100% of the value of pre-closing earn out asset collections and approximately 51.2% of the value of the post-closing collections. The range in value of the contingent earn out portion of the merger consideration to be paid in cash to South Valley shareholders increased to a range of \$2.82 per share (assuming post-closing collection of all earn out assets and \$1.0 million of collection related expenses) to \$5.81 per share (assuming pre-closing collection of all earn out assets). The range in value of the total consideration to South Valley shareholders increased to a range of \$7.82 per share (assuming post-closing collection of all earn out assets and \$1.0 million of collection related expenses) to \$10.81 per share (assuming pre-closing collection of all earn out assets). On March 15, 2012, the South Valley board of directors held a special meeting to discuss the revised Washington Federal proposal and after thorough discussion authorized senior management and D.A. Davidson & Co. to proceed towards a merger with Washington Federal and to begin negotiations leading to a definitive merger agreement.

On March 23, 2012, Patton Boggs LLP, counsel to Washington Federal, delivered an initial draft of the definitive merger agreement and related documents to Lane Powell PC. On March 27, 2012, representatives of Washington Federal and South Valley senior management, together with Patton Boggs LLP, Lane Powell PC and D.A. Davidson & Co., discussed the initial draft of the merger agreement. On March 28, 2012, the South Valley board of directors held a special meeting to discuss with senior management and South Valley's legal and financial advisors the status of the merger negotiations and to review the proposed merger terms and draft merger agreement. Representatives of Lane Powell PC reviewed the legal terms of the proposed merger agreement and related transaction agreements. Following the meeting, Lane Powell PC presented proposed revisions to the merger agreement to Patton Boggs LLP and on March 29, 2012, representatives of the two law firms discussed the revisions. On March 30, 2012, Patton Boggs LLP distributed a revised merger agreement.

On March 26, 2012, Washington Federal's board of directors held a meeting at which its management reviewed in detail with the board of directors the terms of the merger agreement. Based upon the board of directors' review and discussion of the merger agreement and the relevant factors (described below in Washington Federal's Reasons for the Merger), Washington Federal's board of directors unanimously authorized and approved the execution of the merger agreement with South Valley.

On April 2, 2012, at a special meeting of the South Valley board of directors, Lane Powell PC and D.A. Davidson & Co. reviewed the updated draft of the merger agreement with South Valley's directors and senior management. Following the special meeting, and continuing through April 3, 2012, the parties proposed and discussed final revisions to the merger agreement.

At a regular meeting of the South Valley board of directors on April 4, 2012, senior management and South Valley's legal and financial advisors provided an update on the merger and reviewed the final merger agreement as presented by Washington Federal. Representatives of Lane Powell PC discussed with the South Valley board of directors the legal standards applicable to its decisions and actions with respect to its consideration of the proposed merger and also reviewed the final draft of the merger agreement and related documents, including any changes from the drafts distributed on March 30, 2012. At the meeting, D.A. Davidson & Co. reviewed the structure and other terms of the proposed transaction and financial information regarding Washington Federal, historical market information on Washington Federal's common stock, South Valley and the transaction, information regarding peer companies and comparable transactions, and other relevant analyses. D.A. Davidson & Co. and Lane Powell PC also responded to questions from South Valley.

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directors concerning the proposed merger and the final version of the merger agreement and related documents. In connection with the deliberations by the South Valley board of directors, D.A. Davidson & Co. rendered its oral opinion (subsequently confirmed in writing) that as of such date, the merger consideration to be received by the shareholders of South Valley, was fair, from a financial point of view, to South Valley and its shareholders. After receiving D.A. Davidson & Co.'s opinion, and further discussion of the revised terms of the merger, the board of directors voted unanimously to approve the proposed merger agreement, determining that the merger is in the best interest of South Valley and its shareholders. On April 4, 2012, the parties entered into the merger agreement, and announced the terms of the merger.

South Valley's Reasons for the Merger

In evaluating Washington Federal's proposal and concluding that the merger presented a more favorable opportunity for maximizing shareholder value than South Valley's other options, including continuing to operate independently, the South Valley board of directors consulted with senior management, as well as with its outside financial and legal advisors, and reviewed various financial data, due diligence and evaluation materials. After such consultation and review, and considering South Valley's future prospects and strategic options, the board of directors concluded that partnering with a larger, financially sound financial institution would better maximize the long-term shareholder value than if South Valley remained independent, and it made a determination that the proposed merger with Washington Federal was in the best interests of South Valley and its shareholders. The board of directors considered a number of factors, including the following:

the belief that the terms of the acquisition are fair to and in the best interest of the South Valley shareholders;

the information presented by South Valley's financial advisor, D.A. Davidson & Co., to the South Valley board of directors with respect to the merger and the opinion of D.A. Davidson & Co. that, as of the date of the merger agreement, the merger consideration is fair from a financial point of view to South Valley shareholders;

the current condition of South Valley and the future prospects of its business in light of the requirements to reduce problem assets and raise capital to achieve compliance with the MOU and the need to realize further cost savings;

the current and prospective economic, regulatory and competitive environment facing the financial services industry generally, and South Valley in particular, including the continued rapid consolidation in the financial services industry and the competitive effects of the increased consolidation on relatively smaller financial institutions such as South Valley;

increased shareholder liquidity as a result of the merger that will enable South Valley's shareholders to exchange their shares, in a tax-free transaction, for registered shares of a company trading on a recognized stock market, except for the contingent cash portion of the merger consideration thereby providing enhanced liquidity for South Valley shareholders to sell their shares quickly and efficiently, as compared to the lack of liquidity in South Valley stock;

that Washington Federal currently pays a cash dividend on its common stock and has authority to repurchase shares of its common stock, while South Valley does not and is not likely to be able to pay a cash dividend to its shareholders or repurchases shares in the near future;

the results of the 2011 Examination of South Valley Bank & Trust and the possibility of further regulatory action;

South Valley's lack of receipt of an offer superior to the Washington Federal proposal and the assessment that it was unlikely that another acquirer had both the willingness and the financial capability to offer to acquire South Valley at a value that was materially higher than that being offered by Washington Federal;

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the fact that South Valley's existing capital resources could potentially limit management's ability to effectively manage certain problem credits and to continue to support future growth;

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Washington Federal's interest in expanding its business banking and commercial real estate businesses in South Valley's market areas;

the effects of the merger on South Valley's employees, including the prospects for employment with a strong, growing organization such as Washington Federal and the severance benefits agreed to be provided by Washington Federal to employees whose employment is terminated in connection with the merger;

available current and historical information regarding the businesses, operations, earnings, financial condition, management and prospects of Washington Federal;

Washington Federal's historical record and commitment with respect to the communities and employees of the companies it has acquired and its belief that Washington Federal is a high quality financial services company with a compatible business culture and shared approach to customer service and increasing shareholder value;

the ability of the combined entities to compete in South Valley's markets and the strength of the combined institution;

that the acquisition is expected to be accretive to GAAP earnings per share of Washington Federal;

the belief that the receipt of Washington Federal common stock in the merger generally would permit South Valley shareholders who receive common stock consideration to defer any federal income tax liability as a result of the merger; and

the assessment of the likelihood that the merger would be completed without unacceptable regulatory conditions or requirements, and the ability of Washington Federal's management team to successfully integrate and operate the business of the combined company after the merger.

The South Valley board of directors also considered the potential adverse consequences of the proposed acquisition including:

that the exchange ratio of the stock portion of the merger consideration is fixed, so, if the market price of Washington Federal common stock decreases to a price below \$16.88 at the time of the consummation of the merger, the value of the per share stock consideration to be received by holders of South Valley common stock will decrease below \$5.00 per share;

the risk that the contingent cash portion of the merger consideration may not be earned and, therefore, no cash payments will be made to South Valley's shareholders in exchange for their shares of common stock;

the merger agreement limiting South Valley's ability to pursue other merger opportunities;

the merger agreement obligating South Valley to pay a substantial termination fee if it later chooses to pursue a more attractive, uninvited merger proposal or if the agreement is terminated under certain circumstances;

the loss of autonomy associated with being an independent financial institution;

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the risk that the acquisition will not be consummated;

potential reaction of some local communities within South Valley's operating footprint and of South Valley customers to Washington Federal;

the challenges of combining the businesses, assets and workforces of the two companies;

the possibility that the merger and the related integration process could result in the loss of key employees, in the disruption of South Valley's on-going business and in the loss of customers;

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the fact that South Valley's officers and employees will have to focus extensively on actions required to complete the merger, which will divert their attention from South Valley's business, and that South Valley will incur substantial transaction costs even if the merger is not consummated; and

that while the merger is pending, South Valley will be subject to restrictions on how it conducts business that could delay or prevent South Valley from pursuing business opportunities or preclude it from taking actions that would be advisable if it was to remain independent.

The above discussion of the information and factors considered by the South Valley board of directors is not intended to be exhaustive, but includes the material factors the board of directors considered. In reaching its determination to approve and recommend the acquisition, the board of directors did not assign any relative or specific weights to the foregoing factors, and individual directors may have given differing weights to different factors.

The South Valley board of directors believes that the merger is in the best interests of South Valley and its shareholders. Accordingly, the board of directors unanimously approved the merger agreement and unanimously recommends that you vote FOR the approval of the merger agreement.

Washington Federal's Reasons for the Merger

Washington Federal entered into the merger agreement with South Valley because, among other things, Washington Federal believes the merger is consistent with its acquisition strategy in targeted markets. The acquisition of South Valley will expand the Bank's operations and complement its existing banking network in the state of Oregon. In addition, the South Valley franchise will expand the Bank's business banking and commercial real estate businesses in the Oregon market.

Opinion of South Valley's Financial Advisor

D.A. Davidson & Co. was retained to act as financial advisor to South Valley in connection with the merger and to render an opinion as to whether the merger consideration was fair to the holders of South Valley common stock from a financial point of view. At a meeting of South Valley's board of directors held on April 4, 2012, D.A. Davidson & Co. rendered its opinion to the effect that, based upon and subject to the considerations set forth in the opinion and based upon such other matters as D.A. Davidson & Co. considered relevant, the merger consideration was fair, from a financial point of view, to the shareholders of South Valley as of the date of the opinion.

The full text of the written opinion of D.A. Davidson & Co., dated April 4, 2012, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement/prospectus and is incorporated herein by reference. D.A. Davidson will reissue its opinion to the South Valley board of directors, which will be dated as of the date of this proxy statement/prospectus, in order to confirm its opinion that the merger consideration was fair to the holders of South Valley common stock from a financial point of view as of that date. South Valley's shareholders should read the opinion in its entirety. D.A. Davidson & Co. provided its opinion for the information and assistance of South Valley's board of directors in connection with its consideration of the merger. The D.A. Davidson & Co. opinion is not a recommendation as to how any holder of South Valley's common stock should vote with respect to the merger.

In connection with rendering its opinion and performing its related financial analyses, D.A. Davidson & Co. reviewed, among other things:

a draft of the merger agreement dated April 3, 2012;

certain financial statements and other historical financial and business information about South Valley and Washington Federal made available to D.A. Davidson & Co. from published sources and/or from the internal records of South Valley and Washington Federal that D.A. Davidson & Co. deemed relevant;

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the existing MOU between South Valley Bank & Trust and the FDIC and the DFCS, and other relevant regulatory correspondence;

the current market environment generally and the banking environment in particular;

the net present value of South Valley with consideration of projected financial results through 2016 based on management guidance;

the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;

the market and trading characteristics of public companies;

the relative contributions of South Valley and Washington Federal to the combined company;

the pro forma financial impact of the merger, taking into consideration the amounts and timing of the transaction costs and cost savings;

publicly available average analyst earnings estimates for Washington Federal;

discussions with executive management of South Valley regarding the past and present business, financial condition, results of operations and future prospects for South Valley; and

such other financial studies, analyses and investigations and financial, economic and market criteria and other information as D.A. Davidson & Co. considered relevant including discussions with the management and other representatives and advisors of South Valley and Washington Federal concerning the business, financial condition, regulatory relations, results of operations and prospects of South Valley and Washington Federal.

D.A. Davidson & Co. also has reviewed the final executed merger agreement, and believes that none of the changes from the draft merger agreement on April 3, 2012 to the final executed merger agreement affected its fairness opinion or fairness opinion analysis in any material respects.

In rendering its opinion, D.A. Davidson & Co. assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to D.A. Davidson & Co., discussed with or reviewed by or for D.A. Davidson & Co., or publicly available, and D.A. Davidson & Co. has not assumed responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of South Valley or Washington Federal, nor has D.A. Davidson & Co. been furnished with any such evaluation or appraisal. In addition, D.A. Davidson & Co. has not assumed any obligation to conduct, nor has it conducted, any physical inspection of the properties or facilities of South Valley or Washington Federal. D.A. Davidson & Co. has further relied on statements from the management of South Valley and Washington Federal that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. D.A. Davidson & Co. did not make an independent evaluation of the adequacy of the allowance for loan losses of South Valley or Washington Federal nor has D.A. Davidson & Co. reviewed any individual credit files relating to South Valley or Washington Federal. D.A. Davidson & Co. has assumed that the respective allowances for loan losses for both South Valley and Washington Federal are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. D.A. Davidson & Co. has assumed that there has been no material change in South Valley's or Washington Federal's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements provided.

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D.A. Davidson & Co. has assumed in all respects material to the analysis that South Valley and Washington Federal will remain as going concerns for all periods relevant to the analysis. It has also assumed in all respects material to the analysis that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement will not be waived.

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D.A. Davidson & Co. has assumed that in the course of obtaining necessary regulatory or other consents or approvals (contractual or otherwise) for the transaction, no restrictions, including any divestiture requirements or amendment or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the transaction.

D.A. Davidson & Co. does not express any view as to, and its opinion does not address, the relative merits of the transaction as compared to any alternative business strategies that might exist for South Valley or the effect of any other transaction in which South Valley might engage. Additionally, D.A. Davidson & Co. is not expressing any opinion herein as to the prices at which the shares of Washington Federal currently trade or may trade in the future. The opinion of D.A. Davidson & Co. is necessarily based upon information available to D.A. Davidson & Co. and economic, market, financial and other conditions as they exist and can be evaluated on the date of the opinion.

Set forth below is a summary of the material financial analyses performed by D.A. Davidson & Co. in connection with rendering its opinion. The summary of the analyses of D.A. Davidson & Co. set forth below is not a complete description of the analysis underlying its opinion, and the order in which these analyses are described below is not indicative of any relative weight or importance given to those analyses by D.A. Davidson & Co. The following summaries of financial analyses include information presented in tabular format. You should read these tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses.

Unless otherwise indicated, the following quantitative information, to the extent it is based on market data, is based on market data as of April 3, 2012, the last trading day prior to the date on which D.A. Davidson & Co. made its presentation to South Valley's board of directors, and is not necessarily indicative of market conditions after such date.

Summary of Proposal. D.A. Davidson & Co. reviewed the financial terms of the proposed transaction, including the possible scenarios related to the contingent cash portion of the merger consideration. The terms of the merger agreement provide for holders of South Valley common stock to receive in exchange for their shares of South Valley common stock (1) 0.2962 of a share of Washington Federal common stock for each share of South Valley common stock and (2) their pro rata portion of the cash portion of the merger consideration, which is contingent upon (i) the collection of a specified pool of assets of South Valley prior to the closing of the merger by South Valley or by Washington Federal after the closing of the merger and (ii) South Valley's ability to complete the sale of its trust business and/or wealth management business prior to the closing of the merger. The specified pool of assets of South Valley subject to collection for purposes of the contingent cash portion of the merger consideration had an aggregate book value of approximately \$39.1 million as of March 31, 2012. To the extent that South Valley is able to collect upon the specified pool of its assets prior to the closing of the merger, then the holders of South Valley common stock will receive their pro rata share of the earn out amount equal to 100% of the cash collected and received on the assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. If collections on the specified South Valley assets are made by Washington Federal after the closing of the merger, which may be a five-year period, subject to a one-year extension by Washington Federal, then holders of South Valley common stock will receive their pro rata share of the earn out amount equal to 51.2% of the cash collected and received on the specified South Valley assets after deducting any interest accrued on the assets, any amounts owed to third parties and the costs, expenses and fees related to such collection efforts. For purposes of this section of the proxy statement/prospectus, the contingent cash portion of the merger consideration is also referred to as the Earn-Out Transaction Value.

The table below includes four scenarios of merger consideration with different values for the contingent earn out portion of the merger consideration: (1) Minimum Consideration assumes 0.0% of the contingent cash portion of the merger consideration is collected; (2) Management's Estimate includes assumptions provided from South Valley's management as of April 3, 2012, which includes 38.8% of the pool of

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specified assets of South Valley being recovered prior to the closing of the merger and 61.2% of these specified South Valley assets being recovered after the closing of the merger, net of an estimated \$1.0 million in collection related expenses; (3) 100.0% Recovery Post-Closing assumes 0.0% of the pool of specified assets of South Valley are recovered prior to the closing of the merger and 100.0% of the specified South Valley assets are recovered after the closing of the merger, net of an estimated \$1.0 million in accrued interest, third party amounts and collection related fees and expenses; and (4) 100.0% Recovery Pre-Closing assumes 100.0% of the pool of specified assets of South Valley are recovered prior to the closing of the merger and 0.0% of the specified South Valley assets are recovered after the closing of the merger. The identified scenarios do not reflect the sale of the trust business or wealth management business prior to the closing of the merger. In each of the identified scenarios the Base Transaction Value consists of the Washington Federal shares of common stock issued to South Valley shareholders based on the fixed exchange ratio of 0.2962x. The exchange ratio of 0.2962x was determined by dividing \$5.00 per share by the average closing price of Washington Federal common stock on the Nasdaq Stock Market on each of the ten consecutive trading days immediately preceding the date of the signing of the merger agreement, which was \$16.88. The scenarios outlined above and below should not be interpreted as final and are based on identified assumptions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Minimum	Management s	100.0%	100.0%
	Consideration	Estimate	Recovery	Recovery
			Post-Closing	Pre-Closing
Base Transaction Value	\$ 33,699	\$ 33,699	\$ 33,699	\$ 33,699
Earn-Out Transaction Value	\$	\$ 26,443	\$ 19,034	\$