

Fourth Quarter : 2017

Summary Financial Statements and Selected Financial Highlights

(unaudited)

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

	<u>December 31,</u> <u>2017</u>	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS			
Cash and due from banks	\$ 106,151,555	\$ 95,718,872	\$ 97,412,042
Interest-bearing deposits with banks	748,821,952	449,352,864	326,001,529
Securities available for sale, at fair value	906,663,938	931,145,033	932,788,461
Securities held to maturity, at amortized cost	480,511,844	561,352,612	452,029,006
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	6,857,600	6,857,600	6,421,500
Loans receivable	3,934,875,545	3,956,974,473	3,785,076,118
Allowance for loan losses	(89,584,229)	(89,569,043)	(85,786,743)
Loans net of allowance for loan losses	<u>3,845,291,316</u>	<u>3,867,405,430</u>	<u>3,699,289,375</u>
Premises and equipment, net	50,888,675	45,755,456	42,986,615
Other real estate	310,500	338,400	870,500
Accrued interest receivable	19,574,352	17,947,975	17,061,492
Other assets	81,021,062	86,317,161	94,092,679
Total assets	<u>\$ 6,246,092,794</u>	<u>\$ 6,062,191,403</u>	<u>\$ 5,668,953,199</u>
LIABILITIES			
Deposits:			
Noninterest-bearing	\$ 2,357,204,208	\$ 2,196,968,589	\$ 2,028,445,434
Interest-bearing	3,091,661,772	3,036,594,027	2,895,244,374
Total deposits	<u>5,448,865,980</u>	<u>5,233,562,616</u>	<u>4,923,689,808</u>
Securities sold under agreements to repurchase	222,135,525	246,368,513	211,462,438
Accrued interest payable	570,243	455,177	439,921
Other liabilities	43,730,063	41,739,544	37,075,124
Total liabilities	<u>5,715,301,811</u>	<u>5,522,125,850</u>	<u>5,172,667,291</u>
SHAREHOLDERS' EQUITY			
Total shareholders' equity	<u>530,790,983</u>	<u>540,065,553</u>	<u>496,285,908</u>
Total liabilities and shareholders' equity	<u>\$ 6,246,092,794</u>	<u>\$ 6,062,191,403</u>	<u>\$ 5,668,953,199</u>

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

	Three Months Ended		
	December 31, 2017	September 30, 2017	December 31, 2016
INTEREST REVENUE			
Loans, including fees	\$ 46,463,211	\$ 46,671,373	\$ 41,345,217
Deposits with banks	2,110,862	1,043,740	559,085
Securities	7,124,629	6,814,466	6,024,178
Other interest and dividend income	28,097	19,302	14,355
Total interest revenue	<u>55,726,799</u>	<u>54,548,881</u>	<u>47,942,835</u>
INTEREST EXPENSE			
Deposits	1,160,533	1,033,581	961,173
Funds purchased and other borrowings	47,759	46,287	41,262
Total interest expense	<u>1,208,292</u>	<u>1,079,868</u>	<u>1,002,435</u>
Net interest revenue	<u>54,518,507</u>	<u>53,469,013</u>	<u>46,940,400</u>
(Recapture of) provision for loan losses	<u>(400,000)</u>	<u>-</u>	<u>500,000</u>
Net interest revenue after provision for loan losses	<u>54,918,507</u>	<u>53,469,013</u>	<u>46,440,400</u>
NONINTEREST REVENUE			
Fiduciary income	3,924,991	3,758,281	3,418,012
Mortgage banking revenue, net	1,368,055	1,472,249	2,664,520
Other fees on loans	234,529	250,038	328,052
Service charges, commissions and fees	5,745,315	6,019,480	5,615,405
Securities gains, net	-	-	34,218
Net gains (losses) on other real estate	(1,259)	-	4,615
Other income	<u>3,113,550</u>	<u>283,426</u>	<u>332,417</u>
Total noninterest revenue	<u>14,385,181</u>	<u>11,783,474</u>	<u>12,397,239</u>
NONINTEREST EXPENSE			
Salaries and benefits	26,669,336	24,589,697	23,650,768
Occupancy, furniture and equipment expense	4,138,329	3,672,144	3,821,015
Other expense	<u>18,818,123</u>	<u>10,916,577</u>	<u>12,453,814</u>
Total noninterest expense	<u>49,625,788</u>	<u>39,178,418</u>	<u>39,925,597</u>
Income before income taxes	<u>19,677,900</u>	<u>26,074,069</u>	<u>18,912,042</u>
Income taxes	<u>22,488,481</u>	<u>9,199,494</u>	<u>6,649,816</u>
NET INCOME (LOSS)	<u>\$ (2,810,581)</u>	<u>\$ 16,874,575</u>	<u>\$ 12,262,226</u>
PER SHARE DATA			
Weighted average number of common stock shares outstanding			
Basic	2,546,832	2,546,676	2,537,464
Diluted	2,546,832	2,554,177	2,545,025
Earnings (loss) per common share (based on weighted average shares outstanding)			
Basic	\$ (1.10)	\$ 6.63	\$ 4.83
Diluted	\$ (1.10)	\$ 6.61	\$ 4.82

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

	Twelve Months Ended	
	<u>December 31,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
INTEREST REVENUE		
Loans, including fees	\$ 179,649,629	\$ 161,242,023
Deposits with banks	4,173,196	1,446,623
Securities	27,134,222	22,681,831
Other interest and dividend income	91,610	129,549
Total interest revenue	<u>211,048,657</u>	<u>185,500,026</u>
INTEREST EXPENSE		
Deposits	4,096,573	3,745,998
Funds purchased and other borrowings	182,936	193,039
Total interest expense	<u>4,279,509</u>	<u>3,939,037</u>
Net interest revenue	206,769,148	181,560,989
Provision for loan losses	-	2,250,000
Net interest revenue after provision for loan losses	<u>206,769,148</u>	<u>179,310,989</u>
NONINTEREST REVENUE		
Fiduciary income	14,643,254	13,565,832
Mortgage banking revenue, net	6,184,067	8,253,908
Other fees on loans	974,228	1,124,701
Service charges, commissions and fees	23,392,692	22,913,567
Securities gains, net	-	1,000,753
Net gains (losses) on other real estate	(11,649)	56,418
Other income	3,954,696	1,626,011
Total noninterest revenue	<u>49,137,288</u>	<u>48,541,190</u>
NONINTEREST EXPENSE		
Salaries and benefits	100,997,360	90,690,127
Occupancy, furniture and equipment expense	15,587,409	14,280,994
Other expense	51,247,648	43,457,859
Total noninterest expense	<u>167,832,417</u>	<u>148,428,980</u>
Income before income taxes	88,074,019	79,423,199
Income taxes	46,276,428	27,696,541
NET INCOME	<u>\$ 41,797,591</u>	<u>\$ 51,726,658</u>

PER SHARE DATA

Weighted average number of common stock shares outstanding

Basic	2,545,414	2,543,917
Diluted	2,552,836	2,549,894
Earnings per common share (based on weighted average shares outstanding)		
Basic	\$ 16.42	\$ 20.33
Diluted	\$ 16.37	\$ 20.29

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

(dollars in thousands)

	Quarters Ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
SELECTED DATA					
Interest-bearing deposits with banks	\$ 748,822	\$ 449,353	\$ 139,317	\$ 290,649	\$ 326,002
Securities	1,387,176	1,492,498	1,383,167	1,401,520	1,384,817
Total loans	3,934,876	3,956,974	3,960,567	3,765,056	3,785,076
Allowance for loan losses	89,584	89,569	87,981	87,552	85,787
Earning assets ¹	6,098,153	5,918,736	5,501,453	5,481,936	5,522,413
Total assets	6,246,093	6,062,191	5,641,265	5,601,613	5,668,953
Deposits	5,448,866	5,233,563	4,860,761	4,820,251	4,923,690
Interest-bearing liabilities	3,313,797	3,282,963	3,135,628	3,121,951	3,106,707
Total shareholders' equity	530,791	540,066	525,965	508,934	496,286
Total equity to total assets	8.50%	8.91%	9.32%	9.09%	8.75%
Full-time equivalent employees	960	972	950	930	926
ASSET QUALITY RATIOS					
Allowance for loan losses to total loans	2.28%	2.26%	2.22%	2.33%	2.27%
Allowance for loan losses to noncurrent loans	842%	748%	796%	677%	598%
Net charge-offs (recoveries) to total average loans	-0.01%	-0.04%	-0.01%	-0.04%	0.03%
Noncurrent loans and ORE to assets	0.17%	0.20%	0.20%	0.24%	0.27%
Noncurrent loans, ORE and TDRs to assets	0.19%	0.22%	0.26%	0.29%	0.33%

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

(dollars in thousands, except per share data)

	Quarters Ended			% Change	
	December 31, 2017	September 30, 2017	December 31, 2016	Sequential Quarter	Year over Year
PERFORMANCE					
Net interest revenue, fully tax-equivalent	\$ 54,833	\$ 53,781	\$ 47,254	2.0%	16.0%
Fully tax-equivalent adjustment	314	312	314	0.6%	0.0%
Net interest revenue	54,519	53,469	46,940	2.0%	16.1%
(Recapture of) provision for loan losses	(400)	-	500	NM	-180.0%
Net interest revenue after provision for loan losses	54,919	53,469	46,440	2.7%	18.3%
Noninterest revenue	14,385	11,783	12,397	22.1%	16.0%
Noninterest expense	49,626	39,178	39,925	26.7%	24.3%
Income before income taxes	19,678	26,074	18,912	-24.5%	4.1%
Income taxes	22,489	9,199	6,650	144.5%	238.2%
Net income (loss)	\$ (2,811)	\$ 16,875	\$ 12,262	-116.7%	-122.9%
PER COMMON SHARE					
Earnings (loss) per common share - basic	\$ (1.10)	\$ 6.63	\$ 4.83	-116.6%	-122.8%
Earnings (loss) per common share - diluted	(1.10)	6.61	4.82	-116.6%	-122.8%
Common cash dividends	0.84	0.84	0.75	0.0%	12.0%
Common shareholders' equity	206.48	210.16	193.66	-1.8%	6.6%

	Quarters Ended			% Change	
	December 31, 2017	September 30, 2017	December 31, 2016	Sequential Quarter	Year over Year
PERFORMANCE RATIOS					
Return on average assets	-0.18%	1.14%	0.88%	-1.32%	-1.06%
Return on average shareholders' equity	-2.04%	12.44%	9.68%	-14.48%	-11.72%
Margin on average earning assets ¹	3.59%	3.72%	3.45%	-0.13%	0.14%
Noninterest expense to average assets	3.19%	2.65%	2.85%	0.54%	0.34%
Noninterest revenue to average assets	0.92%	0.80%	0.89%	0.12%	0.03%
Efficiency ratio	71.7%	59.8%	66.9%	11.9%	4.8%
Common cash dividends to net income	NM	12.68%	15.52%	NM	NM

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

NM = not meaningful

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Selected Financial Highlights
(unaudited)

(dollars in thousands, except per share data)

	Twelve Months Ended		% Change
	December 31, 2017	December 31, 2016	Year over Year
PERFORMANCE			
Net interest revenue, fully tax-equivalent	\$ 208,018	\$ 182,948	13.7%
Fully tax-equivalent adjustment	1,249	1,387	-9.9%
Net interest revenue	206,769	181,561	13.9%
Provision for loan losses	-	2,250	-100.0%
Net interest revenue after provision for loan losses	206,769	179,311	15.3%
Noninterest revenue	49,137	48,541	1.2%
Noninterest expense	167,832	148,429	13.1%
Income before income taxes	88,074	79,423	10.9%
Income taxes	46,276	27,696	67.1%
Net income	\$ 41,798	\$ 51,727	-19.2%
PER COMMON SHARE			
Earnings per common share - basic	\$ 16.42	\$ 20.33	-19.2%
Earnings per common share - diluted	16.37	20.29	-19.3%
Common cash dividends	3.36	3.00	12.0%
Common shareholders' equity	206.48	193.66	6.6%
PERFORMANCE RATIOS			
Return on average assets	0.72%	0.98%	-0.26%
Return on average shareholders' equity	7.93%	10.53%	-2.60%
Margin on average earning assets ¹	3.66%	3.53%	0.13%
Noninterest expense to average assets	2.89%	2.81%	0.08%
Noninterest revenue to average assets	0.85%	0.92%	-0.07%
Efficiency ratio	65.3%	64.1%	1.2%
Common cash dividends to net income	20.47%	14.76%	5.71%

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