

Washington Mutual, Inc.
Consolidated Statements of Income
(dollars in millions, except per share data)
(Unaudited)

WM - 7

	Quarter Ended			Year Ended	
	Dec. 31,	Sept. 30,	Dec. 31,	Dec. 31,	Dec. 31,
	2001	2001	2000	2001	2000
Interest Income					
Loans	\$ 2,690	\$ 2,808	\$ 2,533	\$ 11,233	\$ 9,388
Available-for-sale ("AFS") securities	776	825	712	3,573	2,811
Held-to-maturity ("HTM") securities	-	-	321	-	1,319
Other interest and dividend income	59	57	66	259	265
Total interest income	3,525	3,690	3,632	15,065	13,783
Interest Expense					
Deposits	649	735	854	3,094	3,290
Borrowings	849	1,139	1,677	5,095	6,182
Total interest expense	1,498	1,874	2,531	8,189	9,472
Net interest income	2,027	1,816	1,101	6,876	4,311
Provision for loan and lease losses	200	200	53	575	185
Net interest income after provision for loan and lease losses	1,827	1,616	1,048	6,301	4,126
Noninterest Income					
Depositor and other retail banking fees	353	333	269	1,290	976
Securities fees and commissions	77	78	74	303	318
Insurance fees and commissions	16	12	11	53	44
Net SFR loan servicing income (expense)	(1,042)	(454)	34	(1,521)	134
Loan related income	109	93	34	349	117
Gain from mortgage loans	289	275	64	967	262
Gain (loss) from securities	442	317	13	861	(1)
Other income	90	84	51	325	134
Total noninterest income	334	738	550	2,627	1,984
Noninterest Expense					
Compensation and benefits	535	507	343	1,924	1,348
Occupancy and equipment	228	202	157	804	604
Telecommunications and outsourced information services	119	111	87	441	323
Depositor and other retail banking losses	45	37	29	144	105
Amortization of goodwill and other intangible assets	45	48	26	172	106
Other expense	359	249	180	1,132	640
Total noninterest expense	1,331	1,154	822	4,617	3,126
Income before income taxes and extraordinary item	830	1,200	776	4,311	2,984
Income taxes	295	443	279	1,579	1,085
Income before extraordinary item	535	757	497	2,732	1,899
Extraordinary item - gain on extinguishment of debt, net of taxes of \$189 and \$239 million for quarter and year ended December 31, 2001, and \$50 million for quarter ended September 30, 2001	307	75	-	382	-
Net Income	\$ 842	\$ 832	\$ 497	\$ 3,114	\$ 1,899
Net Income Attributable to Common Stock	\$ 840	\$ 830	\$ 497	\$ 3,107	\$ 1,899
Basic earnings per common share:					
Income before extraordinary item	\$ 0.62	\$ 0.88	\$ 0.63	\$ 3.20	\$ 2.37
Extraordinary item	0.36	0.09	-	0.45	-
Net income	0.98	0.97	0.63	3.65	2.37
Diluted earnings per common share:					
Income before extraordinary item	\$ 0.62	\$ 0.85	\$ 0.62	\$ 3.15	\$ 2.36
Extraordinary item	0.35	0.09	-	0.44	-
Net income	0.97	0.94	0.62	3.59	2.36
Dividends declared per common share	\$ 0.24	\$ 0.23	\$ 0.20	\$ 0.90	\$ 0.76
Basic weighted average number of common shares outstanding (in thousands)	856,014	859,497	788,789	850,245	801,262
Diluted weighted average number of common shares outstanding (in thousands)	868,951	879,374	796,466	864,658	804,695

Washington Mutual, Inc.
Selected Financial Information
(dollars in millions except for per share data)
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	Quarter Ended		Year Ended		
	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Basic and Diluted Weighted Average Number of Common Shares Outstanding (in thousands)					
Basic weighted average number of common shares outstanding	856,014	859,497	788,789	850,245	801,262
Dilutive effect of potential common shares from:					
Stock options	6,726	9,336	7,677	8,469	3,433
Premium Income Equity Securities SM	1,268	1,782	-	1,346	-
Trust Preferred Income Equity Redeemable Securities SM	4,943	8,759	-	4,598	-
	12,937	19,877	7,677	14,413	3,433
Dilutive weighted average number of common shares outstanding	868,951	879,374	796,466	864,658	804,695

	Year Ended Dec. 31, 2001	Year Ended Dec. 31, 2000
Stockholders' Equity Rollforward		
Balance, beginning of period	\$ 10,166	\$ 9,053
Net income	3,114	1,899
Cash dividends declared on common stock	(774)	(626)
Cash dividends declared on redeemable preferred stock	(7)	-
Common stock issued to acquire Bank United Corp.	1,389	-
Common stock issued	197	89
Common stock repurchased and retired	(231)	(869)
Common stock warrants issued, net of costs	398	-
Other comprehensive (loss) income, net of tax	(189)	620
Balance, end of period	\$ 14,063	\$ 10,166

Washington Mutual, Inc.
Selected Financial Information
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WM - 9

	Quarter Ended					
	Dec. 31, 2001		Sept. 30, 2001		Dec. 31, 2000	
	Balance	Rate	Balance	Rate	Balance	Rate
Average Balances and Weighted Average Interest Rates						
Assets						
Interest-earning assets:						
Loans ⁽¹⁾						
SFR	\$ 103,594	6.39%	\$ 100,548	6.82%	\$ 83,313	7.69%
Specialty mortgage finance ⁽²⁾	10,024	10.26	9,770	10.21	7,082	10.69
Total SFR	113,618	6.73	110,318	7.12	90,395	7.93
Other loans	41,306	7.54	41,612	8.11	32,224	9.21
Total loans	154,924	6.94	151,930	7.38	122,619	8.26
Mortgage-backed securities ("MBS")	31,188	6.29	37,863	6.83	56,230	7.20
Investment securities and other	27,951	4.92	17,006	5.54	5,197	6.71
Total interest-earning assets	214,063	6.58	206,799	7.13	184,046	7.89
Noninterest-earning assets	22,272		21,658		8,082	
Total assets	\$ 236,335		\$ 228,457		\$ 192,128	
Liabilities						
Deposits:						
Checking accounts	\$ 30,535	0.71	\$ 24,746	0.23	\$ 14,299	0.45
Savings accounts and money market deposit accounts ("MMDAs")	34,235	2.11	35,425	2.77	30,243	4.21
Time deposit accounts	38,863	4.22	39,005	4.82	35,315	5.84
Total deposits	103,633	2.48	99,176	2.94	79,857	4.25
Borrowings:						
Securities sold under agreements to purchase ("repurchase agreements")	29,677	2.31	27,353	3.29	29,708	6.72
Advances from Federal Home Loan Banks ("FHLBs")	64,338	3.17	62,614	4.17	56,185	6.68
Federal funds purchased and commercial paper	5,163	2.39	4,309	3.71	4,758	6.81
Other	14,357	3.61	15,459	5.51	9,202	6.52
Total borrowings	113,535	2.96	109,735	4.12	99,853	6.68
Total interest-bearing liabilities	217,168	2.74	208,911	3.56	179,710	5.60
Noninterest-bearing liabilities	4,778		5,492		2,750	
Total liabilities	221,946		214,403		182,460	
Stockholders' Equity	14,389		14,054		9,668	
Total liabilities and stockholders' equity	\$ 236,335		\$ 228,457		\$ 192,128	
Net interest spread		3.84		3.57		2.29
Net interest margin		3.80		3.53		2.42

⁽¹⁾ Nonaccrual loans were included in the average loan amounts outstanding.

⁽²⁾ Includes purchased sub-prime loan portfolios as well as first mortgages originated by Washington Mutual Finance and Long Beach Mortgage.

Washington Mutual, Inc.
Selected Financial Information
(dollars in millions)
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WM - 10

	Year Ended			
	Dec. 31, 2001		Dec. 31, 2000	
	Balance	Rate	Balance	Rate
Average Balances and Weighted Average Interest Rates				
Assets				
Interest-earning assets:				
Loans ⁽¹⁾				
SFR	\$ 98,494	7.01%	\$ 81,471	7.40%
Specialty mortgage finance ⁽²⁾	9,054	10.32	5,352	11.11
Total SFR	107,548	7.29	86,823	7.63
Other loans	40,766	8.32	30,919	8.94
Total loans	148,314	7.57	117,742	7.97
MBS	41,430	6.95	58,469	6.97
Investment securities and other	17,625	5.43	4,598	6.90
Total interest-earning assets	207,369	7.26	180,809	7.62
Noninterest-earning assets	18,204		6,763	
Total assets	\$ 225,573		\$ 187,572	
Liabilities				
Deposits:				
Checking accounts	\$ 23,502	0.51	\$ 14,120	0.46
Savings accounts and money market deposit accounts ("MMDAs")	34,168	3.00	29,816	4.05
Time deposit accounts	38,852	5.04	36,340	5.55
Total deposits	96,522	3.21	80,276	4.10
Borrowings:				
Securities sold under agreements to purchase ("repurchase agreements")	29,582	4.04	28,491	6.33
Advances from Federal Home Loan Banks ("FHLBs")	63,859	4.58	56,979	6.33
Federal funds purchased and commercial paper	4,806	4.11	3,442	6.52
Other	13,289	5.85	7,198	7.59
Total borrowings	111,536	4.57	96,110	6.43
Total interest-bearing liabilities	208,058	3.93	176,386	5.37
Noninterest-bearing liabilities	4,308		2,207	
Total liabilities	212,366		178,593	
Stockholders' Equity	13,207		8,979	
Total liabilities and stockholders' equity	\$ 225,573		\$ 187,572	
Net interest spread		3.33		2.25
Net interest margin		3.32		2.38

⁽¹⁾ Nonaccrual loans were included in the average loan amounts outstanding.

⁽²⁾ Includes purchased sub-prime loan portfolios as well as first mortgages originated by Washington Mutual Finance and Long Beach Mortgage.

Washington Mutual, Inc.
Consolidated Statements of Financial Condition
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	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000
Assets			
Cash and cash equivalents	\$ 6,044	\$ 3,723	\$ 2,622
AFS securities:			
MBS	28,568	37,217	40,349
Investment securities	29,781	10,662	1,810
HTM securities:			
MBS	-	-	16,428
Investment securities	-	-	137
Loans held for sale	23,842	18,035	3,404
Loans:			
Loans held in portfolio	132,991	132,900	119,626
Allowance for loan and lease losses	(1,404)	(1,295)	(1,014)
Total loans held in portfolio, net of allowance for loan and lease losses	131,587	131,605	118,612
Mortgage servicing rights ("MSR")	6,241	6,721	1,017
Investment in FHLBs	3,873	3,822	3,260
Goodwill and other intangible assets	2,330	2,377	1,084
Other assets	10,240	9,476	5,993
Total assets	\$ 242,506	\$ 223,638	\$ 194,716
Liabilities			
Deposits:			
Checking accounts	\$ 37,736	\$ 25,575	\$ 14,500
Savings accounts and MMDAs	32,484	34,599	30,656
Time deposit accounts	36,962	39,559	34,418
Total deposits	107,182	99,733	79,574
Federal funds purchased and commercial paper	4,690	4,472	4,115
Securities sold under repurchase agreements	39,447	18,675	29,756
Advances from FHLBs	61,182	65,623	57,855
Other borrowings	12,678	15,682	9,930
Other liabilities	3,264	4,924	3,320
Total liabilities	228,443	209,109	184,550
Stockholders' equity	14,063	14,529	10,166
Total liabilities and stockholders' equity	\$ 242,506	\$ 223,638	\$ 194,716
Common shares outstanding at end of period (in thousands) ⁽¹⁾	873,089	879,831	809,784
Book value per common share	\$16.45	\$16.86	\$12.84
Tangible book value per common share	14.18	14.57	11.66
Full-time equivalent employees at end of period	39,465	37,830	28,798

⁽¹⁾ Includes 18 million shares held in escrow that were not included in the book value per share calculations.

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Note: The following analysis of reported and operating earnings is based upon the Company's opinion and is intended to provide the user additional information about the Company's operations. It is not intended to replace traditional financial statement disclosures in accordance with generally accepted accounting principles and may not be comparable to similarly titled measures reported by other companies.

	Quarter Ended			Year Ended	
	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Reported Financial Results					
Net income	\$ 842	\$ 832	\$ 497	\$ 3,114	\$ 1,899
Net income per common share	\$ 0.98	\$ 0.97	\$ 0.63	\$ 3.65	\$ 2.37
Net income per diluted common share	0.97	0.94	0.62	3.59	2.36
Financial ratios on reported financial results:					
Return on average assets	1.43%	1.46%	1.03%	1.38%	1.01%
Return on average common equity	23.36	23.64	20.56	23.53	21.15
Efficiency ratio ⁽¹⁾ , excluding amortization of goodwill and other intangible assets	44.99	41.29	48.22	43.90	47.97
Efficiency ratio ⁽¹⁾ , including amortization of goodwill and other intangible assets	46.58	43.09	49.78	45.61	49.66
Earnings from Operations, Excluding Amortization of Goodwill and Other Intangible Assets					
Net income attributable to common stock	\$ 840	\$ 830	\$ 497	\$ 3,107	\$ 1,899
Total amortization of goodwill and other intangible assets	45	48	26	172	106
Income tax expense	(7)	(6)	(6)	(29)	(25)
Amortization of goodwill and other intangible assets, net of tax	38	42	20	143	81
Earnings from operations, excluding amortization of goodwill and other intangible assets	\$ 878	\$ 872	\$ 517	\$ 3,250	\$ 1,980
Earnings per diluted common share, excluding amortization of goodwill and other intangible assets					
	\$ 1.01	\$ 0.99	\$ 0.65	\$ 3.76	\$ 2.46
Financial ratios on earnings from operations:					
Return on average assets	1.49%	1.53%	1.08%	1.44%	1.06%
Return on average common equity	24.40	24.82	21.37	24.61	22.06
			Quarter Ended Dec. 31, 2001	Year Ended Dec. 31, 2001	
Pro Forma ⁽²⁾					
Income before income taxes and extraordinary item				\$ 830	\$ 4,311
Amortization of goodwill				34	136
Income before income taxes and extraordinary item, excluding amortization of goodwill				864	4,447
Income tax expense				(298)	(1,594)
Net income before extraordinary item, excluding amortization of goodwill				566	2,853
Extraordinary item, net of taxes				307	382
Redeemable preferred stock dividends				(2)	(7)
Net income attributable to common stock, excluding amortization of goodwill				\$ 871	\$ 3,228
Earnings per diluted common share, excluding amortization of goodwill					
				\$ 1.00	\$ 3.73

⁽¹⁾ Includes extraordinary item for 2001 periods.

⁽²⁾ Represents pro forma impact to quarter-to-date and year-to-date December 31, 2001 net income assuming application of the recently issued business combinations accounting standard, which eliminates the amortization of most goodwill from net income.

Washington Mutual, Inc.
Selected Financial Information
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	Dec. 31, 2001	Dec. 31, 2000
Capital Adequacy		
Stockholders' equity/total assets	5.80%	5.22%
Stockholders' equity ⁽¹⁾ /total assets ⁽¹⁾	5.89	5.24
Tangible common equity ⁽¹⁾⁽²⁾	5.14	4.79
Estimated total risk-based capital ⁽³⁾	12.42	11.07

⁽¹⁾ Excludes unrealized net gain/loss on available-for-sale securities and derivatives.

⁽²⁾ Excludes goodwill and other intangible assets.

⁽³⁾ Estimate of what WMT's total risk-based capital ratio would be if it was a bank holding company that complies with Federal Reserve Board capital requirements.

	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000
Retail Checking Accounts ⁽⁴⁾			
WMB and WMBfsb	#####	#####	#####
WMB, FA	#####	#####	#####
Total retail checking accounts	#####	#####	#####

Retail Checking Account Activity ⁽⁴⁾

Net accounts opened during the quarter:			
WMB and WMBfsb	23,739	19,891	7,656
WMB, FA	166,577	177,438	98,384
Net new retail checking accounts	190,316	197,329	106,040

⁽⁴⁾ Retail checking accounts exclude commercial business accounts. The information provided refers to the number of accounts, not dollar volume.

Washington Mutual, Inc.
Selected Financial Information

WM - 14

(dollars in millions)
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	Quarter Ended			Year Ended	
	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Loan Volume					
Single-family residential ("SFR"):					
Adjustable rate ("ARMs")	\$ 12,891	\$ 9,120	\$ 8,767	\$ 37,224	\$ 37,286
Fixed rate	39,280	30,781	2,861	107,538	6,631
Specialty mortgage finance ⁽¹⁾	2,654	3,186	1,913	11,059	8,501
Total SFR loan volume	54,825	43,087	13,541	155,821	52,418
SFR construction:					
Builder ⁽²⁾	186	144	272	2,244	1,210
Custom ⁽³⁾	118	142	142	630	639
Consumer	2,836	2,779	2,014	10,068	7,346
Commercial business	501	573	806	2,650	2,695
Commercial real estate:					
Multi-family	561	424	411	2,053	1,601
Other commercial real estate	89	70	124	570	358
Total loan volume	\$ 59,116	\$ 47,219	\$ 17,310	\$ 174,036	\$ 66,267
Loan Volume by Channel					
Originated	\$ 35,138	\$ 26,791	\$ 15,666	\$ 111,128	\$ 59,263
Purchased/Correspondent	23,978	20,428	1,644	62,908	7,004
Total loan volume by channel	\$ 59,116	\$ 47,219	\$ 17,310	\$ 174,036	\$ 66,267
Refinancing Activity ⁽⁴⁾					
SFR:					
ARMs	\$ 10,623	\$ 6,937	\$ 3,825	\$ 27,300	\$ 13,299
Fixed rate	27,265	18,806	787	70,255	1,554
SFR construction	7	7	6	31	22
Commercial real estate	463	364	222	1,580	1,020
Total refinances	\$ 38,358	\$ 26,114	\$ 4,840	\$ 99,166	\$ 15,895
SFR Loan Originations ⁽⁵⁾					
Short-term ARMs:					
Treasury indices	\$ 5,606	\$ 5,875	\$ 6,452	\$ 22,298	\$ 25,596
COFI	429	501	1,434	1,863	6,036
Other	48	60	2	112	18
Total short-term ARMs	6,083	6,436	7,888	24,273	31,650
Medium-term ARMs	6,383	2,457	435	12,012	3,932
Fixed-rate mortgages	16,840	12,301	2,664	51,227	6,415
Total SFR loan originations	\$ 29,306	\$ 21,194	\$ 10,987	\$ 87,512	\$ 41,997

⁽¹⁾ Includes purchased sub-prime loan portfolios as well as first mortgages originated by Washington Mutual Finance and Long Beach Mortgage.

⁽²⁾ Includes residential builder construction loans to borrowers who are in the business of acquiring land and building homes for resale.

⁽³⁾ Includes custom construction loans to the intended occupant of a house to finance the house's construction.

⁽⁴⁾ Includes loan refinancings entered into by both new and pre-existing loan customers.

⁽⁵⁾ Does not include purchased and correspondent SFR loans and specialty mortgage finance loans.

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	Change from Sept. 30, 2001 to Dec. 31, 2001	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000
Loans by Property Type and MBS				
Loans held in portfolio:				
SFR	\$ (152)	\$ 82,021	\$ 82,173	\$ 80,181
Specialty mortgage finance	625	9,821	9,196	6,783
Total SFR loans	473	91,842	91,369	86,964
SFR construction:				
Builder	(180)	2,127	2,307	1,040
Custom	37	475	438	391
Consumer	295	13,048	12,753	10,478
Commercial business	105	5,390	5,285	2,274
Commercial real estate:				
Multi-family	(555)	15,608	16,163	15,657
Other commercial real estate	(84)	4,501	4,585	2,822
Total loans held in portfolio	91	132,991	132,900	119,626
Less: allowance for loan and lease losses	(109)	(1,404)	(1,295)	(1,014)
Loans securitized and retained as MBS	(3,322)	22,212	25,534	34,769
Total net loans held in portfolio and loans securitized and retained as MBS	(3,340)	153,799	157,139	153,381
Loans held for sale	5,807	23,842	18,035	3,404
Total net loans and loans securitized and retained as MBS	2,467	177,641	175,174	156,785
Purchased MBS	(5,327)	6,356	11,683	22,008
Total net loans and MBS	\$ (2,860)	\$ 183,997	\$ 186,857	\$ 178,793

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	Sept. 30, 2001 to Dec. 31, 2001	Dec. 31, 2000 to Dec. 31, 2001
Rollforward of Loans Held for Sale		
Balance, beginning of period	\$ 18,035	\$ 3,404
Loans added through acquisitions	-	10,385
Loans originated and purchased	48,391	128,419
Loans transferred from MBS	3,345	3,345
Loans transferred to loans held in portfolio	-	(1,210)
Loans sold or securitized	(44,813)	(117,195)
Loan payments and other	(1,116)	(3,306)
Change in loans	5,807	20,438
Balance, end of period	\$ 23,842	\$ 23,842
Rollforward of Loans Held in Portfolio		
Balance, beginning of period	\$ 132,900	\$ 119,626
Loans added through acquisitions	-	12,334
Loans originated and purchased	10,725	45,617
Loans transferred from loans held for sale	-	1,210
Loans securitized	(428)	(1,132)
Loan payments and other	(10,206)	(44,664)
Change in loans	91	13,365
Balance, end of period	\$ 132,991	\$ 132,991
Rollforward of Mortgage Servicing Rights ("MSR")		
Balance, beginning of period	\$ 6,721	\$ 1,017
SFR:		
Additions through acquisitions	-	4,818
Additions	1,013	3,323
Amortization	(381)	(1,006)
Impairment adjustment	(1,057)	(1,749)
Sales	(59)	(174)
Net change in commercial real estate MSR	4	12
Balance, end of period	\$ 6,241	\$ 6,241
Rollforward of Loan Servicing Portfolio with MSR		
Balance, beginning of period	\$ 371,677	\$ 79,335
SFR:		
Additions through acquisitions	-	255,434
Additions	45,596	143,235
Sales	(2,414)	(6,538)
Loan payments and other	(36,790)	(94,251)
Net change in commercial real estate loan servicing portfolio	314	1,168
Balance, end of period	\$ 378,383	\$ 378,383
Total Servicing Portfolio		
Loan servicing portfolio with MSR		\$ 378,383
Loan servicing portfolio without MSR		4,117
Servicing on retained MBS without MSR		8,155
Servicing on owned loans		144,333
Total servicing portfolio		\$ 534,988
Total Servicing Portfolio, Excluding Retained MBS without MSR and Owned Loans		
	Unpaid Principal Balance	Dec. 31, 2001 Weighted Average Servicing Fee (in basis points, annualized)
Government	\$ 61,541	52
Agency	242,075	45
Private	69,996	51
Long Beach	8,888	50
Total servicing portfolio, excluding retained MBS without MSR and owned loans	\$ 382,500	47

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	Change from Sept. 30, to Dec. 31, 2001	Dec. 31, 2001	% of total	Sept. 30, 2001	% of total	Dec. 31, 2000	% of total
Real Estate Loans and MBS⁽¹⁾							
Short-term ARMs:							
COFI	(3,442)	\$ 32,994	21%	\$ 36,436	23%	\$ 42,558	27%
Treasury indices	(3,384)	34,163	22	37,547	23	44,752	28
Other	2,563	13,491 ⁽²⁾	9	10,928 ⁽²⁾	7	8,081 ⁽²⁾	5
Total short-term ARMs	(4,263)	80,648	52	84,911	53	95,391	60
Medium-term ARMs	6,879	41,585	26	34,706	22	28,992	18
Fixed-rate loans	(1,755)	27,685	18	29,440	18	12,836	8
Fixed-rate MBS	(4,187)	6,579	4	10,766	7	22,581	14
Total real estate loans and MBS	(3,326)	\$ 156,497	100%	\$ 159,823	100%	\$ 159,800	100%

⁽¹⁾ Does not include specialty mortgage finance loans.

⁽²⁾ The balance included the following amount of securities retained which bear COFI to LIBOR basis risk (dollars in billions):

Dec. 31, 2001: \$ 2.9

Sept. 30, 2001: 2.8

Dec. 31, 2000: 2.7

	Quarter Ended		Year Ended		
	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
SFR Mortgage Banking Income					
SFR loan servicing income	\$ 448	\$ 425	\$ 85	\$ 1,375	\$ 295
Amortization of MSR	(381)	(293)	(33)	(1,006)	(121)
Impairment of MSR	(1,057)	(553)	(9)	(1,749)	(9)
Other SFR loan servicing expense, net	(52)	(33)	(9)	(141)	(31)
Net SFR loan servicing income (expense)	(1,042)	(454)	34	(1,521)	134
Business and financial hedges:					
Gain from mortgage loans	287	275	64	963	262
Gain from sale of originated MBS	16	5	2	93	2
Gain (loss) from sale of other AFS securities	381	262	10	643	10
Pre-tax effect of extraordinary gain	496	125	-	621	-
Total SFR mortgage banking income	\$ 138	\$ 213	\$ 110	\$ 799	\$ 408

Washington Mutual, Inc.
Selected Financial Information
(dollars in millions)
(unaudited)

	Dec. 31, 2001		Dec. 31, 2000	
	Balance	Term ⁽¹⁾	Balance	Term ⁽¹⁾
Deposits, Borrowings and Derivatives Outstanding		<i>(in months)</i>		<i>(in months)</i>
Deposits:				
Noninterest-bearing checking accounts, savings accounts, MMDAs and time deposit accounts	\$ 22,441	N/A	\$ 8,755	N/A
Interest-bearing checking accounts, savings accounts and MMDAs	47,779	N/A	36,401	N/A
Interest-bearing time deposit accounts	36,962	10	34,418	7
Total deposits	107,182		79,574	
Borrowings:				
Adjustable ⁽²⁾	48,014	2	57,219	1
Short-term fixed	49,569	1	30,457	2
Long-term fixed	20,414	72	13,980	48
Total borrowings	117,997		101,656	
Total deposits and borrowings	\$ 225,179		\$ 181,230	

	Dec. 31, 2001			Dec. 31, 2000		
	Notional Amount	Fair Value	Term ⁽¹⁾	Notional Amount	Fair Value	Term ⁽¹⁾
Derivatives:			<i>(in months)</i>			<i>(in months)</i>
WM pay rate swaps:						
Fixed rate	\$ 12,905	\$ (9)	34	\$ 11,008	\$ (46)	9
Variable rate	3,627	224	2	2,890	140	2
Total swaps	16,532	215		13,898	94	
Caps\Corridors\Swaptions	6,335	119	14	8,286	16	5
Total derivatives	\$ 22,867	\$ 334		\$ 22,184	\$ 110	

⁽¹⁾ Terms used are remaining term for deposits, caps, corridors and swaptions and term to reprice for borrowings and swaps.

⁽²⁾ Adjustable-rate borrowings included notional values of \$ 2.3 billion and \$13.2 billion of embedded purchased interest rate floors at December 31, 2001 and December 31, 2000. At December 31, 2001 and December 31, 2000, \$ 1.8 billion and \$800 million, respectively, of these contracts were effective. Contractual start dates for the remaining floors begin September 15, 2002. Once effective, the floors reprice every three months.

Adjustable-rate borrowings included notional values of \$ 696 million and \$724 million of embedded purchased interest rate caps at December 31, 2001 and December 31, 2000. At December 31, 2001 and December 31, 2000, these interest rate caps were active. However, no contracts had strike rates that were in effect.

Adjustable-rate borrowings included notional values of \$ 5.9 billion of embedded interest rate swaptions (options to enter into pay-fixed swaps) at December 31, 2001 and none at December 31, 2000. These options are exercisable upon maturity. Maturity dates range from June 6, 2003 to September 2, 2003.

Washington Mutual, Inc.
Selected Financial Information
(dollars in millions)
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	Quarter Ended				
	Dec. 31, 2001	Sept. 30, 2001	June 30, 2001	Mar. 31, 2001	Dec. 31, 2000
Allowance for Loan and Lease Losses					
Balance, beginning of quarter	\$ 1,295	\$ 1,170	\$ 1,158	\$ 1,014	\$ 1,012
Allowance acquired through business combinations/other	6	-	(5)	120	-
Provision for loan and lease losses	200	200	92	82	53
	1,501	1,370	1,245	1,216	1,065
Loans charged off:					
SFR	(3)	(6)	(14)	(6)	(5)
Specialty mortgage finance	(10)	(4)	(5)	(7)	(3)
Total SFR charge offs	(13)	(10)	(19)	(13)	(8)
Consumer	(57)	(48)	(50)	(45)	(45)
Commercial business	(38)	(19)	(12)	(4)	(3)
Commercial real estate:					
Other commercial real estate	-	(5)	(3)	(3)	-
Total loans charged off	(108)	(82)	(84)	(65)	(56)
Recoveries of loans previously charged off:					
SFR	-	-	1	1	-
Consumer	5	6	6	6	5
Commercial business	5	1	1	-	-
Commercial real estate:					
Other commercial real estate	1	-	1	-	-
Total recoveries of loans previously charged off	11	7	9	7	5
Net charge offs	(97)	(75)	(75)	(58)	(51)
Balance, end of quarter	\$ 1,404	\$ 1,295	\$ 1,170	\$ 1,158	\$ 1,014
Net charge offs (annualized) as a percentage of average loans	0.25%	0.20%	0.20%	0.17%	0.16%
	Dec. 31, 2001	Sept. 30, 2001	June 30, 2001	Mar. 31, 2001	Dec. 31, 2000
Allowance for loan and lease losses as a percentage of:					
Nonaccrual loans	65%	72%	86%	94%	117%
Nonperforming assets	59	64	75	81	99
Total loans held in portfolio	1.06	0.97	0.89	0.87	0.85

Washington Mutual, Inc.
Selected Financial Information
(dollars in millions)
(unaudited)

	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000
Nonperforming Assets ("NPAs")			
Nonaccrual loans:			
SFR	\$ 1,041	\$ 801	\$ 509
Specialty mortgage finance	415	356	179
Total SFR nonaccrual loans	1,456	1,157	688
SFR construction:			
Builder	26	18	16
Custom	10	8	2
Consumer	148	130	117
Commercial business	159	126	12
Commercial real estate:			
Multi-family	56	51	10
Other commercial real estate	298	321	21
Total nonaccrual loans	2,153	1,811	866
Foreclosed assets:			
SFR	107	110	97
Specialty mortgage finance	69	55	24
Total SFR foreclosed assets	176	165	121
SFR construction:			
Builder	4	4	-
Custom	1	-	-
Consumer	20	25	22
Commercial business	10	9	-
Commercial real estate:			
Multi-family	-	1	1
Other commercial real estate	17	17	9
Foreclosed assets	228	221	153
Total NPAs	\$ 2,381	\$ 2,032	\$ 1,019
NPAs as a percentage of :			
Total loans held in portfolio	1.79%	1.53%	0.85%
Total assets	0.98	0.91	0.52