

# Summary Financial Statements and Selected Financial Highlights

(unaudited)

First Quarter  
**2016**



**W.T.B. Financial Corporation**

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**W.T.B. Financial Corporation**  
**Condensed Consolidated Statements of Financial Condition**  
**(unaudited)**

	<b>March 31,</b>	December 31,	March 31,
	<b>2016</b>	2015	2015
<b>ASSETS</b>			
Cash and due from banks	\$ 71,523,447	\$ 79,795,019	\$ 71,311,162
Interest-bearing deposits with banks	123,975,316	438,603,226	351,053,533
Securities available for sale, at fair value	811,356,405	679,877,946	545,926,038
Securities held to maturity, at amortized cost	479,363,230	482,414,445	434,056,328
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	6,421,500	5,781,300	13,195,500
Loans receivable	3,548,740,521	3,556,598,459	3,377,587,991
Allowance for loan losses	(84,398,980)	(84,968,885)	(83,249,606)
Loans net of allowance for loan losses	3,464,341,541	3,471,629,574	3,294,338,385
Premises and equipment, net	44,254,110	44,659,499	46,393,873
Other real estate	310,500	355,500	1,433,702
Accrued interest receivable	12,761,519	13,682,150	11,746,364
Other assets	74,699,986	88,473,701	84,021,342
Total assets	\$ 5,089,007,554	\$ 5,305,272,360	\$ 4,853,476,227
<b>LIABILITIES</b>			
Deposits:			
Noninterest-bearing	\$ 1,743,906,900	\$ 1,825,070,343	\$ 1,560,662,340
Interest-bearing	2,659,087,911	2,715,477,707	2,584,352,831
Total deposits	4,402,994,811	4,540,548,050	4,145,015,171
Securities sold under agreements to repurchase	167,108,066	264,887,110	214,730,762
Accrued interest payable	510,724	526,585	1,099,760
Other liabilities	37,474,077	34,903,602	40,748,626
Total liabilities	4,608,087,678	4,840,865,347	4,401,594,319
<b>SHAREHOLDERS' EQUITY</b>			
Preferred stock	-	-	19,571,000
Common stock	30,204,574	29,879,574	28,784,364
Surplus	32,665,000	32,665,000	32,665,000
Undivided profits	438,069,299	427,792,790	417,725,904
	500,938,873	490,337,364	498,746,268
Less treasury stock, at cost	-	-	(21,489,467)
	500,938,873	490,337,364	477,256,801
Accumulated other comprehensive loss	(20,018,997)	(25,930,351)	(25,374,893)
Total shareholders' equity	480,919,876	464,407,013	451,881,908
Total liabilities and shareholders' equity	\$ 5,089,007,554	\$ 5,305,272,360	\$ 4,853,476,227

**W.T.B. Financial Corporation**  
**Condensed Consolidated Statements of Income**  
**(unaudited)**

	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
<b>INTEREST REVENUE</b>			
Loans, including fees	\$ 38,686,986	\$ 38,499,523	\$ 36,537,264
Deposits with banks	474,453	371,302	196,212
Securities	5,170,332	4,416,322	3,748,718
Other interest and dividend income	83,497	8,217	9,223
Total interest revenue	<u>44,415,268</u>	<u>43,295,364</u>	<u>40,491,417</u>
<b>INTEREST EXPENSE</b>			
Deposits	925,854	933,641	1,219,230
Funds purchased and other borrowings	62,266	67,554	51,160
Total interest expense	<u>988,120</u>	<u>1,001,195</u>	<u>1,270,390</u>
Net interest revenue	<u>43,427,148</u>	<u>42,294,169</u>	<u>39,221,027</u>
Provision for loan losses	500,000	4	666,666
Net interest revenue after provision for loan losses	<u>42,927,148</u>	<u>42,294,165</u>	<u>38,554,361</u>
<b>NONINTEREST REVENUE</b>			
Fiduciary income	3,326,907	3,396,764	3,379,083
Mortgage banking revenue, net	1,513,534	1,408,917	871,383
Other fees on loans	209,941	286,002	334,212
Service charges, commissions and fees	5,646,552	5,738,534	5,518,907
Securities gains, net	622,075	605,669	-
Net gains on other real estate	51,452	13,019	35,929
Other income	341,321	3,066,849	238,880
Total noninterest revenue	<u>11,711,782</u>	<u>14,515,754</u>	<u>10,378,394</u>
<b>NONINTEREST EXPENSE</b>			
Salaries and benefits	22,253,231	20,319,939	20,539,762
Occupancy, furniture and equipment expense	3,427,384	3,745,690	3,393,121
Other expense	10,361,570	13,700,200	10,498,877
Total noninterest expense	<u>36,042,185</u>	<u>37,765,829</u>	<u>34,431,760</u>
Income before income taxes	<u>18,596,745</u>	<u>19,044,090</u>	<u>14,500,995</u>
Income taxes	6,406,032	5,697,762	4,976,880
<b>NET INCOME</b>	<u>\$ 12,190,713</u>	<u>\$ 13,346,328</u>	<u>\$ 9,524,115</u>
<b>NET INCOME</b>	<u>\$ 12,190,713</u>	<u>\$ 13,346,328</u>	<u>\$ 9,524,115</u>
Preferred stock dividends	-	-	(48,928)
<b>NET INCOME AVAILABLE TO COMMON SHAREHOLDERS</b>	<u>\$ 12,190,713</u>	<u>\$ 13,346,328</u>	<u>\$ 9,475,187</u>
<b>PER SHARE DATA</b>			
<b>Weighted average number of common stock shares outstanding</b>			
Basic	2,546,826	2,542,941	2,537,213
Diluted	2,571,347	2,567,734	2,561,784
<b>Earnings per common share (based on weighted average shares outstanding)</b>			
Basic	\$ 4.79	\$ 5.25	\$ 3.73
Diluted	\$ 4.74	\$ 5.20	\$ 3.70

**W.T.B. Financial Corporation**  
**Selected Financial Highlights**  
**(unaudited)**

(dollars in thousands)

	<b>Quarters Ended</b>				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
<b>SELECTED DATA</b>					
Interest-bearing deposits with banks	\$ 123,975	\$ 438,603	\$ 369,892	\$ 213,096	\$ 351,054
Securities	1,290,720	1,162,292	990,747	944,932	979,982
Total loans	3,548,741	3,556,598	3,563,965	3,534,320	3,377,588
Allowance for loan losses	84,399	84,969	84,760	83,647	83,250
Earning assets <sup>1</sup>	4,963,213	5,165,726	4,925,887	4,695,551	4,717,351
Total assets	5,089,008	5,305,272	5,069,283	4,841,934	4,853,476
Deposits	4,402,995	4,540,548	4,280,436	4,109,565	4,145,015
Interest-bearing liabilities	2,826,196	2,980,365	2,882,205	2,785,625	2,799,084
Preferred equity	-	-	-	19,571	19,571
Common equity	480,920	464,407	452,819	441,383	432,311
Total shareholders' equity	480,920	464,407	452,819	460,954	451,882
Common equity to total assets	9.45%	8.75%	8.93%	9.12%	8.91%
Total equity to total assets	9.45%	8.75%	8.93%	9.52%	9.31%
Full-time equivalent employees	881	880	876	861	852

**ASSET QUALITY RATIOS**

Allowance for loan losses to total loans	2.38%	2.39%	2.38%	2.37%	2.46%
Allowance for loan losses to noncurrent loans	457%	454%	395%	339%	322%
Net charge-offs (recoveries) to total average loans	0.03%	-0.01%	0.00%	0.02%	-0.04%
Noncurrent loans and ORE to assets	0.37%	0.36%	0.43%	0.53%	0.56%
Noncurrent loans, ORE and TDRs to assets	0.63%	0.64%	0.73%	0.83%	0.90%

(1) Includes only the amortized cost for securities. Includes non-accrual loans.

(dollars in thousands, except per share data)

	<b>Quarters Ended</b>			<b>% Change</b>	
	March 31, 2016	December 31, 2015	March 31, 2015	Sequential Quarter	Year over Year
<b>PERFORMANCE</b>					
Net interest revenue, fully tax-equivalent	\$ 43,799	\$ 42,658	\$ 39,577	2.7%	10.7%
Fully tax-equivalent adjustment	372	364	356	2.2%	4.5%
Net interest revenue	43,427	42,294	39,221	2.7%	10.7%
Provision for loan losses	500	-	667	NA	-25.0%
Net interest revenue after provision for loan losses	42,927	42,294	38,554	1.5%	11.3%
Noninterest revenue	11,712	14,516	10,378	-19.3%	12.9%
Noninterest expense	36,042	37,766	34,431	-4.6%	4.7%
Income before income taxes	18,597	19,044	14,501	-2.3%	28.2%
Income taxes	6,406	5,698	4,977	12.4%	28.7%
<b>Net income</b>	12,191	13,346	9,524	-8.7%	28.0%
Preferred stock dividends	-	-	49	NA	-100.0%
<b>Net income available to common shareholders</b>	<u>\$ 12,191</u>	<u>\$ 13,346</u>	<u>\$ 9,475</u>	-8.7%	28.7%

**PER COMMON SHARE**

Net income available to common shareholders (basic)	\$ 4.79	\$ 5.25	\$ 3.73	-8.8%	28.4%
Net income available to common shareholders (diluted)	4.74	5.20	3.70	-8.8%	28.1%
Common cash dividends	0.75	0.68	0.68	10.3%	10.3%
Common shareholders' equity	186.67	180.79	168.39	3.3%	10.9%

**W.T.B. Financial Corporation**  
**Selected Financial Highlights (continued)**  
**(unaudited)**

	Quarters Ended			% Change	
	March 31, 2016	December 31, 2015	March 31, 2015	Sequential Quarter	Year over Year
<b>PERFORMANCE RATIOS</b>					
Return on average assets	0.95%	1.01%	0.81%	-0.06%	0.14%
Return on average shareholders' equity	10.32%	11.56%	8.61%	-1.24%	1.71%
Margin on average earning assets <sup>(1)</sup>	3.49%	3.33%	3.48%	0.16%	0.01%
Noninterest expense to average assets	2.80%	2.87%	2.94%	-0.07%	-0.14%
Noninterest revenue to average assets	0.91%	1.10%	0.89%	-0.19%	0.02%
Efficiency ratio	64.9%	66.1%	68.9%	-1.2%	-4.0%
Common cash dividends to net income	15.70%	12.96%	18.16%	2.74%	-2.46%
Preferred cash dividends to net income	0.00%	0.00%	0.51%	0.00%	-0.51%
Total cash dividends to net income	15.70%	12.96%	18.67%	2.74%	-2.97%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a 35% tax rate.