

2019 ANNUAL SHAREHOLDERS' MEETING

W.T.B. Financial Corporation

Our Mission

“We will be the best at understanding and meeting the financial needs of our customers. We will focus our unique strengths as a community bank on serving those customers who perceive a distinct value in building long-term relationships with us.

We will be empowered to act on behalf of Washington Trust to meet our customers' needs and will have the competencies to fulfill this mission. We will conduct ourselves in accordance with our guiding principles.

We will organize and manage to best support one another in these efforts and to ensure the long-term viability of the Bank.”



FORWARD LOOKING STATEMENTS

“This presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make regarding our evaluation of macro-environment risks, Federal Reserve rate management, and trends reflecting things such a regulatory capital standards and adequacy. Forward looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore against relying on any of these forward-looking statements. They are neither statements of historical fact or guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statement include:

- the ability to attract new deposits and loans;
- demand for financial services in our market areas;
- competitive market pricing factors;
- deterioration in economic conditions that could result in increased loan losses;
- actions by competitors and other market participants that could have an adverse impact on our expected performance;
- risks associated with concentrations in real estate related loans;
- market interest rate volatility;
- stability of funding sources and continued availability of borrowings;
- risk associated with potential cyber threats;
- changes in legal or regulatory requirements or the results of regulatory examinations that could restrict growth;
- the ability to recruit and retain key management and staff;
- the ability to raise capital or incur debt on reasonable terms;
- effectiveness of legislation and regulatory efforts to help the U.S. and global financial markets.

There are many factors that could cause actual results to differ materially from those contemplated by forward-looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publically update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.”

CORE IDENTITY

- **Pacific Northwest regional community bank**
 - Over 100 years of heritage
 - 4th generation Chairman of the Board and CEO
- **Business Model: Relationship banking**
 - High value customer relationships
 - Organic customer growth
- **Broad product line and customer base**
 - Commercial banking customer focus
 - Retail and private banking clients
 - Wealth management expands service lines
- **Private ownership and family heritage**
 - Conservative risk profile
 - Balance sheet strength
 - Capital management discipline
 - Risk adjusted performance
 - Long-term franchise and shareholder value

FINANCIAL MANAGEMENT PRINCIPLES

- **Balance Sheet Strength:**
 - Credit discipline
 - Capital management
 - Allowance for loan losses
 - Liquidity resources
 - Interest rate risk positioning
- **Consistent Risk Adjusted Performance:**
 - Operate within established risk limits
 - Recurring earning power : Earning assets = 98% of TA
 - Durability across the business cycle
- **Shareholder Value / Capital Discipline:**
 - Maintain capital adequacy
 - Internal capital generation for growth
 - Calibrate dividends to profitability
 - Minimize dilution
 - Ownership
 - BV/share, and
 - Earnings/share

MAJOR INDUSTRY THEMES

- **Credit performance across the industry is excellent**
 - Industry NPA's to assets = 0.60%
 - Note: Credit performance tends to be a trailing recessionary indicator
 - Number of problem institutions = 60 (recent peak of 884 in 2010)
- **Tax reform adding to higher Industry profitability**
 - Industry 2019 ROA = 1.35% (up from average of 1.02% from 2012 to 2016)
- **Inverted yield curve raises prospects for recession**
 - No yield pickup for longer term assets, making reinvestment choices difficult
 - Funding costs continue to see upward pressure
- **Financial strength of the industry is considerable**
 - Capital ratios are near historic highs (Leverage Ratio of 9.70%)
 - Liquidity levels (cash and bonds) are near historic highs (34% of TA)
 - However, allowance position down to 1.27% of loans, lowest level since 2007
- **Industry consolidation continues**
 - Down 3,128 banks, or 37% to 5,406 since 2007
 - Average decline 300 banks annually
- **FinTech revolution will continue to reshape banking**
 - Disrupters and strategic partners
 - Remaining competitive is a critical and expensive objective

COMPANY OVERVIEW

W.T.B. FINANCIAL CORPORATION

Demographics

W.T.B. Financial Corporation is the parent company
Washington Trust Bank is the primary subsidiary
Shares listed on the OTC Marketplace: www.otcmarkets.com
WTBFA -- Class A shares (Voting)
WTBFB -- Class B shares (Non-Voting)

History

Over 100 years of banking history in the Pacific Northwest
1983: \$500 million in assets
1994: \$1 billion in assets
2018: \$6.6 billion in assets

Diversified Geography

Headquarters is Spokane, Washington
Operates across 3 states (WA, OR and ID)
Historical markets: Spokane, Northern Idaho and Central Washington
Growth markets: Puget Sound, Portland and Boise

Relationship Banking Business Model

Community bank serving people, businesses and community organizations
Conservative and disciplined bankers
Relationship banking/Organic growth orientation
Commercial, private and retail banking divisions
Wealth management division, including trust powers

2018 PERFORMANCE SUMMARY

2018 FINANCIAL POSITION AND PERFORMANCE

Balance Sheet

Assets grew \$306 million, or 4.9% to nearly \$6.6 billion
Shareholders' equity increased \$72 million, or 13.5% to \$603 million
Loans grew \$115 million, or 2.9% to \$4.0 billion
Investible cash and bonds totaled over \$2.3 billion, or nearly 36% of assets

Earnings and Shareholder Value

Earnings nearly doubled to \$83.1 million (tax reform impact)
Net interest revenue grew \$29 million, or 14.3% to \$236 million
Diluted earnings per share were up \$16.06 to \$32.42 per share
Book value per share increased \$27.97, or 13.5% to \$234.45

2018 Performance

Net interest margin widened by 11 bps to 3.77%
Return on assets increased 58 bps to 1.30%
Return on shareholders' equity increased 701 bps to 14.94%
Common shareholder dividends increased \$1.24 per share, or 36.9% to \$4.60

Risk Profile

Capital exceeds regulatory minimums and internal targets
Credit Performance is high with historically low non-performing assets
Allowance position remains substantial at \$91 million, or 2.24% of loans
Liquidity levels are elevated with a Liquidity Ratio of 33.9%

2018 INDUSTRY PERFORMANCE

Industry Earnings and Performance Metrics:

- Industry earnings = \$237 billion, up \$72 billion, or 44% YoY
 - Net Interest Margin = 3.40%, up 15 bps
 - Return on assets = 1.35%, up 38 bps YoY
 - Return on equity = 11.98%, up 337 bps

Industry Balance Sheet:

- Deposits = \$13.9 trillion, up \$467 billion, or 3.5%
- Assets = \$17.9 trillion, up \$527 billion, or 3.0%
- Loans = \$10.2 trillion, up \$431 billion, or 4.4%
- Equity = \$2.0 trillion, up \$64 billion, or 3.3%
 - Equity to assets = 11.3%

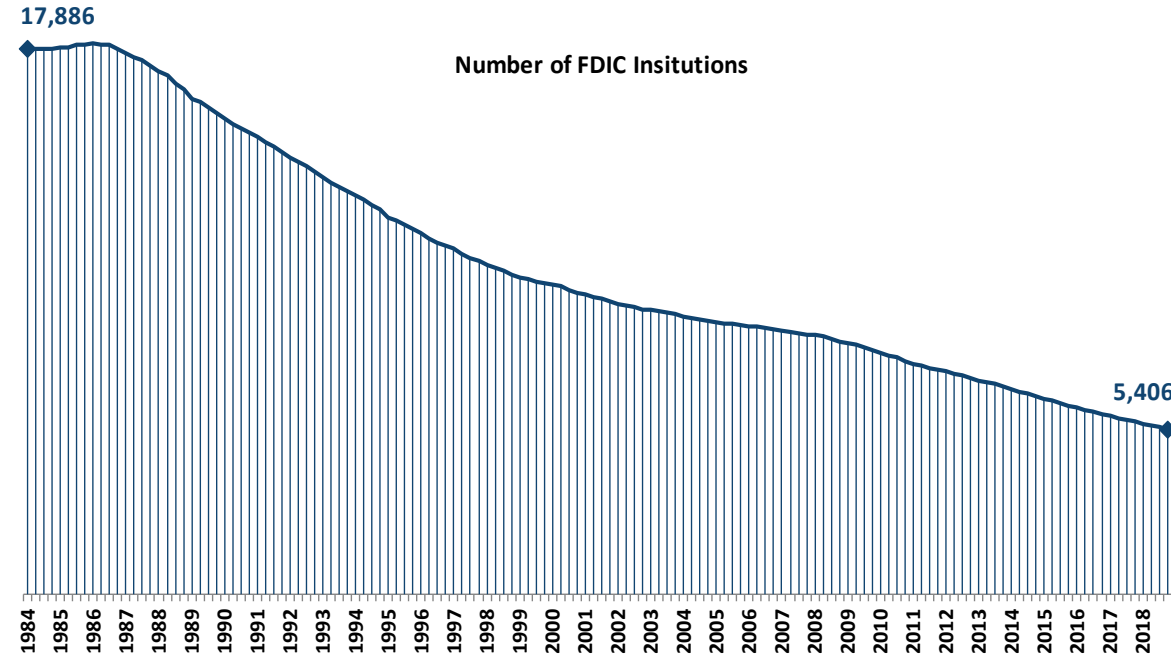
Industry Performance and Risk Metrics:

- Noncurrent loans + OREO to assets = 0.60% (peak of 3.45% in 2010)
- Loan loss allowance = \$125 billion, or 1.27% of loans
 - Down from a financial crisis peak of 3.51% in 2010

INDUSTRY CONSOLIDATION CONTINUES...

The number of FDIC insured institutions has declined by over 12,000, or 70% to 5,406 since 1984...

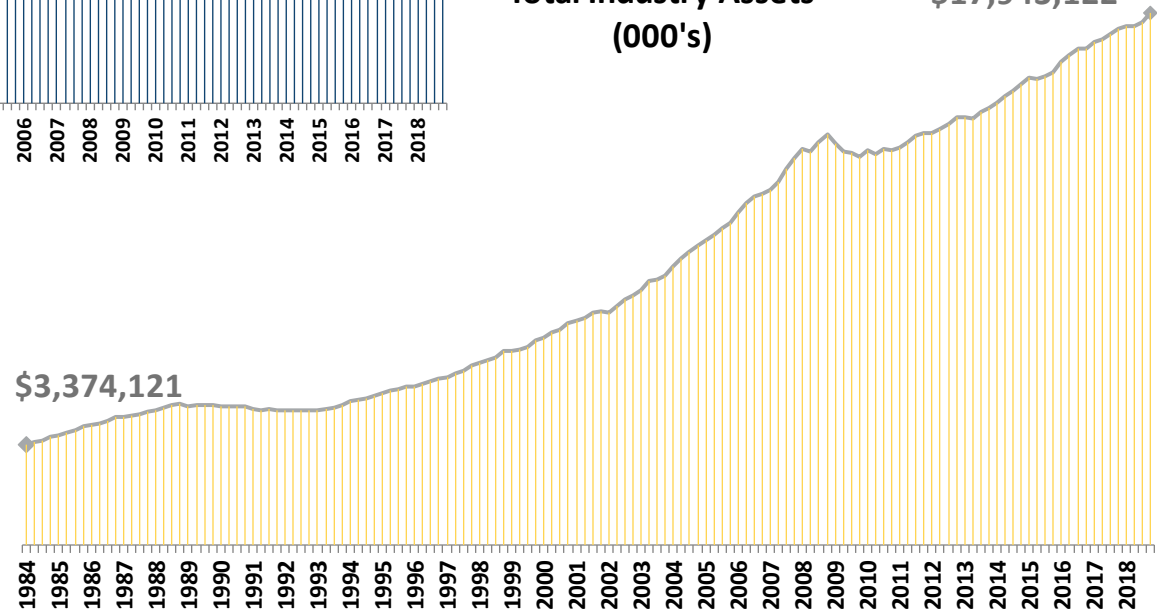
Number of FDIC Insitutions



Total Industry Assets (000's)

\$17,943,122

\$3,374,121

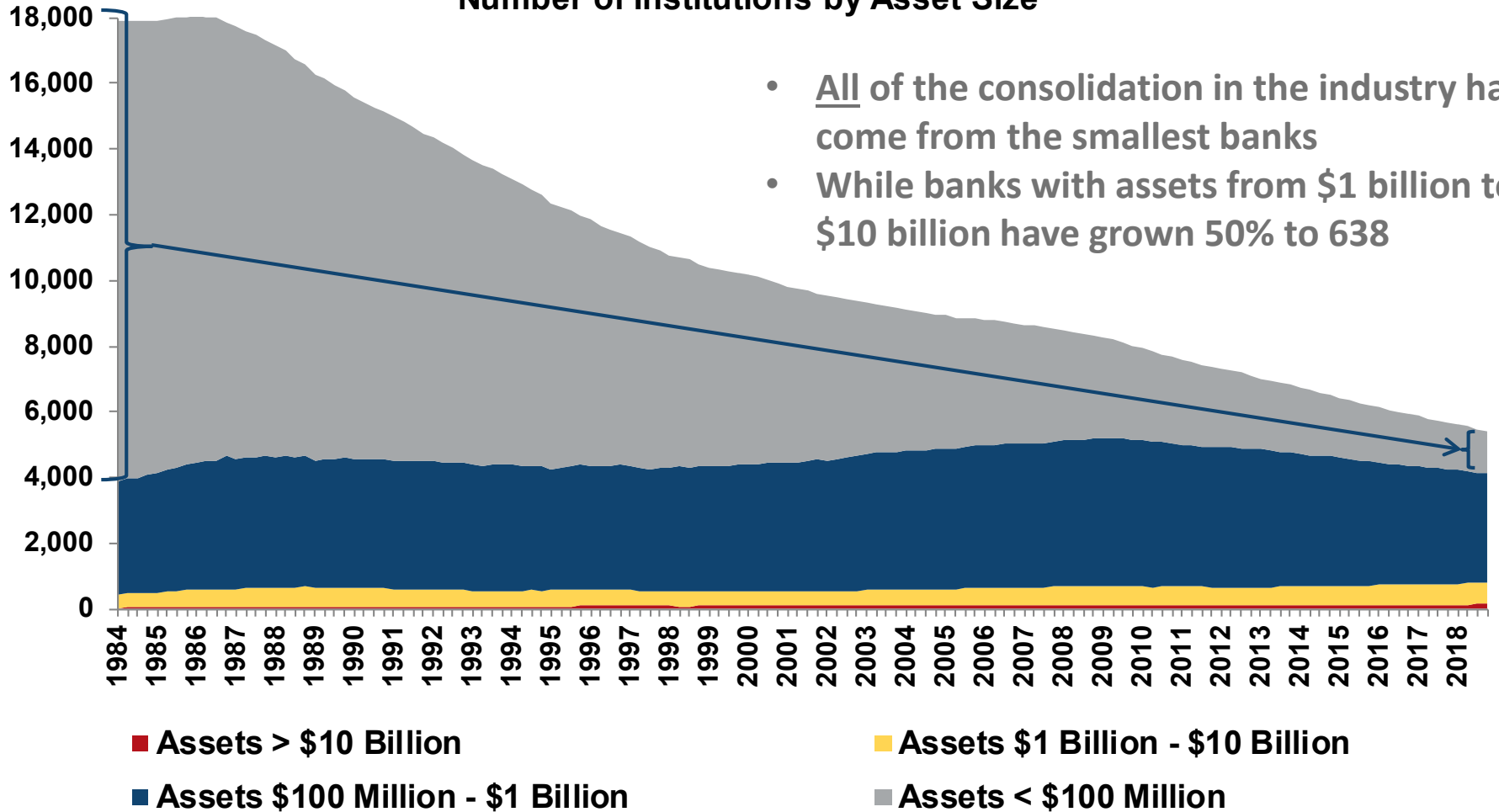


...while assets have quadrupled to over \$17 trillion for a CAGR of 5.0%

Source: FDIC website as of 3/29/2019

IMPACTING THE SMALLEST BANKS

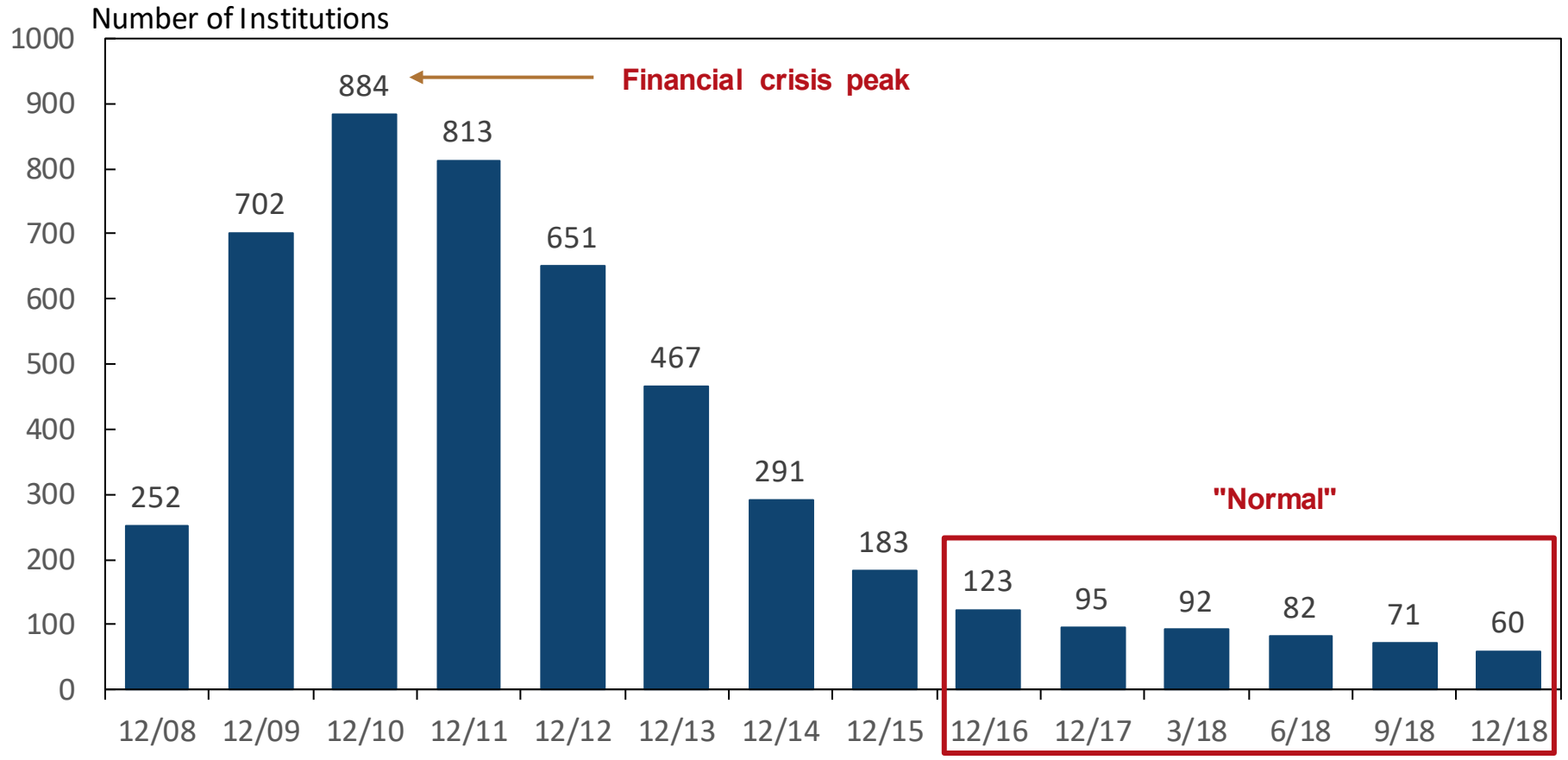
Number of Institutions by Asset Size



Source: FDIC website as of 3/29/2019

PROBLEM BANK LEVELS...NORMALIZED

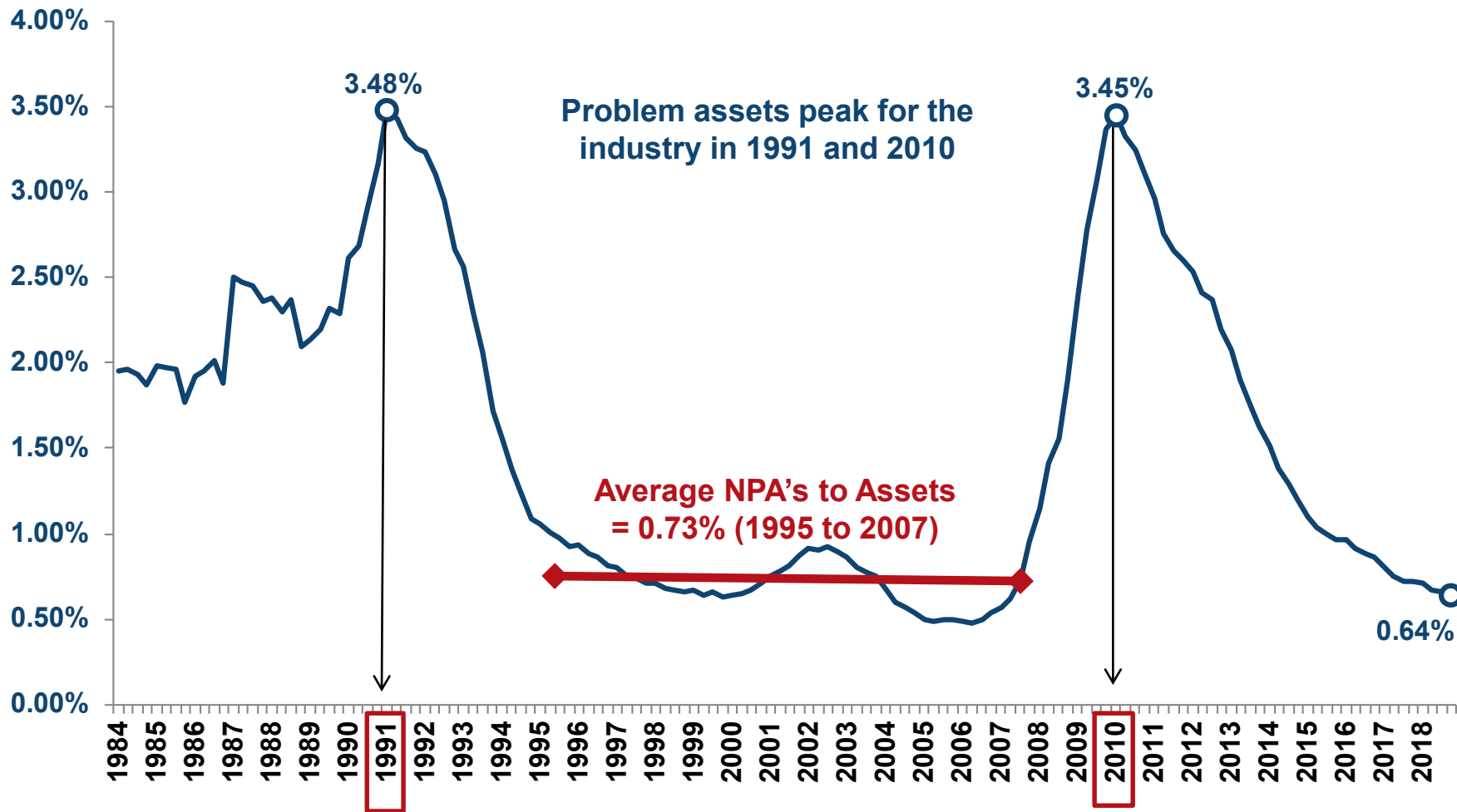
Number of FDIC-Insured "Problem" Institutions
2008-2018



Source: FDIC website as of 4/5/2019

CREDIT PERFORMANCE IS EXCELLENT

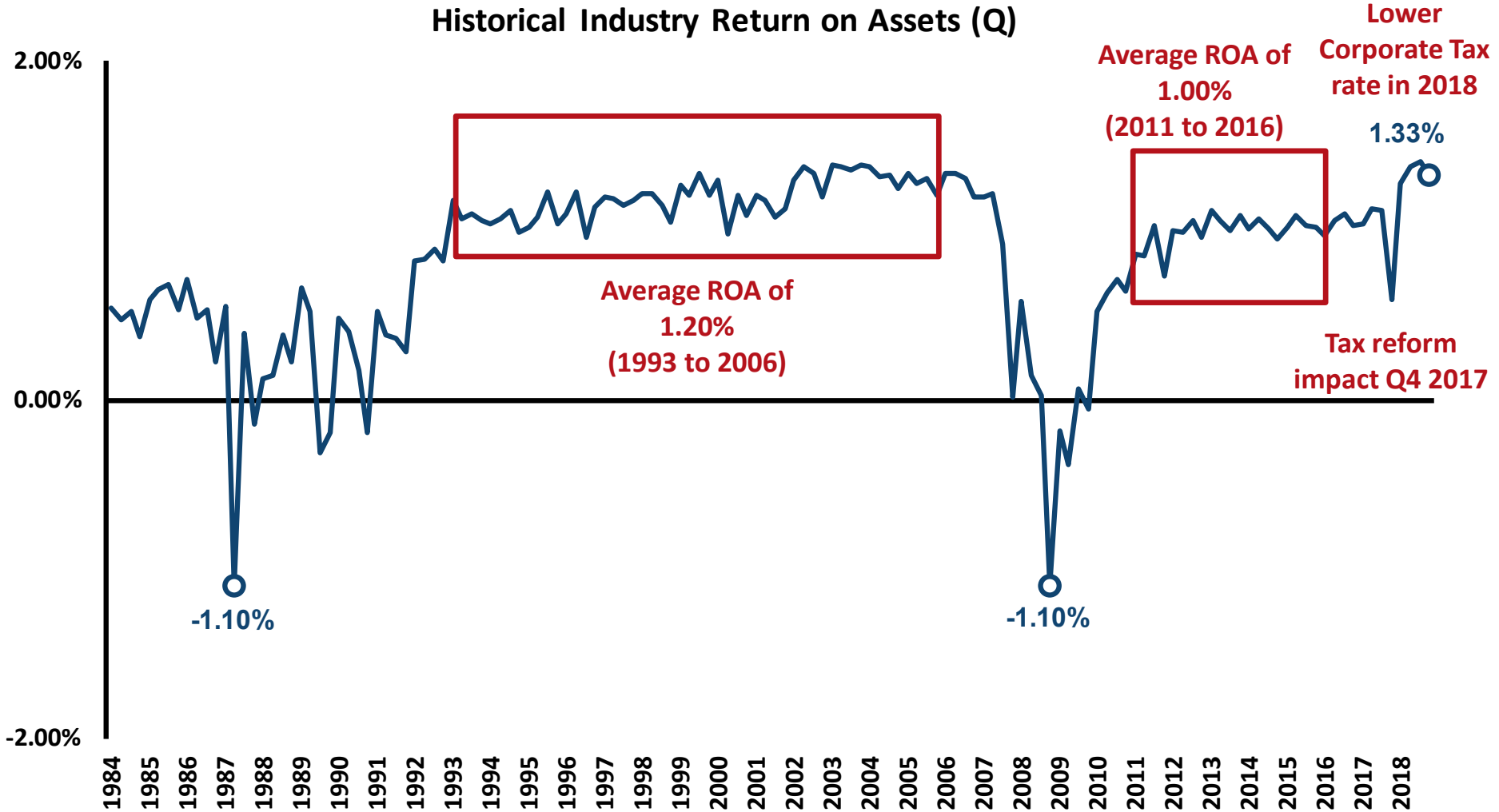
Industry Noncurrent Assets and OREO to Assets



Problem assets peak for the industry in 1991 and 2010

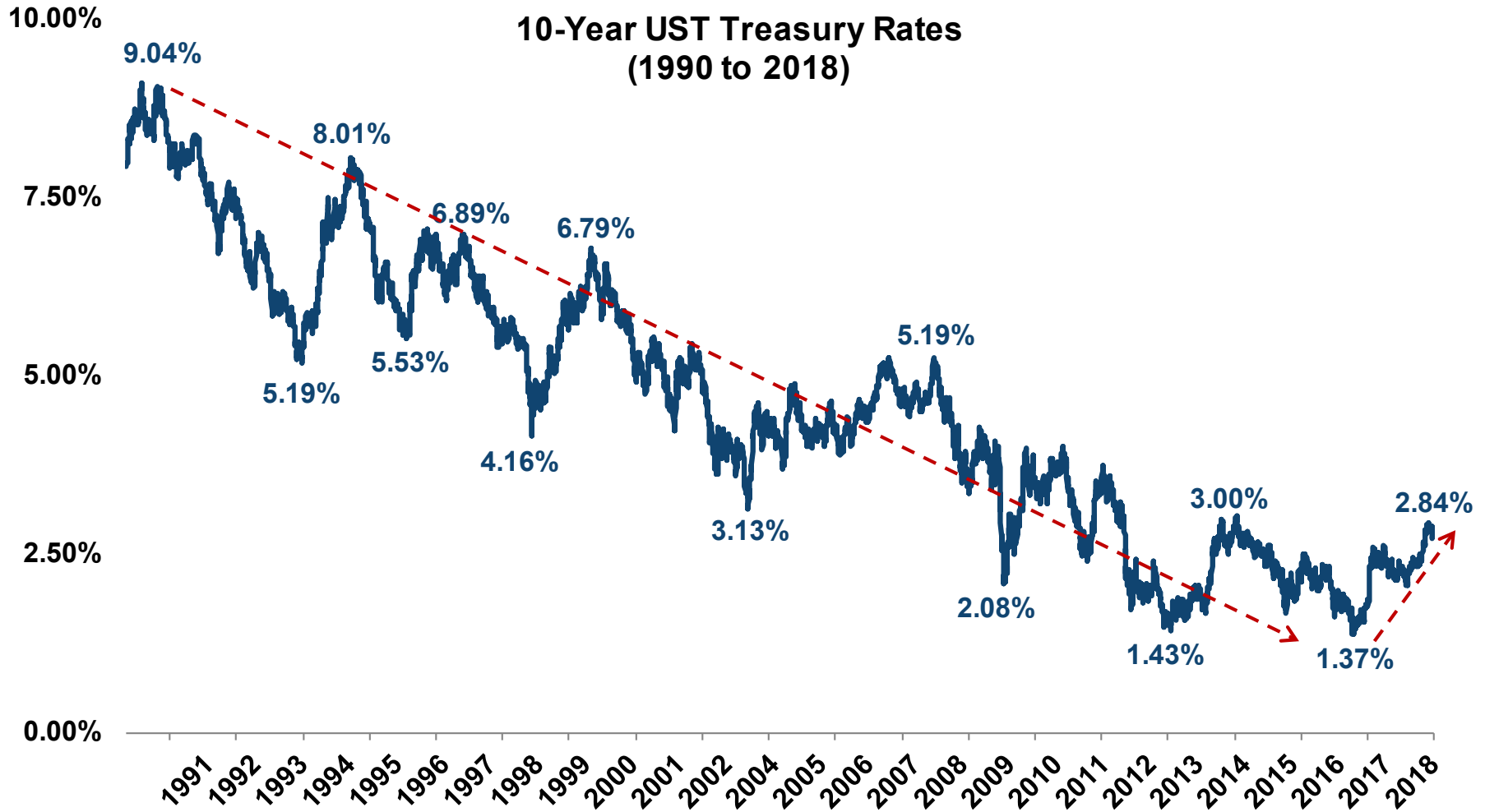
Average NPA's to Assets = 0.73% (1995 to 2007)

PROFITABILITY AT HISTORIC LEVELS



Source: FDIC Quarterly Bank Performance Data as of Fourth Quarter 2018

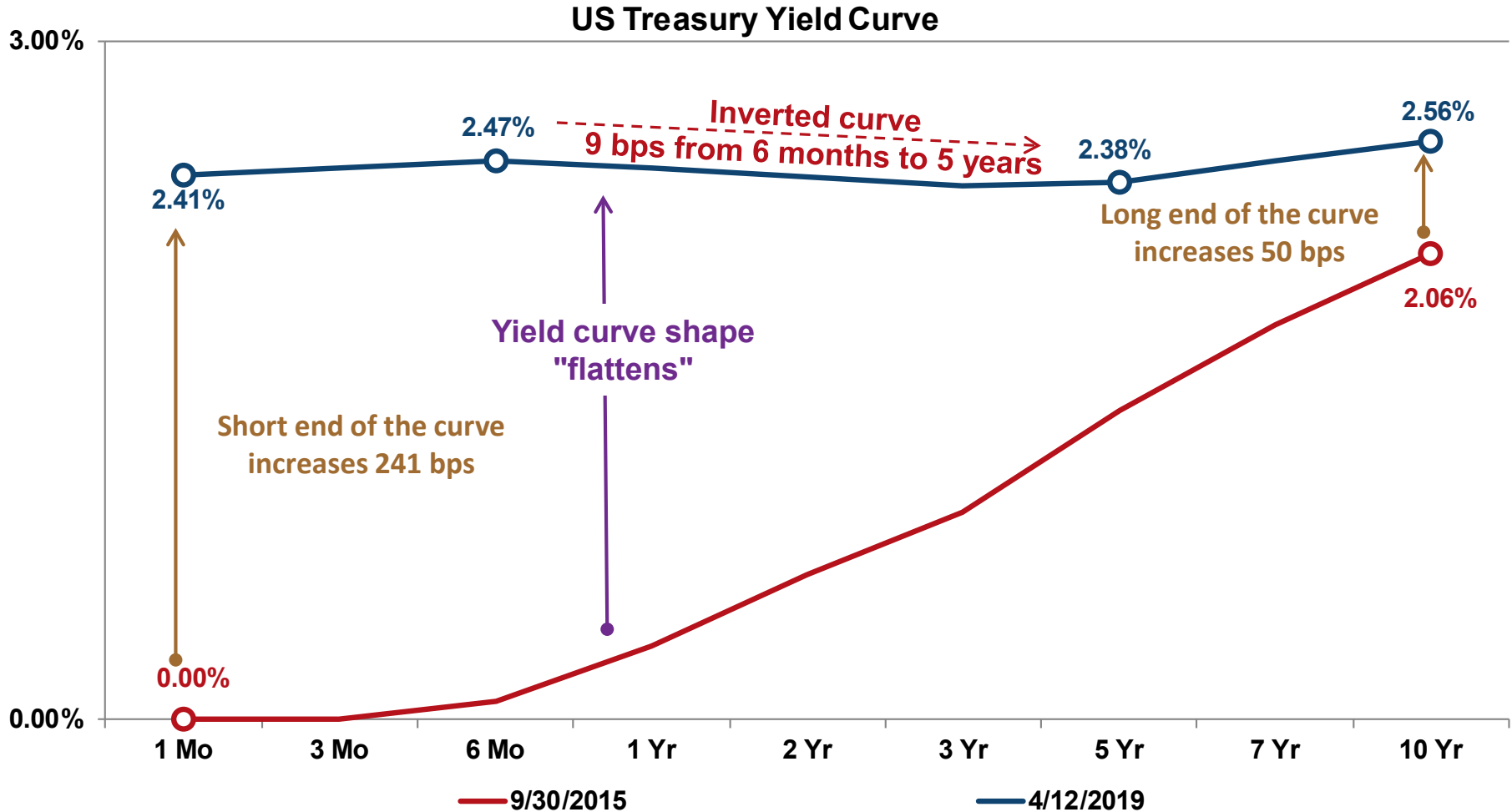
TURN IN RATES REVERSES 30 YEAR TREND



Source: United States Treasury website as of 4/10/2018

W.T.B. Financial Corporation

...BUT RATE TIGHTENING FLATTENS THE CURVE



Source: U.S. Treasury website

W.T.B. Financial Corporation

INDUSTRY PERFORMANCE COMPARISON

FDIC DATA

COMPARATIVE METRIC:	Washington Trust Bank (2018)	All Insured Institutions	Community Banks
	Actual	4 Quarter Average (2018)	
FINANCIAL PERFORMANCE			
Net Interest Margin (NIR/Earning Assets)	3.77%	3.41%	3.71%
Cost of Funding Earning Assets	0.19%	0.75%	0.71%
Operating Expenses To Assets	2.81%	2.62%	2.76%
Efficiency Ratio (Expenses/Revenue)	62.4%	56.9%	64.1%
Return on Assets (Earnings/Assets)	1.30%	1.35%	1.18%
Return on Equity (Earnings/Equity)	15.35%	11.98%	10.54%
Asset Quality Metrics	Actual	Period End Average	
Noncurrent Loans and OREO to Assets	0.18%	0.60%	0.69%
ALLL to Total Loans	2.24%	1.23%	1.14%
ALLL to Noncurrent Loans	755%	124%	146%
CAPITAL	Actual	Period End Average	
Equity to Assets	8.93%	11.25%	11.41%
Tier 1 Leverage Ratio (minimum = 5.00%)	9.55%	9.70%	11.09%
Tier 1 Risk Based Capital (minimum = 8.00%)	13.01%	13.24%	14.72%
Total Risk Based Capital (minimum = 10.00%)	14.27%	14.60%	15.76%

Source:

FDIC Website: QBP Time Series Spread Sheets

Download Date: 4/8/2019

FINTECH REVOLUTION WELL UNDERWAY

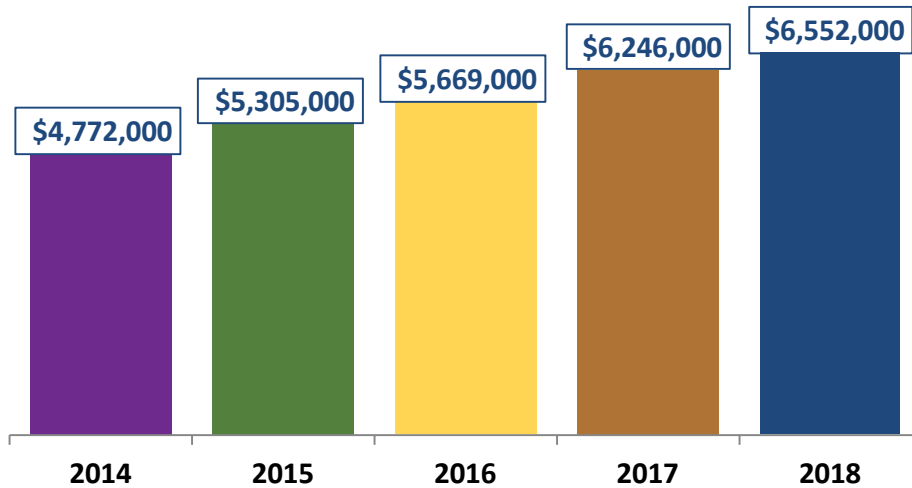


FOCUS ON WTBFC

COMPANY 2018 PERFORMANCE IN PERSPECTIVE

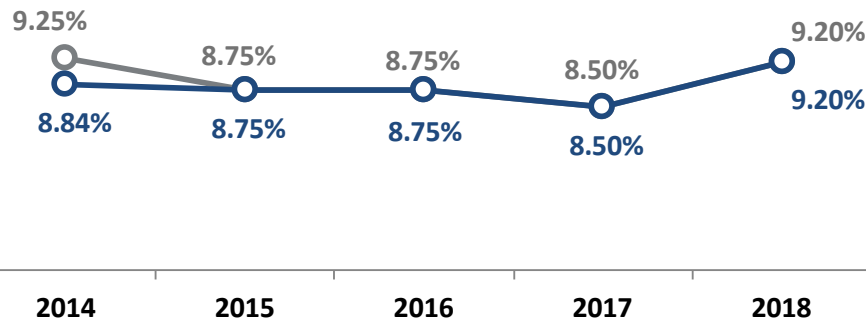
ASSETS AND CAPITAL

Total Assets (in thousands)



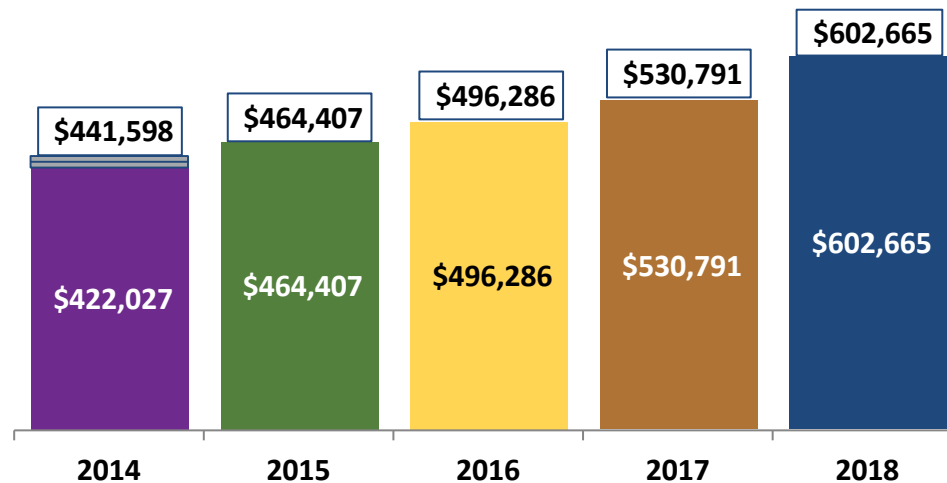
- Assets + \$1.8 billion, or 37% over past 5 years
- Common shareholders' equity + \$180 million, or 43% over past 5 years
- Common equity to assets up 70 bps in 2018 to 9.20% due to strong earnings
- Capital quality is high with all common equity and no intangibles

Equity to Assets



—○— Shareholders' equity/assets
—○— Common shareholders' equity/assets

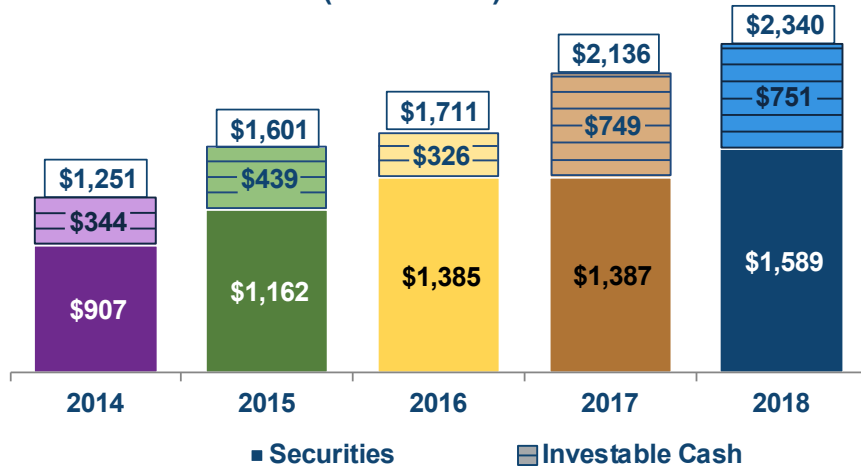
Shareholders' Equity (in thousands)



■ Preferred shareholders' equity □ Total shareholders' equity

INVESTABLE CASH AND SECURITIES TRENDS

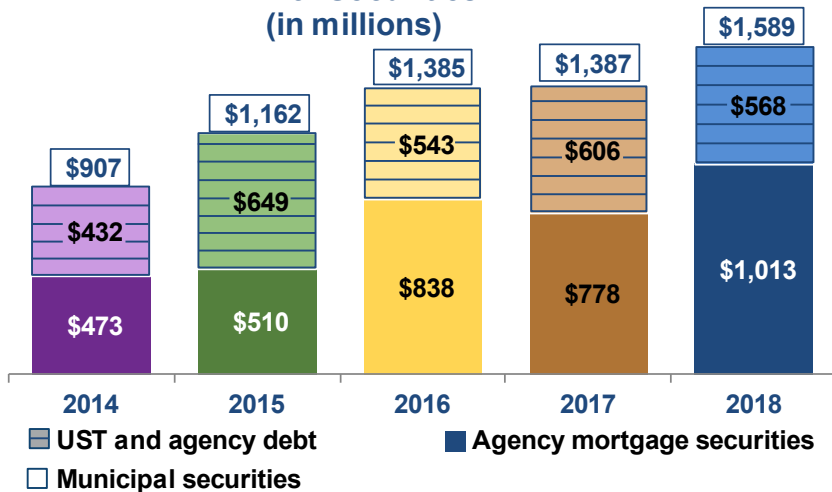
Securities and Investable Cash
(in millions)



↑
\$ **\$204 Million**
\$ Growth over the Past Year

↑
% **9.6%**
% Growth over the Past Year

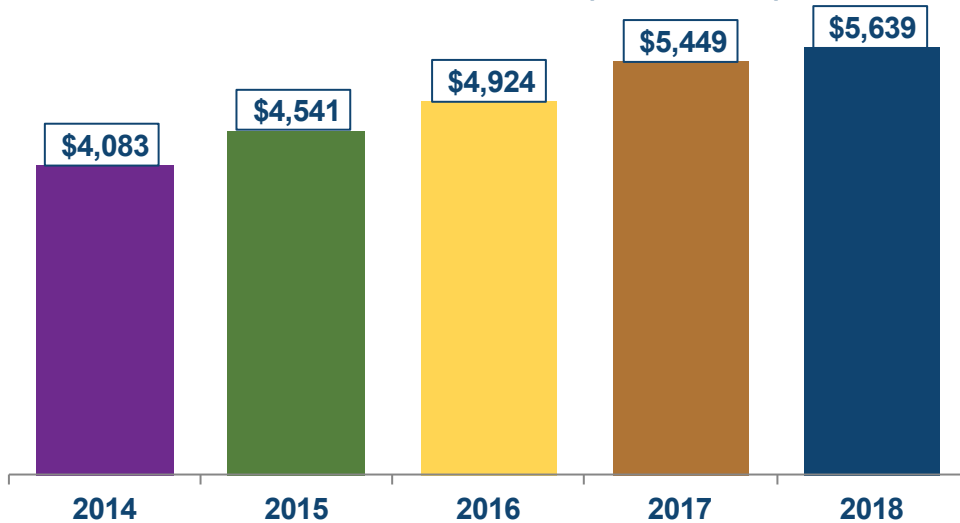
Mix of Securities
(in millions)

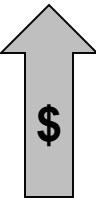


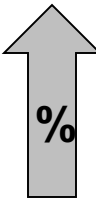
- Growth in cash and securities reflects deposit growth > loan growth
- Growth in cash reflects rising short term rates
- Cash position benefits from Fed rate moves
- HTM classification roughly aligns with collateral pledging needs

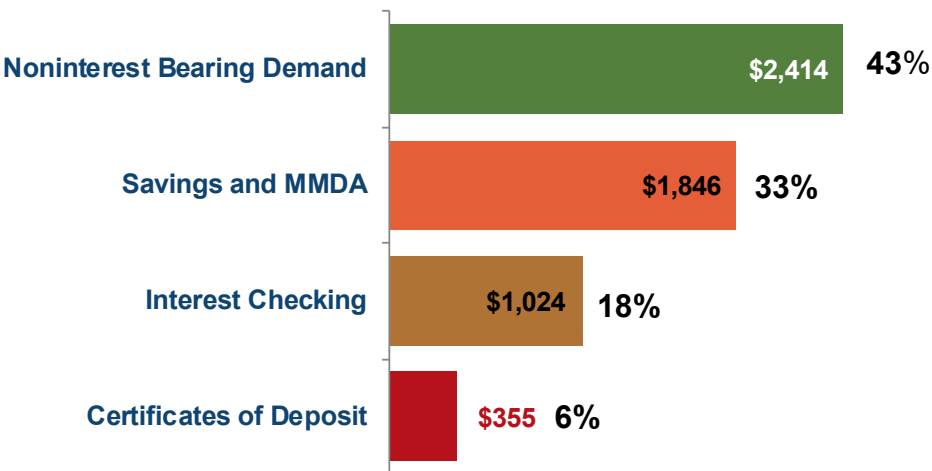
DEPOSIT TRENDS

TOTAL DEPOSITS (in millions)




\$190 Million
 \$ Growth over the Past Year

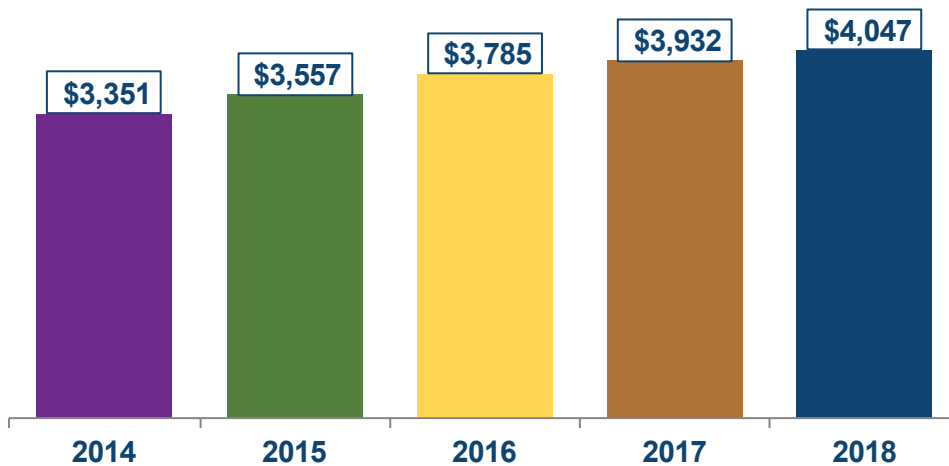

3.5%
 % Growth over the Past Year

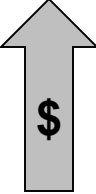


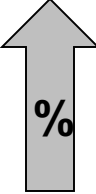
- Deposit growth has been strong (5 year CAGR of 8.3%)
- Low rate environment:
 - Favors noninterest bearing demand
 - Discourages CD balances
- Rising short term rates pressuring pricing:
 - Rising rates may shift client behavior
- Funding costs remained low (0.19%)
- Competition accelerating

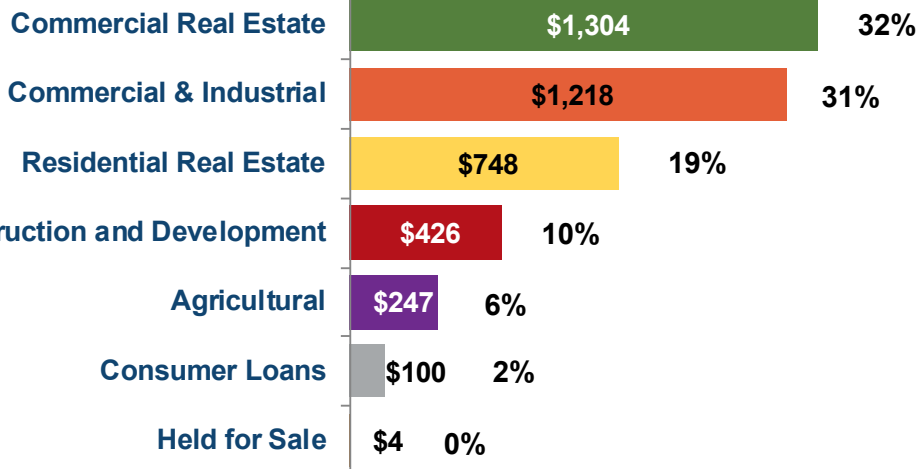
LOAN TRENDS

TOTAL LOANS (in millions)




\$115 Million
 \$ Growth over the Past Year


2.9%
 % Growth over the Past Year



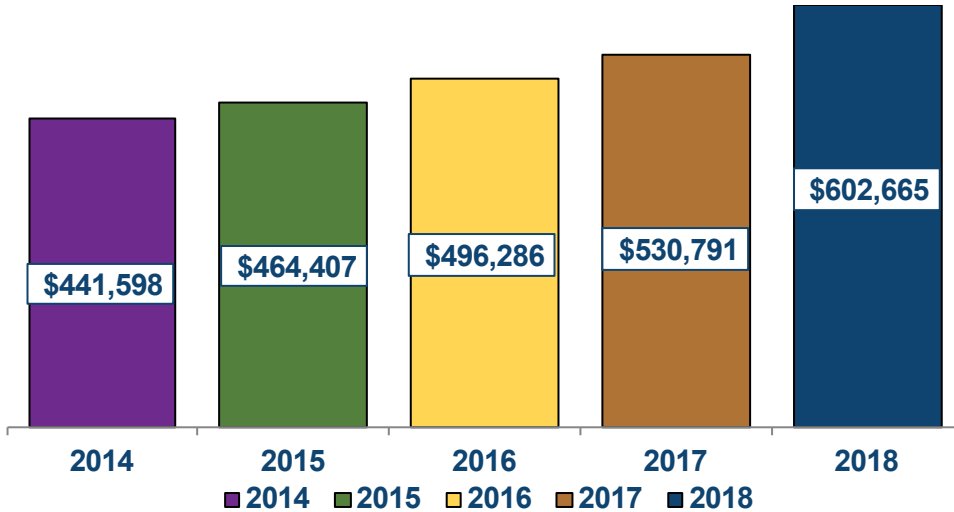
- Mix of 1/3 CRE and 1/3 C&I reflects commercial banking focus
- Loan growth moderated in 2018
 - Originations up
 - Loan pay-offs accelerated
 - Credit standards in place
 - Evidence of clients taking gains / reducing exposures
- Credit performance high (noncurrent loans + ORE to assets = 0.18%)

FOCUS ON CAPITAL

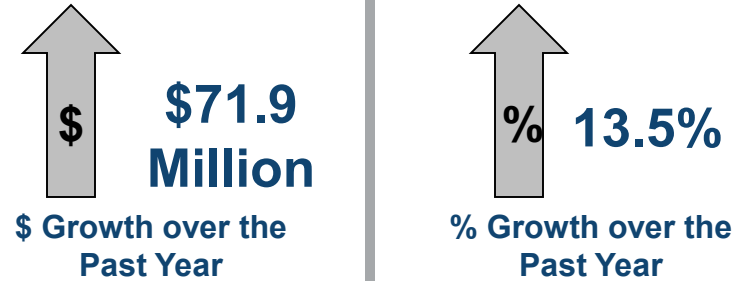
- Capital levels well above regulatory minimums
- Profitability levels sufficient to fund growth
 - Tax Reform favorable to capital formation
 - Quarterly dividend raised in Q1 2018
 - Up \$0.31 per share, or 37% to \$1.15 (\$4.60 annualized)
 - Quarterly dividend raised in Q1 2019
 - Up \$0.60 per share, or 52% to \$1.75 (\$7.00 annualized)
- Capital quality is high (zero intangible assets)
- Balance sheet strength considerable
- 2018 common stock share repurchase program expired 4/18/2019
 - \$2 million in common share repurchases authorized
 - \$1.8 million in common shares repurchased
- Share repurchase program expanded and renewed on 4/19/2019
 - \$10 million authorized
 - One year term
 - Repurchase activity remains discretionary

CAPITAL TRENDS

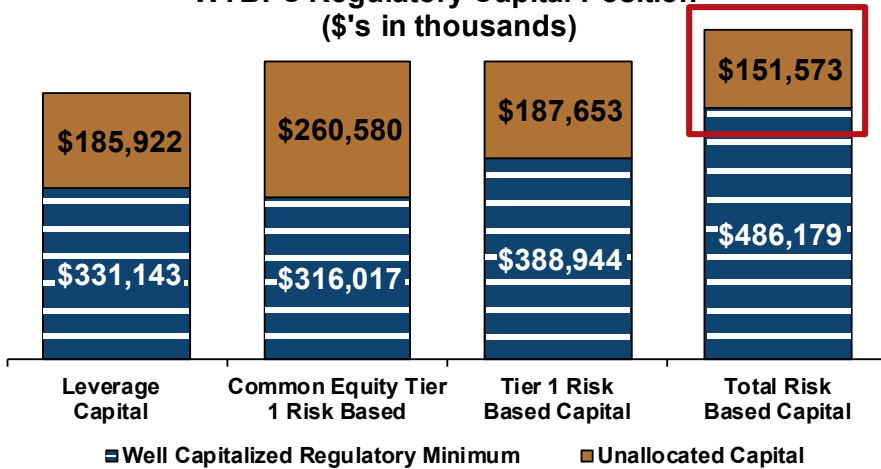
SHAREHOLDERS' EQUITY (in thousands)



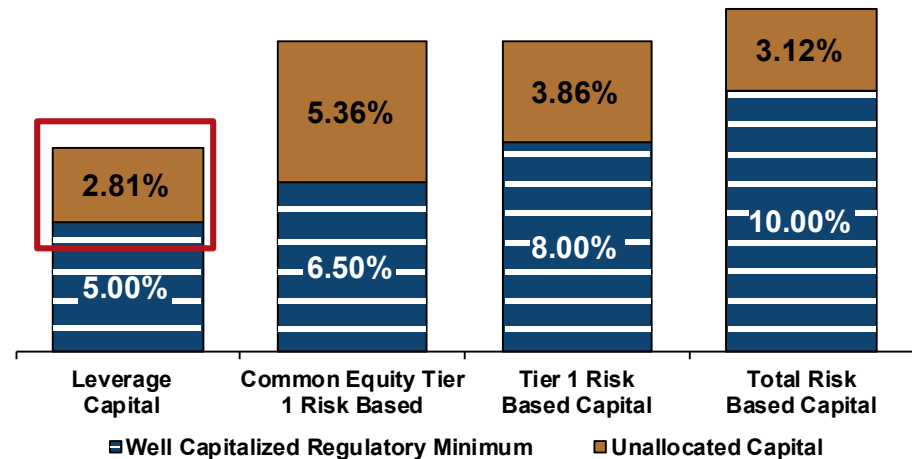
Common Shareholders' Equity



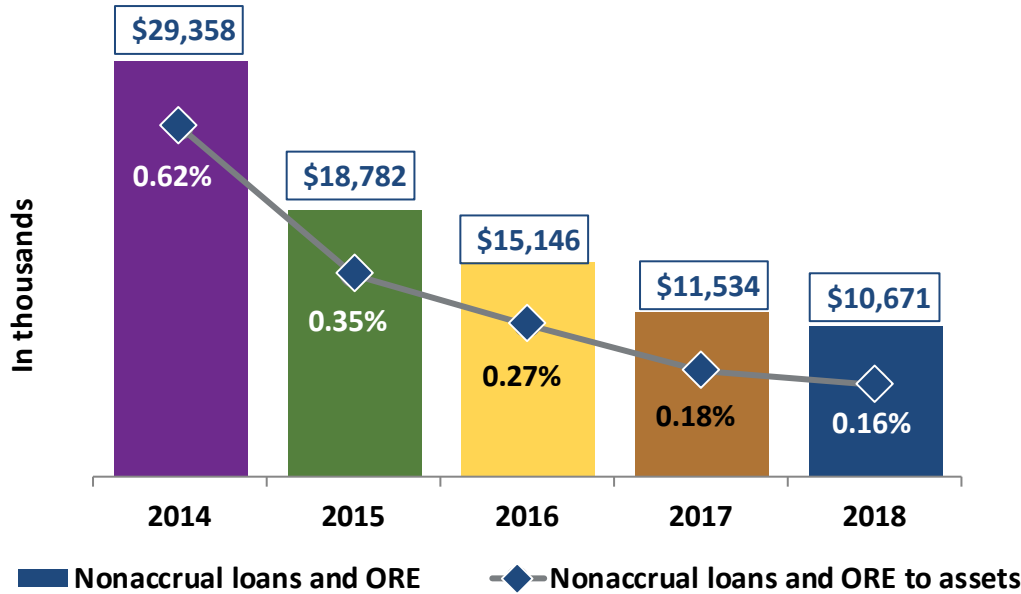
WTBFC Regulatory Capital Position (\$'s in thousands)



WTBFC Regulatory Capital Ratios

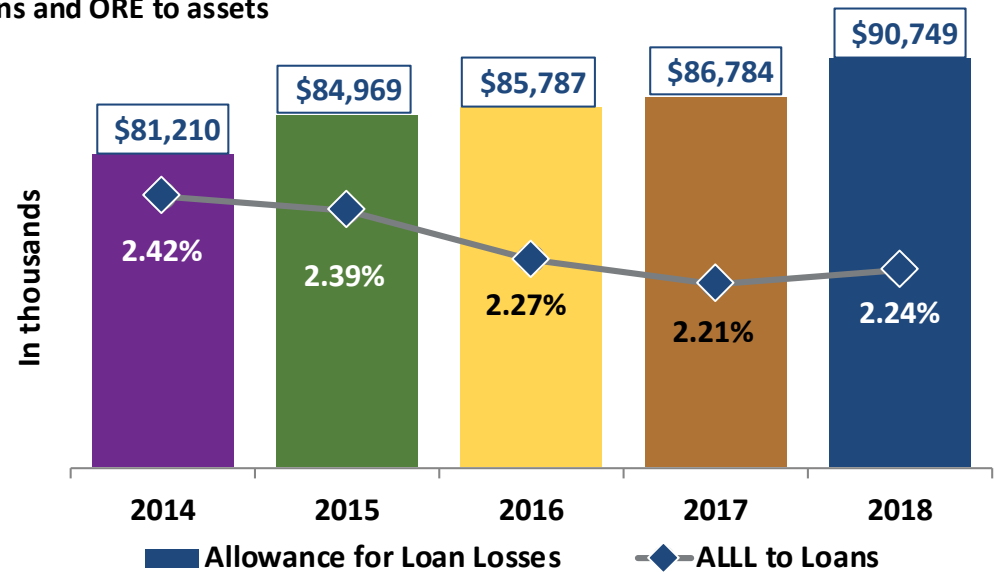


CREDIT PERFORMANCE IS HIGH



The loan portfolio's credit performance is high with problem assets declining significantly to historically low levels

The Bank's allowance for loan loss position has grown and ALLL to loans is substantial, maintaining balance sheet strength



WEALTH MANAGEMENT AND TRUST

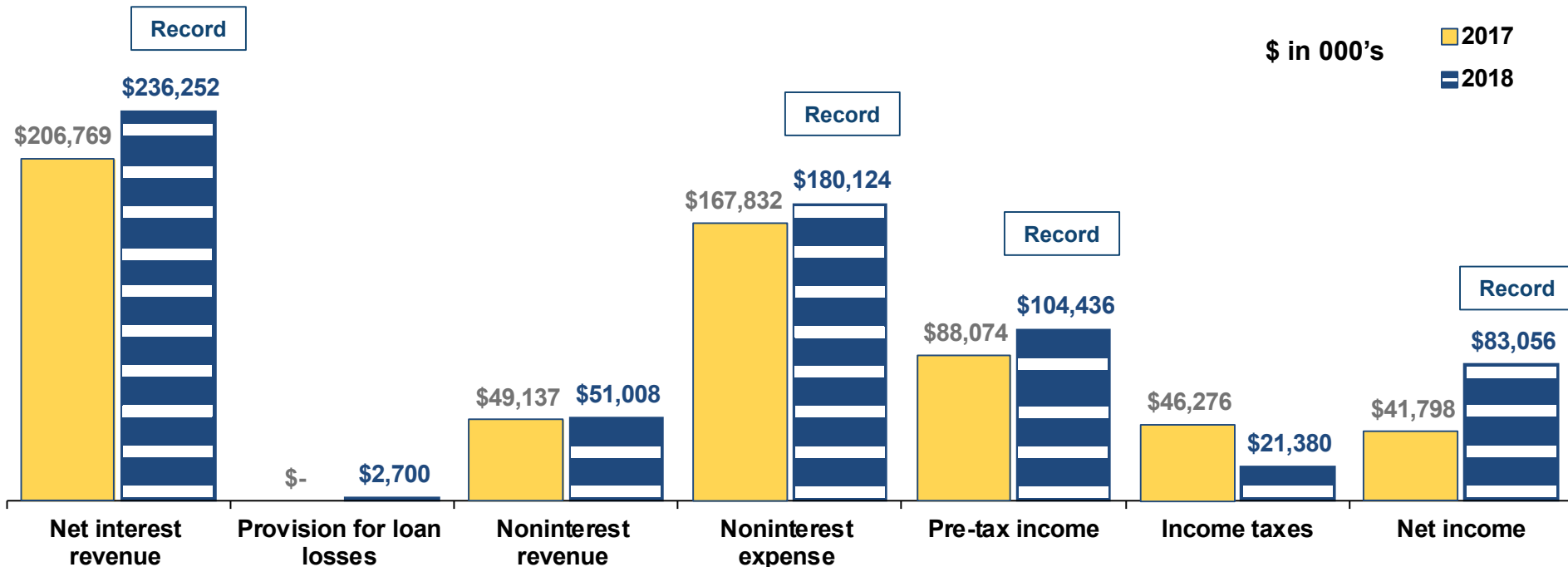
Wealth Management and Advisory Services, including Trust Powers

- Key business line...attractive complement to banking book
- \$5.6 billion portfolio of assets
- Fee income based business
- Recurring revenue stream
- Diversifies revenue base
- Off-balance sheet business line
 - Capital neutral/Capital efficient
 - Profitability enhances ROA and ROE
- Competitive advantage for high value and affluent customers
- Long-term, relationship based business line

INCOME STATEMENT TRENDS

Income Statement (000's)	Years Ended December 31,		\$ Difference	% Change
	2017	2018		
Net interest revenue	\$ 206,769	\$ 236,252	\$ 29,483	14.3%
Provision for loan losses	-	2,700	2,700	NM
Noninterest revenue	49,137	51,008	1,871	3.8%
Noninterest expense	167,832	180,124	12,292	7.3%
Pre-tax income	88,074	104,436	16,362	18.6%
Income taxes	46,276	21,380	(24,896)	-53.8%
Net income	\$ 41,798	\$ 83,056	\$ 41,258	98.7%

Tax reform impact

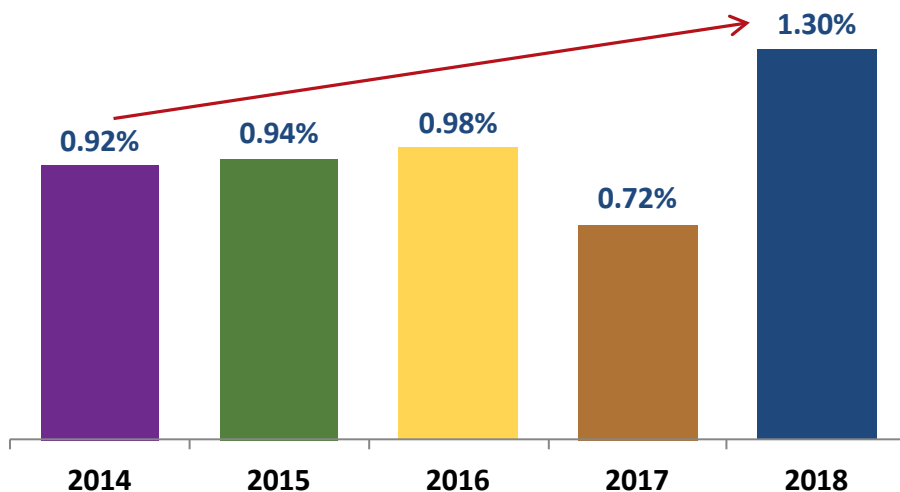


WTBFC FINANCIAL PERFORMANCE METRICS

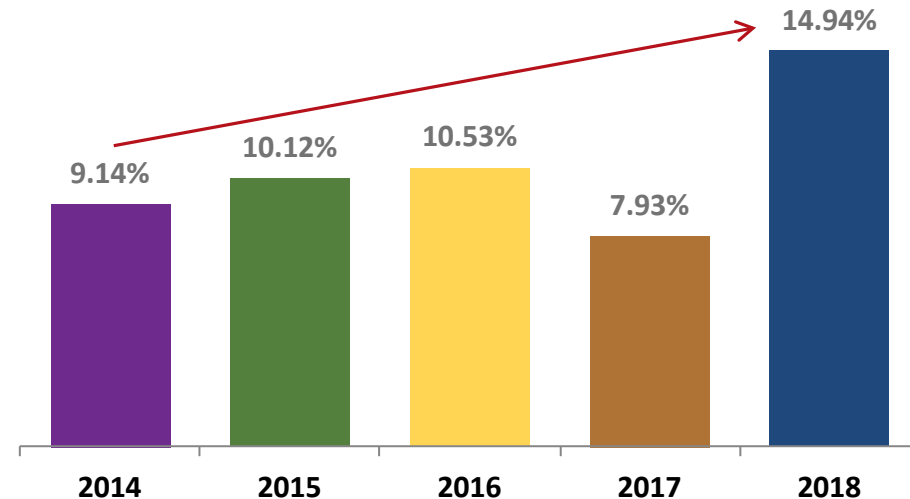
Performance Metric	For the Year		Difference
	2017	2018	
Return on average assets	0.72%	1.30%	0.58%
Return on shareholders' equity	7.93%	14.94%	7.01%
Margin on average earning assets	3.66%	3.77%	0.11%
Noninterest expense to average assets	2.89%	2.82%	-0.07%
Noninterest revenue to average assets	0.85%	0.80%	-0.05%
Efficiency ratio	65.3%	62.6%	-2.7%

Tax reform impact (indicated by a red arrow pointing to the 2017-2018 change in Return on average assets)

Return on Assets

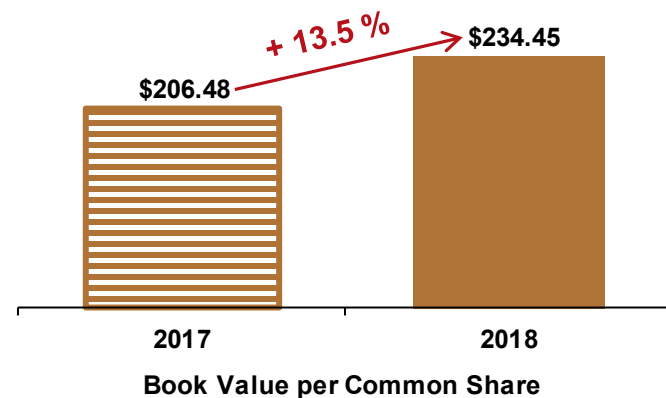
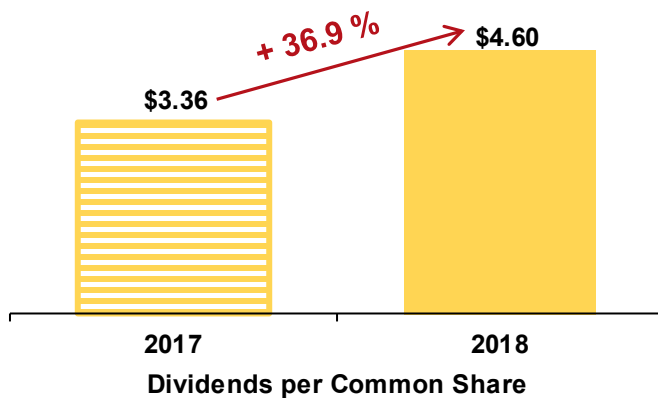
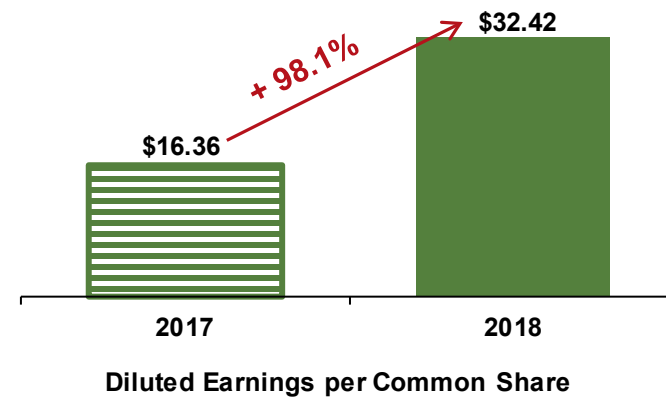
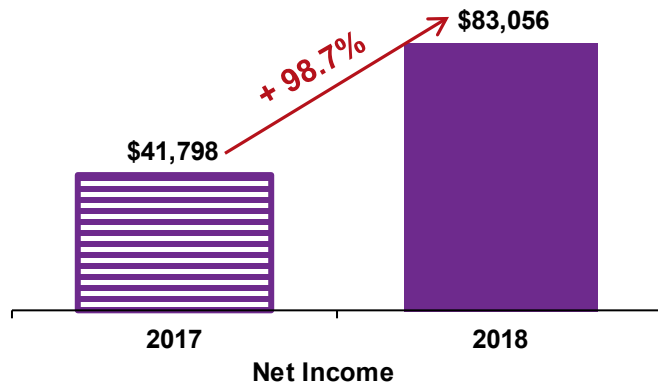


Return on Average Total Equity



KEY SHAREHOLDER VALUE METRICS

Income (000's) and Per Share Data	Years Ended December 31,		\$ Difference	% Change
	2017	2018		
Net Income	\$ 41,798	\$ 83,056	\$ 41,258	98.7%
Diluted Earnings per Common Share	\$ 16.36	\$ 32.42	\$ 16.06	98.1%
Dividends per Common Share	\$ 3.36	\$ 4.60	\$ 1.24	36.9%
Book Value per Common Share	\$ 206.48	\$ 234.45	\$ 27.97	13.5%



WTBFB HISTORICAL RETURNS

WTBFC Class B Common Stock Returns

1 Year Returns				
Valuation Method:	YE 2017	YE 2018	Valuation Change	
			Total \$/Share	CAGR %
Book Value	\$ 206.48	\$ 234.45	\$ 27.97	13.5%
Market Close	\$ 354.00	\$ 314.85	\$ (39.15)	-11.1%

3 Year Returns				
Valuation Method:	YE 2015	YE 2018	Valuation Change	
			Total \$/Share	CAGR %
Book Value	\$ 180.79	\$ 234.45	\$ 53.66	9.0%
Market Close	\$ 198.00	\$ 314.85	\$ 116.85	16.7%

5 Year Returns				
Valuation Method:	YE 2013	YE 2018	Valuation Change	
			Total \$/Share	CAGR %
Book Value	\$ 154.35	\$ 234.45	\$ 80.10	8.7%
Market Close	\$ 167.00	\$ 314.85	\$ 147.85	13.5%

Source: OTC Markets historical trading data (www.otcmarkets.com)

Note: Recent market trades for WTBFB were in the range of \$360 (+/-) per share.

Q1 2019 HIGHLIGHTS (YoY COMPARISON)

- Favorable YoY earnings trends continued
 - Net interest revenue up \$6.6 million, or 12.1% to \$61.4 million
 - Net interest margin widened 29 bps to 3.94%
 - Net income up \$1.3 million, or 7.0% to \$20.2 million
- Credit performance remains strong
 - Noncurrent loans and OREO of \$12.9 million, or 0.20% of assets
 - Allowance position of \$93 million, or 2.27% of loans
- Shareholder returns favorable
 - Diluted earnings per share increased \$0.51, or 6.9% to \$7.87
 - Quarterly dividends per share \$1.75, up \$0.60, or 52%
 - Book value per share \$243.78, up \$35.03, or 16.8%

MAJOR TECHNOLOGY INITIATIVES

- **Key Themes**

- Digital strategy
- Data management, business intelligence and decision making
- Payment systems
- Customer experience and capabilities
 - Mobile banking
- Continuous improvement, agile and lean
 - Work-flow process improvement
 - Simplicity, operating leverage and efficiency

- **Big Challenges**

- Vendor selection and dependency
- Best in class / Best in Suite
- Implementation and Integration
- Competitive parity / Competitive advantage
- Complexity
- Expense and expertise

CONSISTENT GUIDING THEMES

- **Strength**
 - Maintain balance sheet strength and conservative risk profile
 - Position for Fed policy shifts/macro events
- **Adapt and evolve**
 - Shifting “FinTech” landscape
 - Enhance the customer experience
 - Execute on electronic/mobile delivery
- **Discipline**
 - Stay true to relationship banking model
 - Compete for high quality customers ~ teams ~ bankers
 - Maintain credit discipline
 - Remain vigilant on cost structure, but still invest for future
- **Performance**
 - Improve core earnings/financial performance
 - Manage capital wisely and deliver shareholder value

YOUR TIME IS VALUABLE TO US

Thank You

WE APPRECIATE YOUR SUPPORT

AND ALWAYS

WELCOME CUSTOMER REFERRALS