

Washington Mutual has filed for bankruptcy protection... let's see what the history shows!

## Washington Mutual, Inc.

Phone: (206) 461-2000  
1301 Second Avenue  
Seattle, WA 98101 United States

Ticker: [WM](#)

**Filed for Bankruptcy on 9/26/2008**  
**Case #08-12229, filed in the U.S. Bankruptcy Court for the District of Delaware**

### Latest Financial Statements as of 6/30/2008

#### Business Summary

Washington Mutual, Inc. (Washington Mutual) is a consumer and small business banking company with operations in United States markets. The Company is a savings and loan holding company. It owns two banking subsidiaries, Washington Mutual Bank (WMB) and Washington Mutual Bank fsb (WMBfsb), as well as numerous non-bank subsidiaries. The Company operates in four segments: the Retail Banking Group, which operates a retail bank network of 2,257 stores in California, Florida, Texas, New York, Washington, Illinois, Oregon, New Jersey, Georgia, Arizona, Colorado, Nevada, Utah, Idaho and Connecticut; the Card Services Group, which operates a nationwide credit card lending business; the Commercial Group, which conducts a multi-family and commercial real estate lending business in selected markets, and the Home Loans Group, which engages in nationwide single-family residential real estate lending, servicing and capital markets activities.

(Source: 10-K)

Employees: 43,198 (as of 6/30/2008)

Federal Tax Id: 911653725

#### Credit Scores

**FRISK2 Score** **1** 9/28/2008  
**Probability of default range: 21.0% - 50.0%**

#### Auditor Information

Last Audit: 12/31/2007  
Auditors: Deloitte & Touche,  
LLP (Deloitte  
Haskins & Sells)  
Opinion: **Unqualified**

#### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
<b>Moody's</b>	Caa2	Rating(s) Under Review		ON
<b>S&amp;P</b>	D	NM	D	NM

#### Second Quarter and Year-to-Date Results

Sales for the 3 months ended 6/30/2008 decreased 11.50% to \$4.20 billion from last year's comparable period amount of \$4.75 billion. Sales for the 6 months ended 6/30/2008 decreased 9.87% to \$8.79 billion from \$9.76 billion for the same period last year.

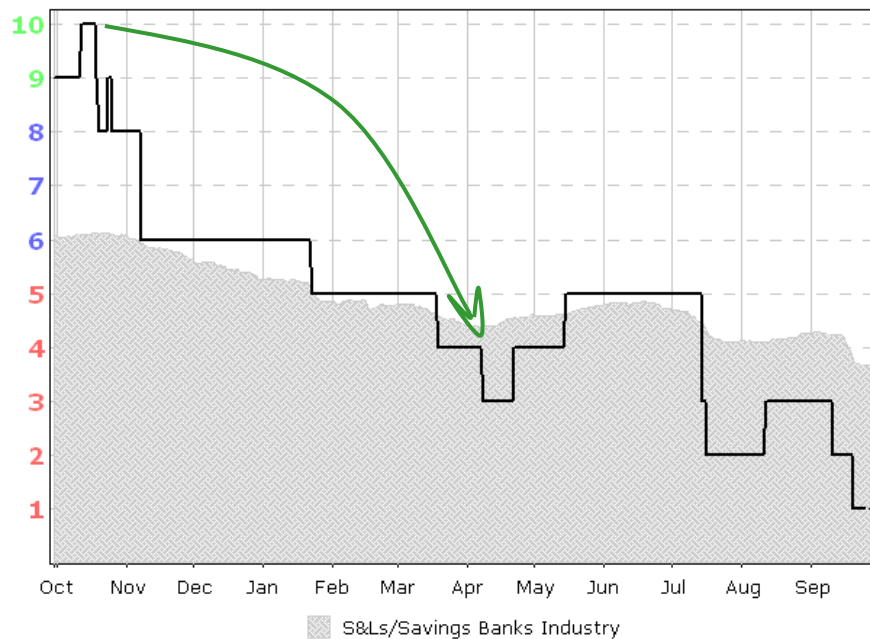
Gross profit margin increased 12.88% for the period to \$2.30 billion (54.64% of revenues) from \$2.03 billion (42.84% of revenues) for the same period last year. Gross profit margin increased 8.65% for the year-to-date period to \$4.47 billion (50.85% of revenues) from \$4.12 billion (42.18% of revenues) for the comparable

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The FRISK2 score moved down from a "10" to a very risky "4" in only five months...  
...time for IMMEDIATE ACTION

The current FRISK2 score is 1 (probability of default\* 21.0% - 50.0%), below its 13-month average and below its industry average.



	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

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...Let's see what CreditRiskMonitor's News Alerts would have showed you...

Files Chapter 11...

Operations acquired by JPMorgan...

Ratings downgrades...

New CEO...

Net Income down 500%...

President of Retail Banking terminated...

Net Income down 245%...

Job cutbacks & Falling stock price...

Ratings continue to fall...

Increased probability of sale...

Looking to sell or raise additional capital...

Class action suit...

Board cuts executive's incentives...

Chief Risk Officer Terminated...

Possible sale...

Looking to raise additional capital...

#	Date	Source	Headline
3	9/27/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated Moody's rating available</u>
4	9/26/2008	Business Wire	<u>Washington Mutual, Inc. Files Chapter 11 Case</u>
6	9/26/2008	CRM News Service	<u>Wachovia reportedly in talks with Citigroup</u>
7	9/26/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated S&amp;P ratings available</u>
8	9/26/2008	Moody's Investors Service	<u>Moody's downgrades WaMu holdco senior to Caa2, bank senior to Ca</u>
11	9/26/2008	Business Wire	<u>JPMorgan Chase Acquires Washington Mutual Bank's Operations</u>
13	9/25/2008	Business Wire	<u>JPMorgan Chase Acquires the Deposits, Assets and Certain Liabilities of Washington Mutual's Banking Operations</u>
14	9/25/2008	CRM News Service	<u>J.P. Morgan to Take Over Faltering WaMu</u>
15	9/25/2008	CRM News Service	<u>WaMu Explores Being Bought By a Private-Equity Player</u>
16	9/24/2008	Business Wire	<u>Fitch: Partial Sale Increasingly Likely for WaMu; IDR Downgraded to 'B-'</u>
17	9/24/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated S&amp;P ratings available</u>
18	9/23/2008	CRM News Service	<u>WASHINGTON MUTUAL, INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
19	9/23/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated Moody's rating available</u>
20	9/18/2008	CRM News Service	<u>WaMu's Rescue Effort Gets a Boost</u>
21	9/16/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated S&amp;P ratings available</u>
25	9/11/2008	Business Wire	<u>WaMu Responds to Moody's Downgrades</u>
49	7/24/2008	PR Newswire	<u>FiSpace.Net Provides Investor Social Networking for Shareholders of Banking Stocks WB, WM, USB, WFC, C, and STI</u>
47	9/11/2008	Moody's Investors Service	<u>Moody's downgrades WaMu ratings; outlook negative</u>
28	9/11/2008	Business Wire	<u>Fitch Downgrades Washington Mutual to 'BBB-'; Outlook Negative</u>
31	9/10/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated S&amp;P ratings available</u>
32	9/8/2008	Business Wire	<u>Alan H. Fishman Joins Washington Mutual as Chief Executive Officer</u>
33	8/11/2008	CRM News Service	<u>WASHINGTON MUTUAL, INC: a Form 10-Q has been Filed with the SEC</u>
46	7/29/2008	PrimeNewswire	<u>Keller Rohrback L.L.P. Announces Class Certified in Washington Mutual, Inc. ERISA Pension Plan Litigation -- WM</u>
47	7/25/2008	CRM News Service	<u>WaMu Bond Risk Climbs to Record Amid Mortgage</u>
48	7/24/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated financials available</u>
49	7/24/2008	PR Newswire	<u>FiSpace.Net Provides Investor Social Networking for Shareholders of Banking Stocks WB, WM, USB, WFC, C, and STI</u>
54	7/22/2008	CRM News Service	<u>WASHINGTON MUTUAL, INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
57	6/30/2008	CRM News Service	<u>WASHINGTON MUTUAL, INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
62	5/2/2008	CRM News Service	<u>WASHINGTON MUTUAL, INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
64	4/16/2008	CRM News Service	<u>WaMu Revises Pay Plan And a Director Resigns As Holders Press Change</u>
65	4/16/2008	CRM News Service	<u>Washington Mutual, Inc. -- updated financials available</u>
72	4/8/2008	CRM News Service	<u>WaMu: Opening the Door To a Sale?</u>
73	4/8/2008	CRM News Service	<u>Washington Mutual to cut 3,000 home loan jobs</u>
78	3/13/2008	CRM News Service	<u>WaMu Stakeholder Wants Piece of Any Capital Move</u>
79	3/7/2008	CRM News Service	<u>Regulators Push the Banks</u>

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...need more depth? Look at the Performance Ratios...  
 ...Continual Degradation in Operating Margin,  
 EBITDA, and Income/Loss...

### Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars )

Period Ended	3 mos 6/30/2008	3 mos 3/31/2008	3 mos 12/31/2007	3 mos 9/30/2007	3 mos 6/30/2007
<b>Net sales \$</b>	<b>\$4,202,000</b>	<b>\$4,591,000</b>	<b>\$4,876,000</b>	<b>\$4,856,000</b>	<b>\$4,748,000</b>
% change	-8.47%	-5.84%	0.41%	2.27%	-5.19%
<b>Gross margin \$</b>	<b>\$2,296,000</b>	<b>\$2,175,000</b>	<b>\$2,047,000</b>	<b>\$2,014,000</b>	<b>\$2,034,000</b>
% change	5.56%	6.25%	1.64%	-0.98%	-2.26%
% of sales	54.64%	47.38%	41.98%	41.47%	42.84%
<b>Operating margin \$</b>	<b>(\$3,617,000)</b>	<b>(\$1,336,000)</b>	<b>\$513,000</b>	<b>\$1,047,000</b>	<b>\$1,662,000</b>
% change	-170.73%	-360.43%	-51.00%	-37.00%	-10.02%
% of sales	-86.08%	-29.10%	10.52%	21.56%	35.00%
<b>EBITDA \$</b>	<b>(\$5,474,000)</b>	<b>(\$1,904,000)</b>	<b>(\$2,266,000)</b>	<b>\$293,000</b>	<b>\$1,383,000</b>
% change	-187.50%	15.98%	873.38%	-78.81%	-1.43%
% of sales	-130.27%	-41.47%	-46.47%	6.03%	29.13%
<b>Pre-tax income \$</b>	<b>(\$5,534,000)</b>	<b>(\$1,994,000)</b>	<b>(\$2,353,000)</b>	<b>\$182,000</b>	<b>\$1,240,000</b>
% change	-177.53%	15.26%	-1392.86%	-85.32%	0.00%
% of sales	-131.70%	-43.43%	-48.26%	3.75%	26.12%
<b>Net income (loss) \$</b>	<b>(\$3,328,000)</b>	<b>(\$1,138,000)</b>	<b>(\$1,867,000)</b>	<b>\$186,000</b>	<b>\$830,000</b>
% change	-192.44%	39.05%	-1103.76%	-77.59%	5.87%
% of sales	-144.95%	-52.32%	-91.21%	9.24%	40.81%
<b>Tax expense \$</b>	<b>(\$2,206,000)</b>	<b>(\$856,000)</b>	<b>(\$486,000)</b>	<b>(\$4,000)</b>	<b>\$410,000</b>
Effective tax rate	39.86%	42.93%	20.65%	-2.20%	33.06%
<b>Depreciation expense \$</b>	<b>\$60,000</b>	<b>\$90,000</b>	<b>\$87,000</b>	<b>\$111,000</b>	<b>\$143,000</b>
% of sales	1.43%	1.96%	1.78%	2.29%	3.01%
<b>Free cash flow \$</b>	<b>\$3,033,000</b>	<b>\$3,333,000</b>	<b>\$5,130,000</b>	<b>(\$1,188,000)</b>	<b>\$3,455,000</b>
% change	-9.00%	-35.03%	531.82%	-134.38%	1051.67%
Source:	10-Q 8/11/2008	10-Q 5/12/2008	10-K 2/29/2008	10-Q 11/9/2007	10-Q 8/9/2007

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