WASHINGTON MUTUAL INC
Form DEF 14A
March 19, 2002

QuickLinks -- Click here to rapidly navigate through this document

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý
Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

WASHINGTON MUTUAL INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
ý No fee required
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.
o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

1201 Third Avenue, Suite 1500
Seattle, Washington 98101

March 20, 2002

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Washington Mutual shareholders that will be held on Tuesday, April 16, 2002, at 2:00 p.m., at The Paramount Theatre, 911 Pine Street, Seattle, Washington. I look forward to greeting as many of our shareholders as possible.

As set forth in the attached Proxy Statement, the meeting will be held to consider the election of directors, the approval of the Washington Mutual, Inc. 2002 Employee Stock Purchase Plan, and the ratification of the appointment of the independent auditors for 2002. Please read the attached Proxy Statement carefully for information on the matters shareholders are being asked to consider and vote on.

In addition to these specific matters, there will be a report on the progress of Washington Mutual and an opportunity to ask questions of general interest to shareholders.

Your vote is important. Whether or not you attend the meeting in person, I urge you to promptly vote your proxy via the Internet, by telephone or by mail using the enclosed postage-paid reply envelope. If you decide to attend the meeting and vote in person, you will, of course, have that opportunity.

Sincerely,

Kerry Killinger
Chairman, President and Chief Executive Officer

WASHINGTON MUTUAL, INC.

1201 Third Avenue, Suite 1500
Seattle, Washington 98101

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held April 16, 2002

To the Shareholders of Washington Mutual, Inc.:

The Annual Meeting of Shareholders of Washington Mutual, Inc. (the "Company") will be held on Tuesday, April 16, 2002, at 2:00 p.m., at The Paramount Theatre, 911 Pine Street, Seattle, Washington, for the following purposes:

1. To elect five directors for a term of three years and one director for a term of two years;

2. To approve the Company's 2002 Employee Stock Purchase Plan;

3. To ratify the appointment of Deloitte & Touche LLP as the independent auditors for 2002; and

4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Your Board of Directors urges shareholders to vote FOR Items 1, 2 and 3.

All of these proposals are more fully described in the Proxy Statement that follows. Shareholders of record at the close of business on March 1, 2002, will be entitled to vote at the meeting and any adjournments thereof.

By Order of the Board of Directors,

William L. Lynch
Secretary

March 20, 2002

IMPORTANT

Whether or not you expect to attend in person, we urge you to vote your proxy at your earliest convenience via the Internet, by telephone or by mail using the enclosed postage-paid reply envelope. This will ensure the presence of a quorum at the Annual Meeting and will save Washington Mutual the expense of additional solicitation. Sending in your proxy will not prevent you from voting your shares at the Annual Meeting if you desire to do so. Your proxy is revocable at your option in the manner described in the Proxy Statement.

Contents

WASHINGTON MUTUAL, INC.

1201 Third Avenue, Suite 1500
Seattle, Washington 98101

PROXY STATEMENT
For 2002 Annual Meeting of Shareholders
To Be Held on Tuesday, April 16, 2002

The Board of Directors is soliciting proxies to be voted at the Annual Meeting of Shareholders on April 16, 2002, at 2:00 p.m., and at any adjournments thereof, for the purposes set forth in the attached Notice of Annual Meeting of Shareholders. The Company anticipates that the Notice, this Proxy Statement and the form of proxy enclosed will first be sent to its shareholders on or about March 20, 2002.

Who Can Vote

Only shareholders of record at the close of business on March 1, 2002 will be entitled to vote at the Annual Meeting. As of March 1, 2002, the Company had 971,374,311 shares of Common Stock ("Common Stock") outstanding (including 18,000,000 shares of Common Stock held in escrow) and 2,000,000 Premium Income Equity Securities ("PIES") outstanding. Each share of Common Stock is entitled to one vote per share and each PIES (by virtue of the share of Series H Preferred Stock pledged to secure the obligations comprising each PIES) is entitled to one-tenth vote per PIES for each of the items properly presented at the Annual Meeting.

What You Are Voting on

You are voting on:

The election of five directors for a term of three years (David Bonderman, Phillip D. Matthews, Mary E. Pugh, William G. Reed, Jr. and James H. Stever) and one director for a term of two years (Margaret Osmer-McQuade).

The approval of the Company's 2002 Employee Stock Purchase Plan.

The ratification of the appointment of Deloitte & Touche LLP as independent auditors for 2002.

Votes Required/Voting Procedures

Under Washington law, any shareholder action at a meeting requires that a quorum exist with respect to that action. A quorum for the actions to be taken at the Annual Meeting will consist of a majority of the outstanding shares of Common Stock entitled to vote, present in person or by proxy at the Annual Meeting. Shareholders of record who are present at the Annual Meeting in person or by proxy and who abstain, including brokers holding customers' shares of record who cause abstentions to be recorded at the Annual Meeting, are considered shareholders who are present and entitled to vote, and will count toward the quorum.

If a quorum exists at the Annual Meeting, each action proposed will be approved if the number of votes cast in favor of the proposed action exceeds the number of votes cast against it. Consequently, abstentions and broker non-votes will have no impact on any of the proposals set forth in the Notice of Annual Meeting.

Washington Mutual Plans

If you are a participant in the Washington Mutual Equity Incentive Plan, the Washington Mutual, Inc. Retirement Savings and Investment Plan ("401(k) Plan"), the Washington Mutual, Inc. Employees' Stock Purchase Program, the Pioneer Savings Bank Employee Stock Ownership Plan and Trust, or the Retirement 401(k) Investment Plan of Dime Bancorp, Inc., you may direct the trustee or plan administrator how to vote the number of shares allocated to your account. The enclosed proxy indicates any Common Stock allocated to your account.

How You Can Vote

If you hold your shares as a shareholder of record, you can vote in person at the Annual Meeting or you can vote via the Internet, by telephone or by mail as instructed by the enclosed proxy card. Whichever method you use, the proxies identified on the back of the proxy card will vote the shares of which you are the shareholder of record in accordance with your instructions. If you submit a proxy card without giving specific voting instructions, the proxies will vote the shares as recommended by the Board of Directors.

If you own your shares through a brokerage account or in another nominee form, you must provide instructions to the broker or nominee as to how your shares should be voted. Your broker or nominee will generally provide you with the appropriate forms at the time you receive this Proxy Statement and the annual report. If you own your shares through a brokerage account or nominee, you cannot vote in person at the Annual Meeting unless you receive a proxy from the broker or the nominee.

How You May Revoke or Change Your Vote

If you are the record owner of your shares, you may revoke your proxy at any time before it is voted at the Annual Meeting (1) by submitting a new proxy card, (2) by delivering written notice to the Secretary of the Company before April 16, 2002, stating that you are revoking your proxy, or (3) by attending the Annual Meeting and voting your shares in person. Attendance at the Annual Meeting will not, in itself, constitute revocation of your proxy.

Costs of Solicitation

The Company will bear the cost of preparing, printing and mailing material in connection with this solicitation of proxies. In addition to mailing material, officers and regular employees of the Company may, without being additionally compensated, solicit proxies personally and by mail, telephone, telegram or facsimile. The Company will reimburse banks and brokers for their reasonable out-of-pocket expenses related to forwarding proxy material to beneficial owners of stock or otherwise in connection with this solicitation. The Company has retained Georgeson Shareholder Communications Inc. to assist in the solicitation at a cost of approximately $10,000, plus reasonable out-of-pocket expenses.

Who Will Count the Vote

Proxies and ballots will be received and tabulated by Automated Data Processing.

ITEM 1. ELECTION OF DIRECTORS

Nominees

The Board of Directors of Washington Mutual currently consists of 17 directors, who are divided into three classes. The members of each class ordinarily serve three-year terms, with one class elected annually. The Board of Directors has nominated each of the following persons for election as a director to serve a three-year term expiring at the Company's Annual Meeting of Shareholders in the year indicated above such person's name, except that Ms. Osmer-McQuade has been nominated to serve a two-year term.

Term Ending 2004

Margaret Osmer-McQuade

Term Ending 2005

David Bonderman
Phillip D. Matthews
Mary E. Pugh
William G. Reed, Jr.
James H. Stever

Each of the nominees has indicated that he or she is willing and able to serve as a director. If any nominee becomes unable or unwilling to serve, the accompanying proxy may be voted for the election of such other person as shall be designated by the Planning and Nominating Committee of the Board of Directors. Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted in favor of the six nominees listed above.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE NOMINEES.

Directors

The following table sets forth information regarding each of the Company's directors, including all nominees for election as a director. William P. Gerberding, a current director, will retire at the Annual Meeting. Except as otherwise indicated, each director has been engaged in the principal occupation described below for at least five years.

Name	Age	Company Director Since	Expiration of Term as Director
Douglas P. Beighle	69	1989	2003
David Bonderman	59	1997	2002
J. Taylor Crandall	48	1997	2003
Anne V. Farrell	66	1994	2004
Stephen E. Frank	60	1997	2004
William P. Gerberding	72	1979	2001
Enrique Hernandez, Jr.	46	1997	2004
Kerry K. Killinger	52	1988	2003
Phillip D. Matthews	63	1998	2002
Michael K. Murphy	65	1985	2003
Margaret Osmer-McQuade	63	2002	2002
Mary E. Pugh	42	1999	2002
William G. Reed, Jr.	63	1970	2002
Elizabeth A. Sanders	56	1998	2003
William D. Schulte	69	1998	2004
James H. Stever	58	1991	2002
Willis B. Wood, Jr.	67	1997	2003

Mr. Beighle retired as Senior Vice President and Chief Administrative Officer of The Boeing Company in May 1997. From 1980 through 1997, he held various Senior Executive positions at Boeing, including Senior Vice President from 1986 through 1997. He has been a consultant to Boeing since 1997. Mr. Beighle serves as a director and as Chair of the Board of Puget Energy, Inc. and its subsidiary, Puget Sound Energy, Inc., and as a director of Simpson Investment Company.

Mr. Bonderman has been Managing Director of Texas Pacific Group since 1992. He is a director of Continental Airlines, Inc., Co-Star Group, Inc., Denbury Resources Inc., Ducati Motor Holdings S.p.A., Gemplus International S.A., Oxford Health Plans, Inc., Magellan Health Services, Inc., Paradyne Networks, Inc., ProQuest Company, Ryanair Holdings plc and ON Semiconductor Corporation.

Mr. Crandall has been Chief Operating Officer and Vice President of Keystone, Inc. since August 1998, and Managing Partner of Oak Hill Capital Management, Inc. since October 1998. Mr. Crandall was Chief Financial Officer of Keystone, Inc. from October 1986 to August 1998. He was a Vice President and director of National Re Holdings Corp. from 1989 until 1997 and served as Treasurer of that company until 1990. Mr. Crandall is a director of Broadwing, Inc., ProQuest Company, MeriStar Hospitality, Inc., MeriStar Hotels and Resorts, Inc., Specialty Foods, Inc., Sunterra Corporation and US Oncology, Inc.

Mrs. Farrell has served as President and Chief Executive Officer of The Seattle Foundation, a charitable and educational corporate foundation, since 1984. Mrs. Farrell also serves as a trustee of the registered investment companies that comprise the WM Group of Funds. The investment adviser to the funds is an indirect wholly owned subsidiary of Washington Mutual.

Mr. Frank is a director of Aegis Insurance Services, Inc., LNR Property Corporation and UNOVA, Inc. On January 1, 2002, Mr. Frank retired as Chairman, President and Chief Executive Officer of Southern California Edison, the largest subsidiary of Edison International, for which he had served since June 1995. He also retired his directorships of both Southern California Edison and Edison International.

Mr. Gerberding serves as a director of SAFECO Corporation and is a member of the board of directors of the Seattle Opera. Mr. Gerberding served as President of the University of Washington from 1979 through 1995.

Mr. Hernandez is Chairman, Chief Executive Officer and President of Inter-Con Security Systems. He is also a co-founder and has been principal partner since 1988 of Interspan Communications, a television broadcast company serving Spanish-speaking audiences. Prior to becoming President of Inter-Con, he served as Vice President and Assistant General Counsel from 1984 to 1985 and as Executive Vice President from 1985 to 1986. Mr. Hernandez serves as a director of McDonald's Corporation, Nordstrom, Inc. and Tribune Company.

Mr. Killinger has been Chairman, President and Chief Executive Officer of Washington Mutual since 1991. Mr. Killinger became President and a director in 1988, Chief Executive Officer in 1990 and Chairman of the Board of Directors in 1991. He has been a director of Simpson Investment Company since 1997.

Mr. Matthews is Chairman of the Executive Committee and Lead Director of Wolverine World Wide, Inc. and served as its Chairman from 1993 through 1996. He is also Chairman of the Board of Worldwide Restaurant Concepts, Inc. Mr. Matthews was Chairman and Chief Executive Officer of The Reliable Company from 1992 to 1997.

Mr. Murphy is Chairman of CPM Development Corporation, the parent company of Central Pre-Mix Concrete Company and Inland Asphalt Company. Mr. Murphy also serves as a trustee of the registered investment companies that comprise the WM Group of Funds. The investment adviser to the funds is an indirect wholly owned subsidiary of Washington Mutual.

3

Ms. Osmer-McQuade has been President of Qualitas International, an international consulting firm, since 1993. She also serves as a director of Riverside Capital International LLC.

Ms. Pugh is founder, President and Chief Executive Officer of Pugh Capital Management, Inc., a fixed income money management company. Ms. Pugh is a director of the Seattle branch of the Federal Reserve Bank of San Francisco and a director of Cascade Natural Gas Corporation. She is an executive committee member of the Greater Seattle Chamber of Commerce and a member of the Washington Roundtable.

Mr. Reed is Non-Executive Chairman of the Board of SAFECO Corporation and a director of Simpson Investment Company. He was Chairman of Simpson Investment Company from 1971 to 1996. Mr. Reed also serves as a director of Microsoft Corporation, PACCAR, Inc. and The Seattle Times.

Ms. Sanders is founder and Principal of The Sanders Partnership, an executive management and leadership consulting firm. Prior to 1990, she served as a Vice President and General Manager of Nordstrom, Inc. She is also a director of Advantica Restaurant Group, Inc., Wal-Mart Stores, Inc., WellPoint Health Networks Inc. and Wolverine World Wide, Inc.

Mr. Schulte served in various positions with KPMG from 1961 until his retirement in 1990, including Managing Partner of the Los Angeles office and member of the firm's management committee from 1979 to 1986 and Vice Chairman and member of the board of directors from 1986 until 1990. Mr. Schulte is a director of Parsons Corporation.

Mr. Stever retired as Executive Vice President Public Policy of U S WEST, Inc. on December 31, 1996, which position he had held since January 1996. He was Executive Vice President Public Policy and Human Resources of U S WEST, Inc. from November 1994 to January 1996 and was Executive Vice President Public Policy of U S WEST, Inc. and U S WEST Communications, Inc. from 1993 until 1994. He was President Public Policy of U S WEST Communications, Inc. from 1990 until 1993 and President Business Division from 1988 until 1990.

Mr. Wood retired as Chairman, Chief Executive Officer and director of Pacific Enterprises, the holding company of Southern California Gas Company, in 1998. Mr. Wood served in various positions, including as executive officer of Pacific Enterprises' subsidiaries since 1960. Mr. Wood is a director of the American Automobile Association (AAA) and the Automobile Club of Southern California.

Information Regarding the Board of Directors and Its Committees

The Board of Directors of Washington Mutual has an Audit Committee, a Compensation and Stock Option Committee, a Loan and Investment Committee, a Corporate Development Committee, a Corporate Relations Committee and a Planning and Nominating Committee.

The Audit Committee's function is to meet with management, the internal auditors and the independent auditors to review and evaluate the Company's audited financial statements and to monitor and oversee the Company's internal control system, its accounting and financial reporting process, its audit function and its compliance with applicable laws and regulations. This Committee currently consists of Messrs. Beighle (Chair), Frank, Hernandez, Matthews, Reed and Schulte. The Audit Committee met six times in 2001.

The Compensation and Stock Option Committee reviews and approves compensation policies for all employees; develops, approves and administers the salaries, bonuses and equity compensation of all executive and senior officers of Washington Mutual and its subsidiaries; reviews compensation programs and practices for the Chief Executive Officer; and has supervisory control over the administration of Washington Mutual's compensation, stock option and other equity

incentive plans, its pension and retirement plans and its other benefit plans and programs. This Committee currently consists of Messrs. Stever (Chair), Beighle, Bonderman and Wood and Ms. Sanders. The Compensation Committee met four times in 2001.

The Planning and Nominating Committee monitors Washington Mutual's operating and financial condition, reviews and approves Washington Mutual's strategic and operational plans and programs and assists the Board of Directors in policymaking functions. The Committee also recommends persons to fill vacancies on the Board of Directors and reviews the structure and operation of the Board of Directors. Pursuant to the Company's Bylaws, the Committee considers shareholder-recommended nominees for the Board of Directors, provided that such shareholder nominations must be submitted to the Company's Secretary not less than 90 days in advance of the mailing of the Proxy Statement as based on the prior year's mailing date. This Committee currently consists of Messrs. Reed (Chair), Gerberding, Hernandez, Matthews and Stever and Mrs. Farrell. The Planning and Nominating Committee met twice in 2001.

The Loan and Investment Committee has supervisory control over all investments in, and dispositions of, securities and loans, all purchases of real estate and dispositions of property acquired by Washington Mutual (excluding the Company's premises or other real property acquired for use by the Company). This Committee currently consists of Messrs. Murphy (Chair), Crandall, Frank, Killinger (ex officio member), Matthews and Schulte and Ms. Pugh.

The Corporate Development Committee was formed in December 1997 to review, on a case-by-case basis, with Washington Mutual's management all potential acquisitions presented to it. This Committee currently consists of Messrs. Killinger (Chair), Beighle, Bonderman, Stever and Wood.

The Corporate Relations Committee was formed in December 1997 to monitor the Company's charitable giving and community service activities, including implementation of its new ten-year $375 billion Community Commitment. This Committee currently consists of Mrs. Farrell (Chair), Messrs. Gerberding, Killinger (ex officio member), Murphy and Wood and Ms. Pugh and Ms. Sanders.

During 2001, the Company's Board of Directors met nine times. Each director, except Mr. Hernandez, attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of all meetings held by committees on which he or she served.

Compensation of Directors

Non-employee directors are compensated for their service on the Board of Directors and any committees on which they serve. Each director is paid an annual retainer fee of $35,000. Each director also receives $750 for attendance at purely telephonic board meetings and $1,500 for attendance in person or by telephone at other board meetings. Directors who serve on committees also receive $750 for attendance at purely telephonic committee meetings and $1,500 for attendance in person. In addition, directors are reimbursed for travel and accommodation expenses in connection with board and committee meetings. The Chairman of the Compensation Committee receives an additional annual fee of $5,000; the Chairman of the Loan and Investment Committee receives an additional annual fee of $5,000; the Chairman of the Corporate Relations Committee receives an additional annual fee of $3,000; the Chairman of the Planning and Nominating Committee receives an additional annual fee of $3,000; and the Chairman of the Audit Committee receives an additional annual fee of $10,000. The Corporate Development Committee members receive an annual fee of $6,000 in lieu of any fees for committee meeting attendance. Mr. Killinger receives no compensation as a director.

Pursuant to the Washington Mutual 1994 Stock Option Plan Amended and Restated as of February 15, 2000 (the "1994 Stock Option Plan"), in December of each year each non-employee director receives a grant of options to purchase 6,000 shares of Common Stock at an exercise price equal to the fair market value of the Common Stock on the date of grant. All such options vest on the first anniversary of the grant.

Messrs. Frank, Hernandez and Wood have residential loans outstanding with a non-bank subsidiary of Washington Mutual. All such loans were made by Great Western Financial Corporation ("GWFC") prior to the merger of GWFC with a subsidiary of the Company in July 1997 (the "Great Western Merger"), pursuant to the Great Western Home Loan Program (the "GW Home Loan Program") described in this Proxy Statement under "Certain Relationships and Related Transactions Indebtedness of Management." Interest on those loans is generally at monthly adjustable rates equal to the cost of funds of Washington Mutual Bank, FA ("WMBFA"), a wholly owned subsidiary of Washington Mutual, plus 0.25%. This rate was approximately 2.8397% below that on similar loans made to the general public in 2001. The economic benefit of preferential loans under the GW Home Loan Program to Messrs. Frank, Hernandez and Wood in 2001 was, respectively, $27,927, $59,748 and $20,900.

Messrs. Frank, Hernandez and Wood are entitled to certain retirement benefits under an unfunded directors' retirement plan for which Washington Mutual has assumed responsibility as successor to GWFC. Upon termination of service on GWFC's Board of Directors, each eligible director became entitled under the plan to an annual retirement benefit equal to the sum of the annual retainer previously paid to members of the GWFC Board plus twelve times the monthly meeting fee, both as in effect at the time of the director's termination. Benefits are payable for a period equal to the number of years that the eligible director served as a director and will be provided to the surviving spouse or other designated beneficiary following an eligible director's death. Washington Mutual has purchased company-owned cost-recovery life insurance on the lives of the participants in the plan. Messrs. Frank and Hernandez are entitled to receive quarterly payments of $11,650 under the plan until October 2008, and Mr. Wood is entitled to receive such payments until October 2011. Accordingly, in 2001 each of the three directors received payments aggregating $46,600 under the plan.

Messrs. Frank, Hernandez and Wood have vested balances in an unfunded deferred compensation plan for certain former directors of GWFC for which Washington Mutual has assumed responsibility as successor to GWFC. No additional compensation may be deferred under this plan. Washington Mutual has purchased company-owned cost-recovery life insurance on the lives of the participants. Interest accrues on fund balances under the plan at enhanced rates. Those interest amounts exceeded 120% of the applicable federal long-term rate compounded annually by $2,324, $2,337 and $2,633, respectively, for Messrs. Frank, Hernandez and Wood during 2001.

Messrs. Matthews and Schulte are entitled to certain retirement benefits under an unfunded directors' retirement plan for which Washington Mutual has assumed responsibility as successor to H.F. Ahmanson & Company ("Ahmanson"). Upon termination of service on Ahmanson's Board of Directors, each eligible director became entitled under the plan to an annual retirement benefit equal to the director's pay during the twelve-month period immediately preceding retirement from such Board. Benefits are payable for a period equal to the number of years that the eligible director served as an Ahmanson director and will be provided to the surviving spouse or other designated beneficiary following an eligible director's death. Washington Mutual has purchased company- owned cost-recovery life insurance on the lives of the participants in the plan. Messrs. Matthews and Schulte began receiving monthly payments of $2,000 under the plan beginning April 1, 1999. Messrs. Matthews and Schulte are entitled to receive this benefit through May 2002 and September 2006, respectively.

PRINCIPAL HOLDERS OF COMMON STOCK

The following table sets forth information regarding beneficial ownership of Common Stock by each person known to the Company to have owned more than 5% of the outstanding shares of the Common Stock on March 2, 2002. The following is based solely on statements filed with the Securities and Exchange Commission or other information that the Company believes to be reliable. The named shareholder(s) has sole voting and investment power with respect to the shares shown, except as noted below.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
AXA Conseil Vie Assurance Mutuelle AXA Assurances I.A.R.D Mutuelle AXA Assurances Vie Mutuelle AXA Courtage Assurance Mutuelle AXA	56,619,707[1]	6.5

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
AXA Financial, Inc. c/o AXA Financial, Inc. 1290 Avenue of the Americas New York, New York 10104		

(1) Washington Mutual has obtained information concerning the holding shown based solely on a Schedule 13G filed on February 11, 2002 by AXA, as a parent holding company of AXA Investment Managers Hong Kong Ltd. ("AXA Hong Kong") and AXA Investment Managers UK Ltd. ("AXA UK"); AXA's subsidiary, AXA Financial, Inc., as a parent holding company of Alliance Capital Management, L.P. ("Alliance") and The Equitable Life Assurance Society of the United States ("Equitable"); and AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutelle, AXA Conseil Vie Assurance Mutuelle, AXA Courtage Assurance Mutuelle, as a group which control AXA. The Schedule 13G indicates that AXA Hong Kong has sole voting and dispositive power over 22,261 shares; AXA UK has sole voting and dispositive power over 40,500 shares, Alliance has sole voting power over 26,236,451 shares, shared voting power over 10,438,416 shares, sole dispositive power over 56,507,776 shares and shared dispositive power over 3,325 shares; and Equitable has sole dispositive power over 45,845 shares.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table and accompanying footnotes provide a summary of the beneficial ownership of the Common Stock as of March 1, 2002, by (i) directors, (ii) the Company's Chief Executive Officer, (iii) the other executive officers named in the executive compensation table set forth herein, and (iv) all current directors and executive officers as a group. The following summary is based on information furnished by the respective directors and officers.

Each of the individuals listed below owns less than 1% of the outstanding shares and voting power of the Common Stock of the Company, except that the Company's directors and executive officers as a group hold approximately 1.7%. In most cases, each individual has sole voting and investment power with respect to the shares he or she beneficially owns. Where that is not the case, voting and investment power is clarified in a footnote.

Name	Shares of Common Stock(1)	Shares of Restricted Stock(2)	Options Exercisable(3)	Total
Douglas P. Beighle	33,419	1,370	30,000	64,789
David Bonderman	4,418,580(4)	1,370	23,250	4,443,200
J. Taylor Crandall	3,652,665(5)	1,370	23,250	3,677,285
Craig S. Davis	73,614(6)	15,888	499,151	588,653
Anne V. Farrell	9,000(7)	1,370	27,750	38,120
Stephen E. Frank	4,200	1,370	46,315	51,885
William P. Gerberding	9,076(8)	1,370	30,000	40,446
Enrique Hernandez, Jr.	1,013	1,370	46,315	48,698
Kerry K. Killinger	672,532(9)	63,935	2,589,612	3,326,079
William A. Longbrake	860,699(10)	17,967	431,253	1,309,919
Phillip D. Matthews	7,500(11)	1,062	28,415	36,977
Michael K. Murphy	22,200(12)	1,370	30,000	53,570
Deanna W. Oppenheimer	116,443(13)	17,029	397,608	531,080
Margaret Osmer-McQuade	22,575	0	1,685	24,260
Mary E. Pugh	3,109	852	12,000	15,961
William G. Reed, Jr.	124,842(14)	1,370	30,000	156,212
Elizabeth A. Sanders	17,505(15)	1,062	24,060	42,627
William D. Schulte	14,040	1,062	46,740	61,842
James H. Stever	23,050(16)	1,370	30,000	54,420

Name	Shares of Common Stock(1)	Shares of Restricted Stock(2)	Options Exercisable(3)	Total
Craig E. Tall	209,657(17)	17,787	633,257	860,701
Willis B. Wood, Jr.	13,500	1,370	46,315	61,185
All directors and executive officers as a group (30 persons)	10,606,150(18)	260,394	6,114,025	16,980,569

(1) All fractional shares have been rounded up to the next highest share.

(2) All restricted stock included is subject to divestiture.

(3) All options included are exercisable within 60 days after March 1, 2002.

(4) Includes 574,912 shares held in escrow for the benefit of Keystone Holdings Partners, L.P. ("KH Partners") and its transferees pursuant to the merger agreement dated July 21, 1996, as amended November 1, 1996, by and among Washington Mutual, KH Partners, Keystone Holdings, Inc. ("Keystone Holdings") and certain of its subsidiaries (the "Merger Agreement"). KH Partners has distributed voting rights over such shares to its partners in accordance with their sharing percentages, and Mr. Bonderman, as a limited partner of KH Partners, may be deemed to be the beneficial owner of 574,912 shares as to which voting rights have been distributed to him. In addition, Mr. Bonderman is the president and sole shareholder of KH Group Management, Inc. ("KH Group"), which is the direct beneficial owner of 820,822 shares of Common Stock. This number includes 137,142 shares held in escrow pursuant to the Merger Agreement. KH Group, as a limited partner of KH Partners, may be deemed to be the beneficial owner of such

137,142 shares, as to which voting rights have been distributed to it. Finally, Mr. Bonderman is the president and sole shareholder of Bondo, FTW, Inc., which is the direct beneficial owner of 155,218 shares of Common Stock.

(5) Includes 31,775 shares held by Acadia MGP, Inc. ("Acadia MGP") and 2,337,504 Litigation Escrow Shares held for the benefit of KH Partners and its transferees, as to which voting rights have been distributed to Acadia Partners, L.P. ("Acadia") in accordance with its sharing percentage as a limited partner of KH Partners. Mr. Crandall is the president and sole shareholder of Acadia MGP, Inc., which is the managing general partner of Acadia FW Partners, L.P., which in turn is the sole general partner of Acadia. Mr. Crandall disclaims beneficial ownership of any shares owned by Acadia in excess of the greater of Mr. Crandall's direct and indirect interest in the profits or capital account of Acadia. Also includes 124,713 Litigation Escrow Shares held for the benefit of KH Partners and its transferees, as to which voting rights have been distributed to Mr. Crandall in accordance with his sharing percentage as a limited partner of KH Partners.

(6) Includes 62,642 shares held in the Davis Family Trust and 7,462 shares held in the 401(k) Plan.

(7) All shares are held jointly with Mrs. Farrell's spouse.

(8) Includes 4,858 shares held jointly with Mr. Gerberding's spouse.

(9) Includes 6,000 shares held in trust for the benefit of Mr. Killinger's sons.

(10) Includes 14,860 shares held directly by Mr. Longbrake's spouse, 10,019 shares held directly by Mr. Longbrake's daughter, 10,019 shares held directly by Mr. Longbrake's son, 53,525 shares held in a family foundation and 4,554 shares held in trust for the benefit of Mr. Longbrake's children.

(11) Includes 7,500 shares held in the Matthews' Family Trust.

(12) Includes 6,000 shares held jointly with Mr. Murphy's spouse.

(13) Includes 8,219 shares held in the 401(k) Plan.

(14) All shares are held jointly with Mr. Reed's spouse.

(15) Includes 2,520 shares held jointly with Ms. Sanders' spouse.

(16) Includes 1,800 shares held in the Stever Family Foundation, of which Mr. Stever is the President, and 11,250 shares held jointly with Mr. Stever's spouse.

(17) Includes 1,500 shares held directly by Mr. Tall's spouse.

(18) Includes 30,261 shares held in the 401(k) Plan.

9

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth all compensation received from the Company for the three fiscal years ended December 31, 2001, by the Company's Chief Executive Officer and the four most highly paid executive officers (other than the Chief Executive Officer) who were serving as executive officers at the end of 2001 (collectively, the "Named Executive Officers"). Annual Compensation includes amounts deferred at the Named Executive Officer's election.

		Annual Compensation		Long-Term Compensation(1)		
Name and Principal Position	**Year**	**Salary($)**	**Bonus($)**	**Securities Underlying Options Granted(#)(2)**	**LTIP Payouts($)(3)**	**All Other Compensation($)(4)**
Kerry K. Killinger	2001	1,000,000	2,484,000	530,000	2,358,667	567,174
Chairman, President and Chief Executive	2000	1,000,000	2,461,000	520,000	1,151,545	369,140
Officer	1999	1,000,000	1,550,700	390,000		241,140
Craig E. Tall	2001	500,004	750,375	140,000	657,256	149,237
Vice Chair, Corporate Development and	2000	460,000	695,500	135,000	321,841	112,641
Specialty Finance Group	1999	440,000	465,210	110,000		82,823
Craig S. Davis	2001	490,008	750,375	140,000	565,969	82,460
President, Home Loans and Insurance	2000	450,000	695,500	135,000	265,635	62,983
Services Group	1999	430,000	465,210	110,000		39,241
William A. Longbrake	2001	450,000	750,375	140,000	633,604	133,319
Vice Chair, Enterprise Risk Management	2000	430,000	695,500	135,000	297,360	89,706
and Chief Financial Officer	1999	410,000	465,210	110,000		79,491
Deanna W. Oppenheimer	2001	326,682	550,251	140,000	626,851	100,867
President, Banking and Financial	2000	450,000	695,500	135,000	300,870	90,945
Services Group	1999	430,000	465,210	110,000		63,204

(1) In previous years, the Named Executive Officers were awarded restricted stock. These awards have vesting provisions based on either performance criteria or length of service. The number and value of the aggregate restricted stock holdings of each of the Named Executive Officers, based on the value of the Common Stock as of the close of trading on December 31, 2001, is set forth in the table below. Such holdings include restricted stock awards previously reported as long-term incentive plan awards and shares acquired through the reinvestment of dividends thereon, but exclude shares with respect to which restrictions have lapsed. All fractional shares have been rounded up to the next highest share.

Name	**Number of Shares**	**Value at December 31, 2001**
Kerry K. Killinger	63,460	$ 2,075,154
Craig E. Tall	17,655	577,303
Craig S. Davis	15,770	515,679
William A. Longbrake	17,655	577,303
Deanna W. Oppenheimer	16,902	552,693

(2) The options shown in this column as 2001 compensation were granted on December 19, 2000.

(3) The amounts shown in this column represent the value, as of March 31, 2001, of shares of restricted stock on which restrictions based on achievement of performance-based criteria have lapsed.

(4) The amounts shown in this column include the following:

(a) Profit sharing and Company matching contributions under the Company's 401(k) Plan during fiscal 2001 of $10,200 for each of Messrs. Killinger, Tall, Davis and Longbrake and Ms. Oppenheimer.

(b) Allocations under the Company's Supplemental Employee Retirement Plan (the "SERP") during fiscal 2001 of $301,900, $83,523, $72,260, $69,405 and $54,358 to the accounts of Messrs. Killinger, Tall, Davis and Longbrake and Ms. Oppenheimer, respectively. The SERP is a nonqualified, non-contributory plan of deferred compensation to provide benefits that exceed certain limits imposed by federal tax laws on benefit accruals under the Company's Cash Balance Pension Plan and the 401(k) Plan.

(c) Allocations under the Supplemental Executive Retirement Accumulation Plan (the "SERAP") during fiscal 2001 of $255,074, $55,514, $53,714 and $36,309 to the accounts of Messrs. Killinger, Tall and Longbrake, and Ms. Oppenheimer, respectively. The SERAP is an unfunded plan of deferred compensation to provide retirement benefits for certain executive employees of the Company and its affiliates. The Compensation Committee determines the level of benefits under the SERAP.

Grants of Stock Options in 2001

The following table sets forth information on stock option grants during fiscal 2001 to the Named Executive Officers. The options set forth in the table below were granted on December 18, 2001 as a part of each recipient's 2002 compensation.

Name	**Number of Securities Underlying Options Granted**[(1)]	**Percent of Total Options Granted to Employees in Fiscal Year**	**Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Ten Year Option Term**[(2)]

			Exercise Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Ten Year Option Term[(2)] 5% ($)	10% ($)
Kerry K. Killinger	1,200,000	10.70	30.79	12/18/11	24,174,642	60,379,592
Craig E. Tall	230,000	2.05	30.79	12/18/11	4,633,473	11,572,755
Craig S. Davis	230,000	2.05	30.79	12/18/11	4,633,473	11,572,755
William A. Longbrake	210,000	1.87	30.79	12/18/11	4,230,562	10,566,429
Deanna W. Oppenheimer	46,000	2.05	30.79	12/18/11	926,695	2,314,551

(1) Each of the options reflected in this table was granted to the respective Named Executive Officer pursuant to the 1994 Stock Option Plan. The exercise price of each option is equal to the fair market value of Common Stock on the date of grant. The options have terms of ten years, subject to earlier termination upon termination of employment. The options vest over three years in equal annual installments beginning one year after the date of the grant.

(2) These assumed rates of appreciation are provided in order to comply with the requirements of the Securities and Exchange Commission and do not represent the Company's expectation as to the actual rate of appreciation of the Common Stock. These gains are based on assumed rates of annual compound stock price appreciation of 5% and 10% from the date the options were granted over the full option term. The actual value of the options will depend on the performance of the Common Stock and may be greater or less than the amounts shown.

Aggregate Option Exercises in 2001 and Year-End Option Values

The following table sets forth information on the exercise of stock options during fiscal 2001 by each of the Named Executive Officers and the value of unexercised options at December 31, 2001.

Name	Shares Acquired on Exercise (#)	Value Realized ($)[(1)]	Number of Securities Underlying Unexercised Options at Fiscal Year-End(#)		Value of Unexercised In-the-Money Options At Fiscal Year-End($)[(2)]	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Kerry K. Killinger	29,138	918,357	2,697,612	1,990,000	35,454,384	6,384,842
Craig E. Tall			633,257	437,500	6,925,885	1,501,865
Craig S. Davis	17,103	187,054	499,151	437,500	4,609,562	1,501,865
William A. Longbrake	140,501	2,827,542	431,253	417,500	3,553,714	1,463,665
Deanna W. Oppenheimer			397,608	446,000	4,586,573	2,806,060

(1) The value realized is the difference between the fair market value of the underlying stock at the time of exercise and the exercise price.

(3) Amounts are based on the fair market value of Washington Mutual Common Stock on the last trading day of the year, December 31, 2001, which was $30.79. There is no guarantee that, if and when these options are exercised, they will have this value.

Long-Term Incentive Plan Awards in 2001

The table below sets forth information with respect to performance shares granted to the Named Executive Officers in 2001.

Name	Performance or Other Period Until Maturation or	Contingent Future Payouts

	Number of Shares, Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Contingent Future Payouts		
			Threshold(#)	Target(#)	Maximum(#)
Kerry K. Killinger	90,000	2002-2004	22,500	90,000	225,000
Craig E. Tall	23,000	2002-2004	5,750	23,000	57,500
Craig S. Davis	23,000	2002-2004	5,750	23,000	57,500
William A. Longbrake	21,000	2002-2004	5,250	21,000	52,500
Deanna W. Oppenheimer	4,600	2002-2004	1,150	4,600	11,500

Performance shares are contingent awards of Washington Mutual stock that are paid out at the end of a three-year period only if the Company achieves specified performance goals. The performance shares will be paid in Washington Mutual stock and will earn dividend equivalents, which will be accrued in the form of additional performance shares and paid in Washington Mutual stock when and to the extent the related performance shares are paid. Performance shares may be deferred under the Company's Deferred Compensation Plan.

For the 2002-2004 cycle, the performance share program will measure equally three-year total shareholder return versus peers, return on common equity versus peers and earnings per share growth versus peers. The total number of shares of Washington Mutual stock delivered at the end of the three-year cycle will range from zero to 250% of the contingent award, with a target payout at the 60^{th} percentile.

PENSION PLANS AND AGREEMENTS

Cash Balance Pension Plan

Pursuant to the terms of the Cash Balance Pension Plan (the "Pension Plan"), participants annually receive benefit accruals based on eligible compensation and interest credits on current and prior benefit accruals. The crediting rate is based on years of service with Washington Mutual. Effective January 1, 2000, for service up to four years, the benefit credit is 2.5%; for service from five to nine years, the benefit credit is 3%; for service from ten to fourteen years, the benefit credit is 4%; for service from fifteen to nineteen years, the benefit credit is 5%; for twenty years or more, the benefit credit is 6%. Eligible cash compensation includes base salary, incentive payments, bonuses and overtime. The Pension Plan annually credits interest on all benefit accruals at the rate quoted for the yield on U.S. government securities adjusted to a constant maturity of 30 years at the beginning of each Pension Plan year. The Pension Plan also credits benefit accruals (based on years of service) each pay period. Interest credits are allocated daily to participant accounts. The interest credit rate for 2001 was 5.78%. Participants may elect to receive, at the time of termination, a lump sum distribution of their vested balances or an annuitized payment from the Pension Plan's Trust Fund. The Pension Plan complies with the Employee Retirement Income Security Act of 1974 (ERISA). In general, all employees become eligible to participate in the Pension Plan beginning with the quarter following completion of one year of service with Washington Mutual during which they work a minimum of 1,000 hours. An employee's balance in the Pension Plan becomes vested at a graduated rate after two years of service, with full vesting after five years of active service. There are no employee contributions to the Pension Plan.

The following is an estimate of annual benefits payable upon retirement at normal retirement age to each of the Named Executive Officers under the Pension Plan. These projections are based on an interest crediting rate of 6.5% and are not subject to any deduction for Social Security or other offset amounts.

Name	Estimated Annual Benefits at 65 Years of Age
Kerry K. Killinger	$ 59,913
Craig E. Tall	39,623
Craig S. Davis	37,704
William A. Longbrake	15,777
Deanna W. Oppenheimer	89,060

Employment, Termination and Change in Control Agreements

Employment Agreements. Washington Mutual has entered into a separate employment agreement with each of the Named Executive Officers for a term that continues until either the Board of Directors in its sole discretion or the Named Executive Officer in his or her sole discretion terminates the respective agreement in accordance with its terms.

Under the employment agreements, the annual salary of the Named Executive Officer is determined by the Compensation Committee. Upon termination for any reason upon or within three years after a Change in Control, or upon resignation for Good Cause upon or within three years after a Change in Control (as Change in Control and Good Cause are defined in the individual employment agreements), the Named Executive Officer will be paid three times his or her total annual compensation including the greater of salary and target bonus for the calendar year in which the termination occurs (if established before the termination) or salary and actual bonus for the prior calendar year (annualized if the Named Executive Officer was not employed by the Company for the entire calendar year), but excluding the value of grants of stock options or restricted stock. In addition, all of the Named Executive Officer's outstanding, unvested options will

immediately vest and become exercisable, and, subject to prior approval of the Compensation Committee, restrictions on all or certain grants of the Named Executive Officer's restricted stock will immediately lapse. Pursuant to this provision of the employment agreements, the Compensation Committee has determined that, upon a Change in Control, the restrictions on the Named Executive Officers' 1996 and 1997 performance-based restricted stock grants will lapse, in whole or in part, based on Washington Mutual's achievement of certain targeted levels of cumulative return on common equity (ROCE) through a specified date on or before the effective date of the Change in Control. Mr. Killinger's agreement provides that he also shall be entitled to such cash payments and equity acceleration (the "Severance Payment") if he is terminated other than for Cause (as defined in Mr. Killinger's agreement), whether or not a Change in Control has occurred.

Under the terms of the agreements, if the Severance Payment constitutes a "parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the agreement provides for payment of an additional amount (the "Gross-Up Payment") to the Named Executive Officer within a specified period of time. The Gross-Up Payment would be equal to the amount necessary to cause the net amount retained by the Named Executive Officer, after subtracting the parachute excise tax imposed by Section 4999 of the Code (the "Excise Tax") and any federal, state and local income taxes, FICA tax and Excise Tax on the Gross-Up Payment, to be equal to the net amount the Named Executive Officer would have retained had no Excise Tax been imposed and no Gross-Up Payment been paid.

Pursuant to his 1982 employment agreement, Mr. Killinger entered into a deferred bonus arrangement with Washington Mutual pursuant to which certain deferred bonus amounts and accrued interest thereon are payable to Mr. Killinger upon death, resignation or retirement. As of December 31, 2001, the accrued benefits under such arrangement totaled $195,134.

Equity Incentive Plan. Unless otherwise specified in an employment agreement or by the Compensation Committee in establishing an award, in the event of a merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation of the Company as a result of which the Company's shareholders receive cash, stock or other property in exchange for their stock, all awards will vest, except that an award of restricted stock based on length of service with the Company will not vest if the award is converted into restricted stock of the acquiring company.

Bonus and Incentive Plan for Executive Officers and Senior Management. Unless otherwise specified by the Compensation Committee in its establishment of bonus criteria for a given bonus measurement period, if the Company or its affiliates consummates one or more acquisitions that, individually or in the aggregate, constitute a Triggering Acquisition, the bonus measurement period will be terminated early and pro-rated bonuses will be paid based on the degree of attainment of the performance goals during the shortened bonus measurement period. A Triggering Acquisition is an acquisition in which t