

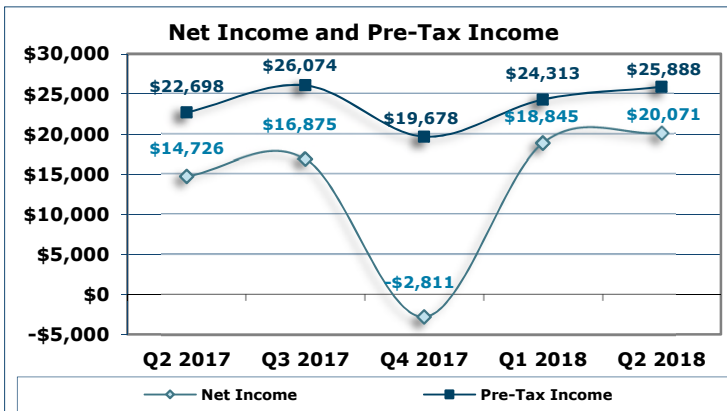
# W.T.B. Financial Corporation



## Company Profile 2nd Quarter 2018

(Unaudited) (\$'s in thousands, except per share data)

### Financial Highlights

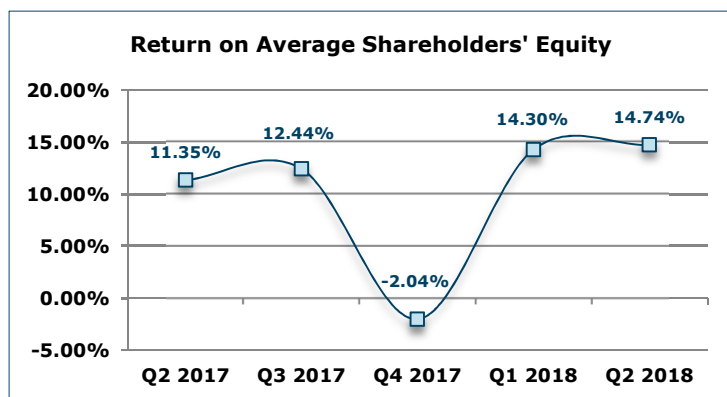
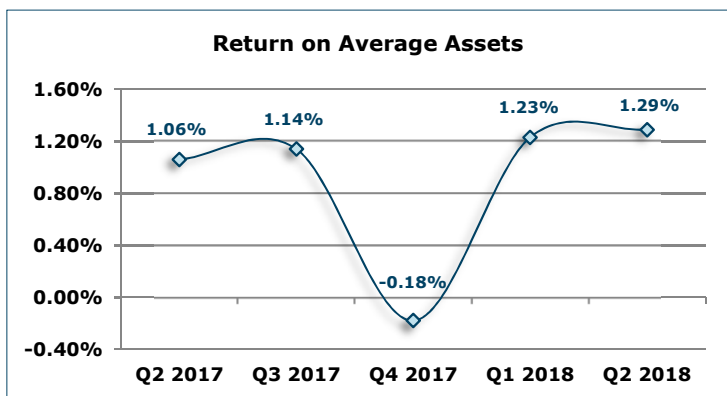


- The Company reported net income of \$20.1 million, up 36.3% year over year, which includes the favorable impact of the lower federal corporate tax rate from 35% to 21%. The passage of the tax reform bill just before the end of 2017 resulted in a revaluation of the deferred tax asset and a one-time write down of \$16.8 million in the fourth quarter.

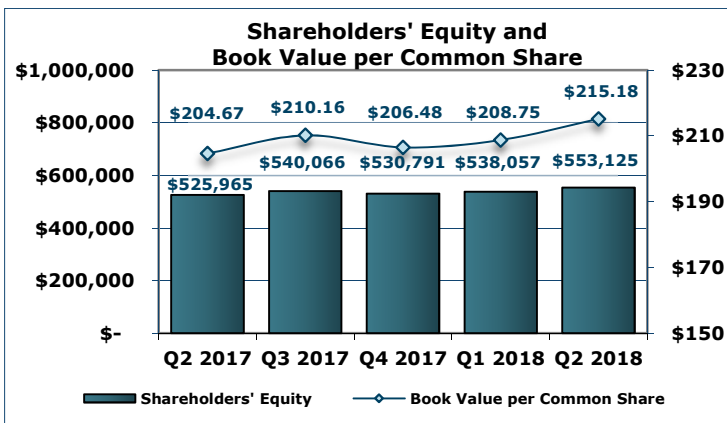
- Deposits decreased \$100.1 million, or 7.3% annualized, to \$5.4 billion
- Loans increased \$139.8 million, or 14.2% annualized, to \$4.1 billion

- The lower tax rate combined with strong earnings performance increased Return on Assets to 1.29% and Return on Equity to 14.74%

- Allowance for loan losses remained strong at 2.19% of loans and 902% of noncurrent loans



### About W.T.B. Financial Corporation



Since 1902, Washington Trust Bank (W.T.B. Financial Corporation's primary subsidiary) has helped individuals, families and businesses reach their financial goals by being the best at understanding and meeting their needs through exceptional customer service.

We are small enough to know and care about our customers, yet large enough to offer a full complement of products and services to satisfy all banking needs.

# W.T.B. Financial Corporation



(Unaudited) (\$'s in thousands, except per share data)  
At or for the Quarters Ended

## Income Statements

	6/30/2018	3/31/2018	6/30/2017
Net interest revenue	\$ 58,028	\$ 54,819	\$ 50,270
Provision for loan losses	1,300	400	-
Net interest revenue after provision for loan losses	56,728	54,419	50,270
Noninterest revenue	12,953	12,479	11,551
Noninterest expense	43,793	42,585	39,123
Income before income taxes	25,888	24,313	22,698
Income taxes	5,817	5,468	7,972
<b>Net income</b>	<b>\$ 20,071</b>	<b>\$ 18,845</b>	<b>\$ 14,726</b>

## Condensed Balance Sheets

### ASSETS

Cash and interest-bearing deposits	\$ 739,759	\$ 956,033	\$ 235,104
Securities	1,363,042	1,341,115	1,383,167
Loans net of allowance for loan losses	3,989,799	3,851,691	3,872,586
Other assets	133,129	132,453	150,408
<b>Total assets</b>	<b>\$ 6,225,729</b>	<b>\$ 6,281,292</b>	<b>\$ 5,641,265</b>

### LIABILITIES

Deposits	\$ 5,380,063	\$ 5,480,126	\$ 4,860,761
Borrowings	252,277	222,552	219,197
Other liabilities	40,264	40,557	35,342
<b>Total liabilities</b>	<b>5,672,604</b>	<b>5,743,235</b>	<b>5,115,300</b>

### SHAREHOLDERS' EQUITY

Total shareholders' equity	553,125	538,057	525,965
Total liabilities and shareholders' equity	<b>\$ 6,225,729</b>	<b>\$ 6,281,292</b>	<b>\$ 5,641,265</b>

## Performance Metrics

### PER COMMON SHARE

Earnings - basic	\$ 7.86	\$ 7.39	\$ 5.78
Earnings - diluted	7.84	7.36	5.76
Common cash dividends	1.15	1.15	0.84
Common shareholders' equity	215.18	208.75	204.67

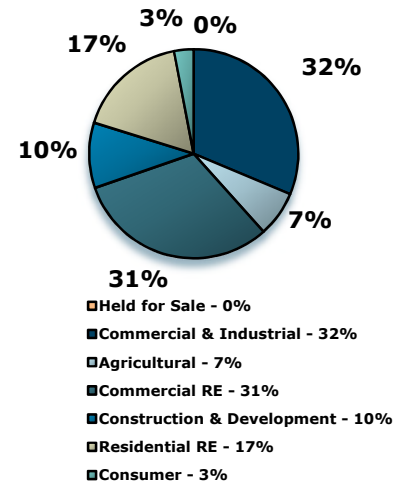
### PERFORMANCE RATIOS

Return on average assets	1.29%	1.23%	1.06%
Return on average shareholders' equity	14.74%	14.30%	11.35%
Margin on average earning assets	3.78%	3.65%	3.72%
Noninterest revenue to average assets	0.83%	0.82%	0.83%
Noninterest expense to average assets	2.81%	2.79%	2.81%
Efficiency ratio	61.6%	63.2%	63.0%
Cash dividends to net income	14.6%	15.6%	14.5%

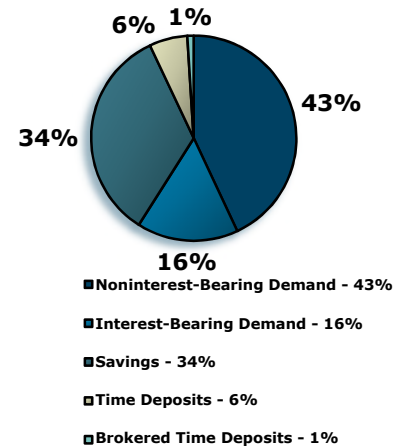
### ASSET QUALITY AND CAPITAL

Noncurrent loans + ORE	\$ 9,896	\$ 12,398	\$ 11,394
Allowance for loan losses	89,236	87,551	87,981
Allowance for loan losses to total loans	2.19%	2.22%	2.22%
Total equity to total assets	8.88%	8.57%	9.32%
Total equity	\$ 553,125	\$ 538,057	\$ 525,965
Tier 1 Capital	609,836	592,136	557,214

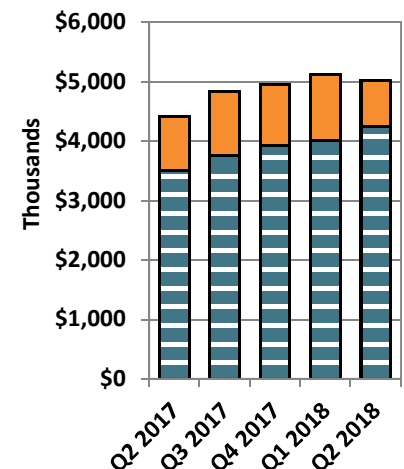
## Total Loan Portfolio \$4.08 Billion at 6/30/2018



## Total Deposit Portfolio \$5.38 Billion at 6/30/2018



## Wealth Management & Advisory Services



■ Fiduciary Income ■ Investment Services Fees