

2017 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.”

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 Pink Marketplace: www.otcmarkets.com
WTBFA -- Class A shares
WTBFB -- Class B shares

History

Over 100 years of banking history in the Pacific Northwest
1983: \$500 million in assets
1994: \$1 billion in assets
2016: \$5.7 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

CORE IDENTITY AND BUSINESS MODEL

- **Pacific Northwest community bank**
 - Over 100 years of heritage
 - 4th generation Chairman of the Board and CEO
- **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

BUSINESS MODEL

- **Relationship banking requires...**
 - A high degree of customer focus
 - High caliber professional bankers
 - Empowered employees
 - Decentralized decision-making
 - First-rate financial solutions
 - Customized to meet client needs
 - Standardized to be efficient and scalable
 - Customers that value their relationship with us
- **Relationship banking is...**
 - Valued by our customers
 - Career enhancing for our employees
 - A high value business model for our shareholders
 - Efficient and focused path for growth
 - More challenging, but more durable
 - A model that preserves company culture

2016 PERFORMANCE OVERVIEW

2016 FINANCIAL POSITION AND PERFORMANCE

Balance Sheet

Deposit growth of \$383 million, or 8.4% drove strong asset growth
Assets finished the year at \$5.7 billion, up 6.9%, or \$364 million
Loans grew \$228 million, or 6.4% to \$3.8 billion
Common shareholders' equity increased \$32 million, or 6.9%

Earnings and Shareholder Value

Earnings increased \$5.4 million, or 11.6% to \$51.7 million
Net interest revenue grew \$17.8 million, or 10.8% to \$181.6 million
Diluted earnings per share increased \$2.28, or 12.7% to \$20.29
Book value per share increased \$12.87, or 7.1% to \$193.66

2016 Performance

Net interest margin widened by 11 bps to 3.53%
Return on assets increased 4 bps to 0.98%
Return on shareholders' equity increased 41 bps to 10.53%
Common shareholder dividends increased \$0.28 per share, or 10.3% to \$3.00

Risk Profile

Capital exceeds regulatory minimums and internal targets
Asset quality is high with historically low non-performing assets
Allowance position remains substantial at \$86 million, or 2.27% of loans
Liquidity levels are elevated with a Liquidity Ratio of 27.2%

MAJOR INDUSTRY THEMES

- **Credit recovery from financial crisis is complete**
 - Industry NPA's to assets < 1.00% (peaked at 3.45% in 2010)
 - Number of problem institutions = 123 (recent peak of 884 in 2010)
 - Industry ALLL to loans = 1.30% (WTB = 2.27%)
- **Low rate environment weighs on profitability**
 - Industry NIM 3.13% in 2016 (recent peak of 4.06% in 2002)
 - Industry Return on Assets = 1.04% (recent peak of 1.34% in 2006)
- **Regulatory burden a challenge and opportunity**
 - Compliance burden falls equally across community banks
 - Costs are real in terms of headcount, systems and time
 - We have scale, expertise and commitment to meet responsibilities
- **Industry consolidation accelerates**
 - Down 4%, or 300 banks +/- per year (2009 – 2016)
 - Down 2,600 banks since financial crisis to 5,900
- **FinTech revolution reshaping banking**
 - Disrupters
 - Strategic partners

2016 INDUSTRY PERFORMANCE

Industry Earnings:

- Industry earnings = \$171 billion, up \$8 billion, or 4.9%
 - Net interest revenue increased 6.9% on growth and wider margins
 - Provision for loan loss expense increased \$11 billion, or 28.8%

Industry Balance Sheet:

- Deposits = \$12.9 trillion, up \$705 billion, or 5.8%
- Assets = \$16.8 trillion, up \$813 billion, or 5.1%
- Loans = \$9.3 trillion, up \$466 billion, or 5.3%
- Equity = \$1.9 trillion, up \$69 billion, or 3.9%

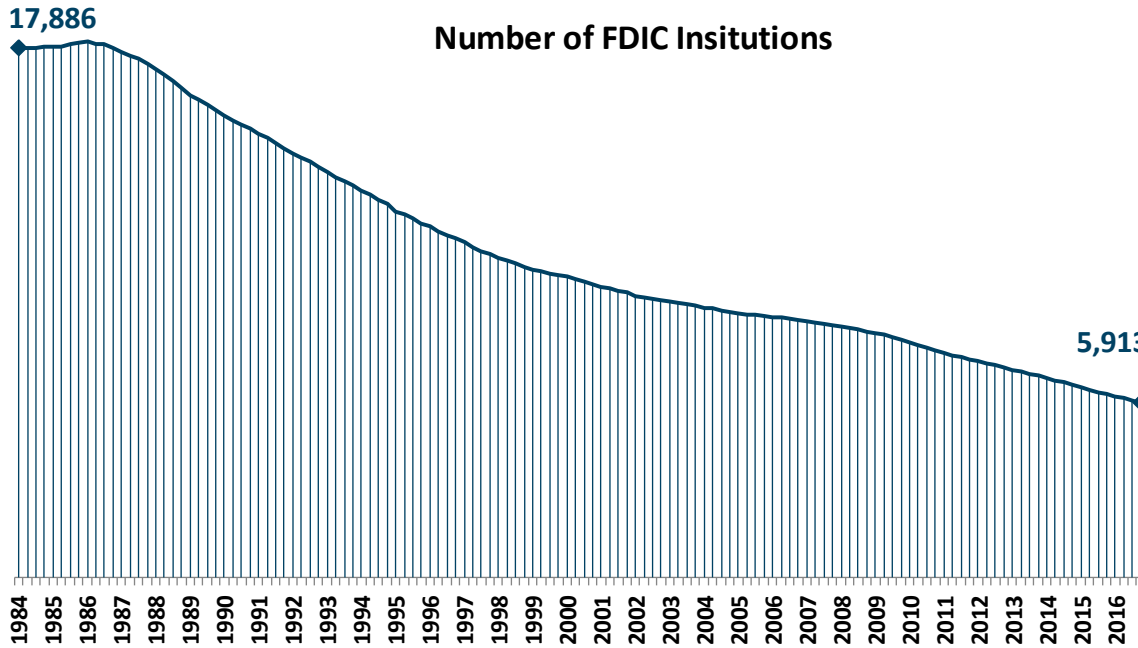
Industry Performance and Risk Metrics:

- Noncurrent loans + OREO to assets = 0.86% (peak of 3.45% in 2010)
- Loan loss allowance = \$121 billion, or 1.30% of loans
 - Down from a recent peak of 3.51% in 2010
- Net Interest Margin = 3.13%, up 6 bps
- Return on assets = 1.04%, no change YoY
- Return on equity = 9.32%, up 3 bps

INDUSTRY CONSOLIDATION CONTINUES...

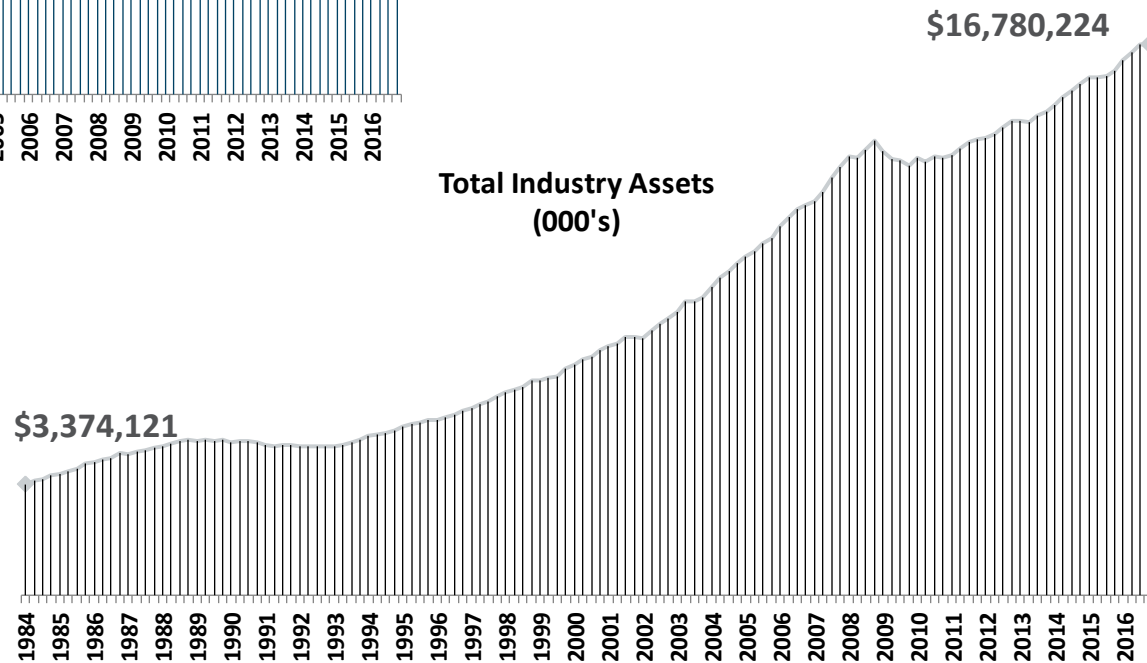
Number of FDIC Insitutions

The number of FDIC insured institutions has declined by nearly 12,000, or 67% to 5,913 since 1984...



...while assets have quadrupled to almost \$17 trillion for a CAGR of 5.1%

Total Industry Assets (000's)

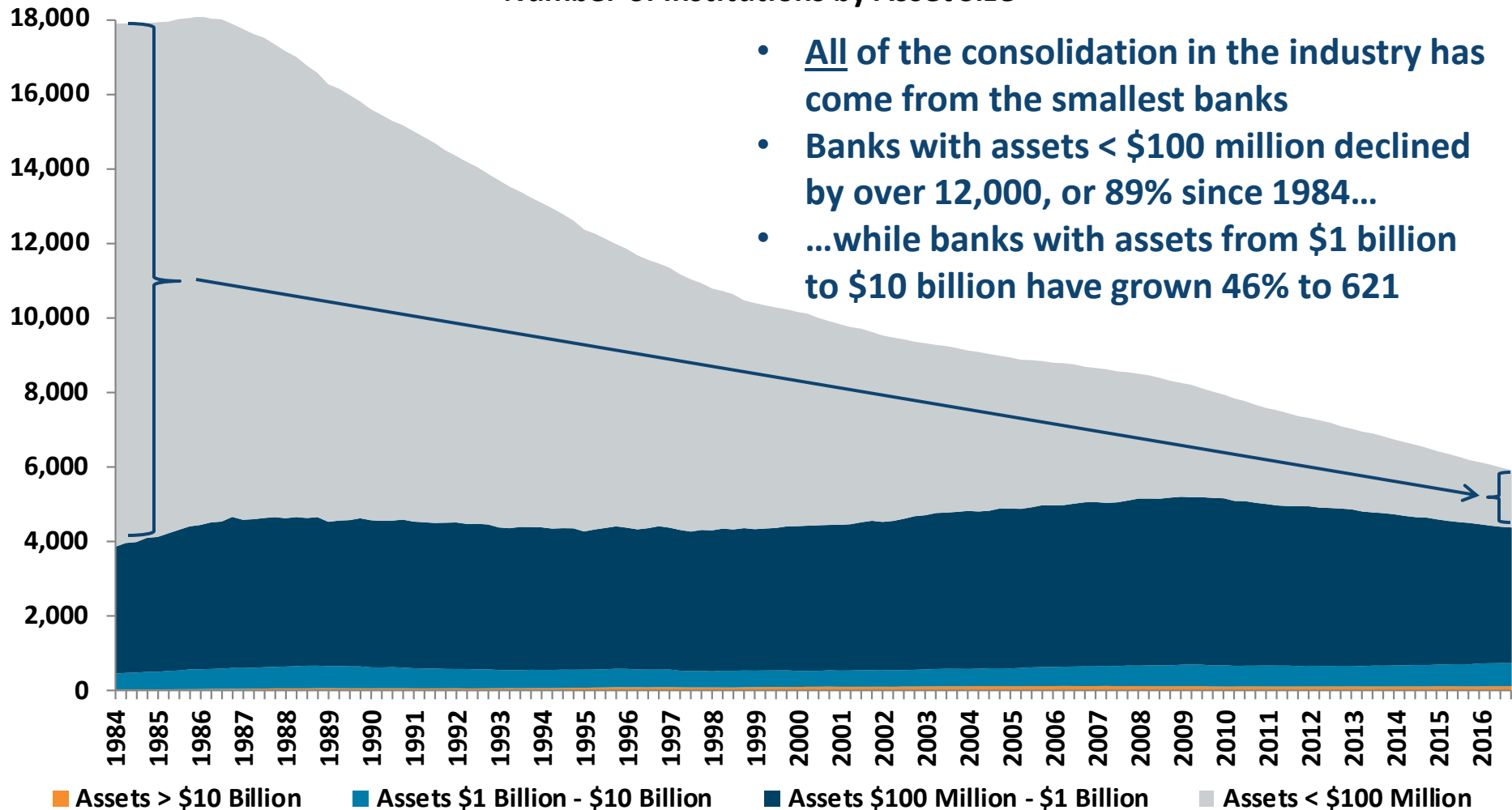


Source: FDIC website as of 4/15/2017

IMPACTING THE SMALLEST BANKS

Number of Institutions by Asset Size

- All of the consolidation in the industry has come from the smallest banks
- Banks with assets < \$100 million declined by over 12,000, or 89% since 1984...
- ...while banks with assets from \$1 billion to \$10 billion have grown 46% to 621

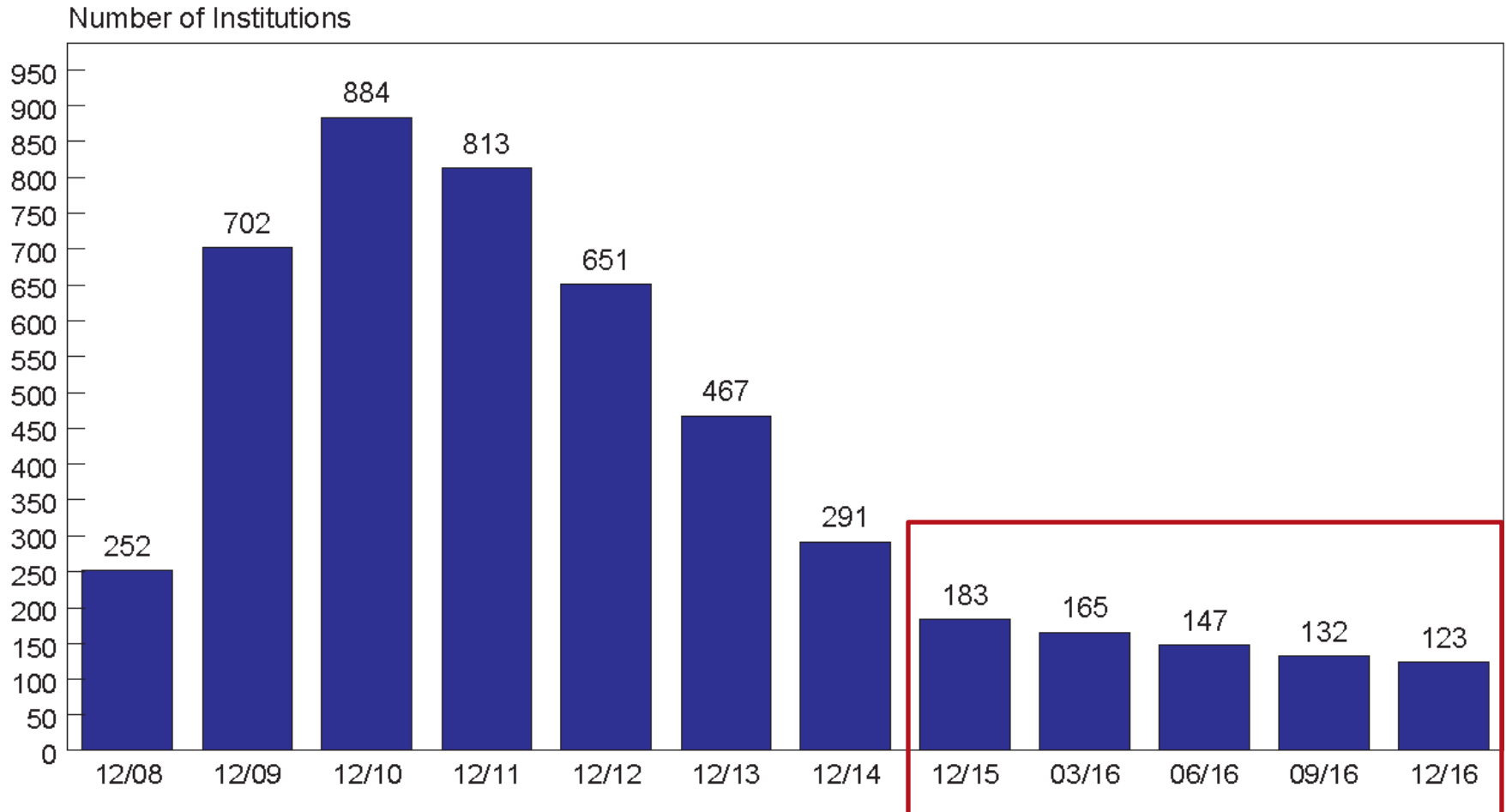


Source: FDIC website as of 4/15/2017

PROBLEM BANK LEVELS NORMALIZED

Number of FDIC-Insured "Problem" Institutions

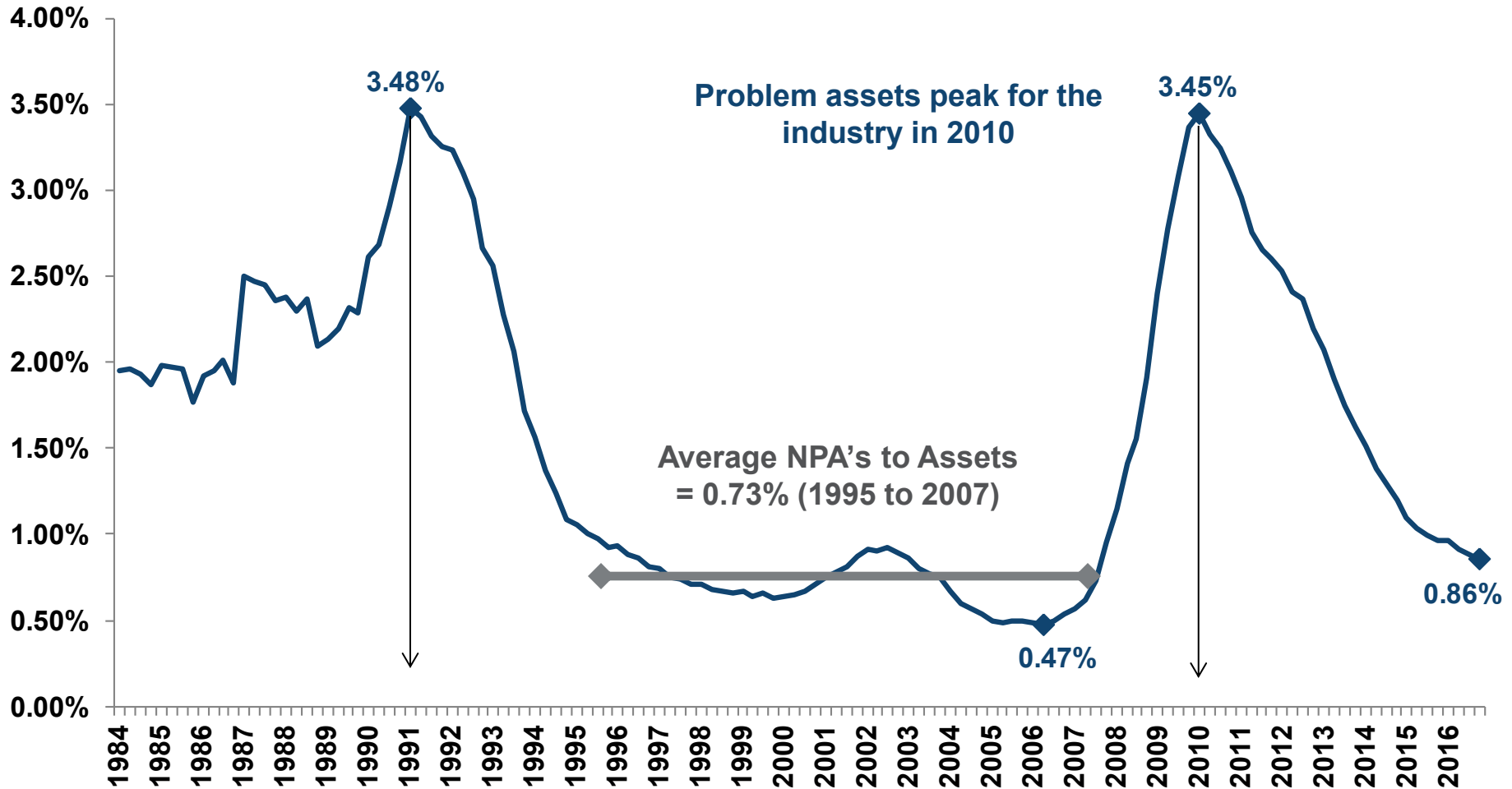
2008-2016



Source: FDIC website as of 4/17/2017

INDUSTRY ASSET QUALITY NORMALIZED

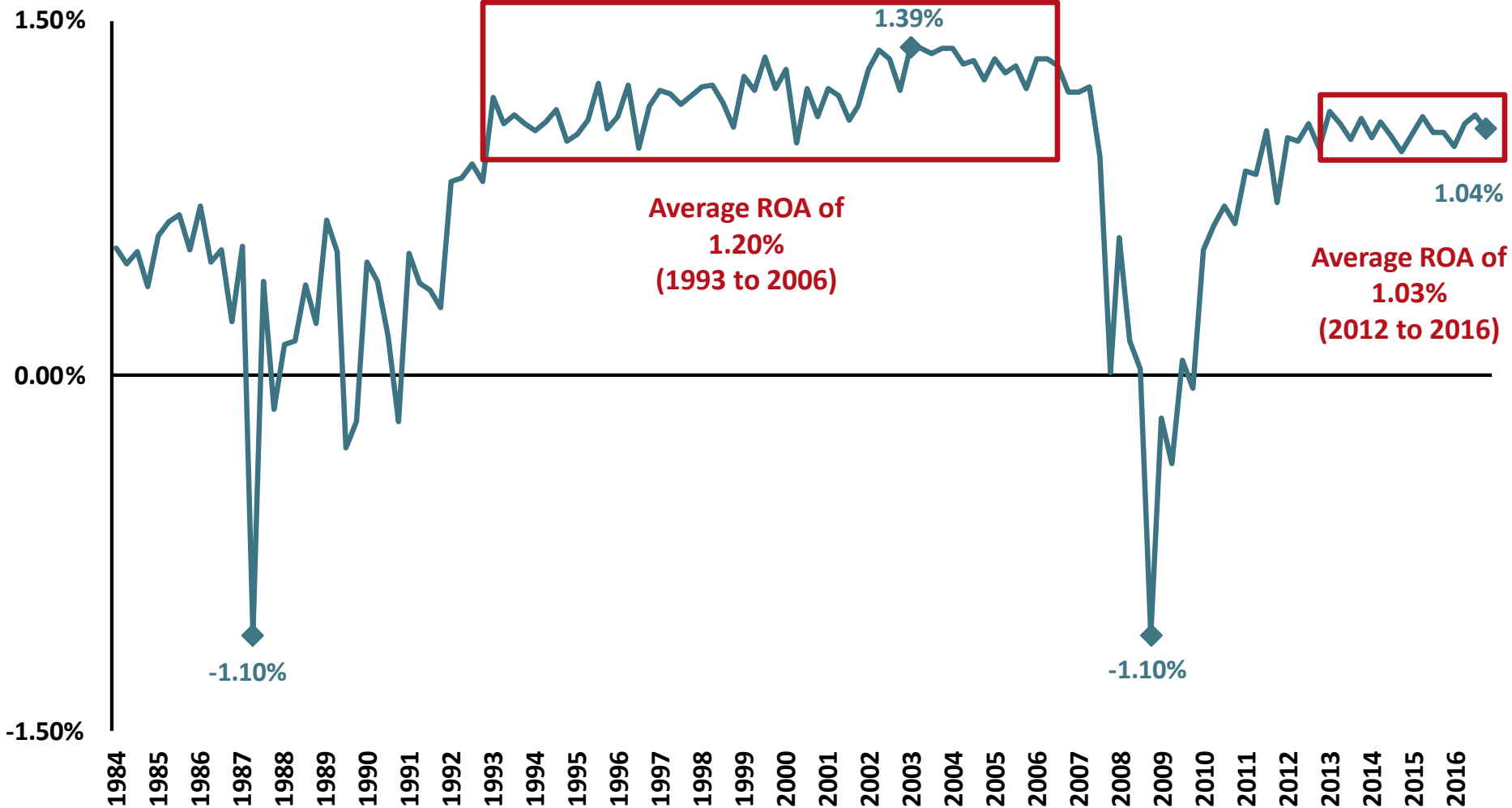
Industry Noncurrent Assets and OREO to Assets



Source: FDIC website as of 4/17/2017

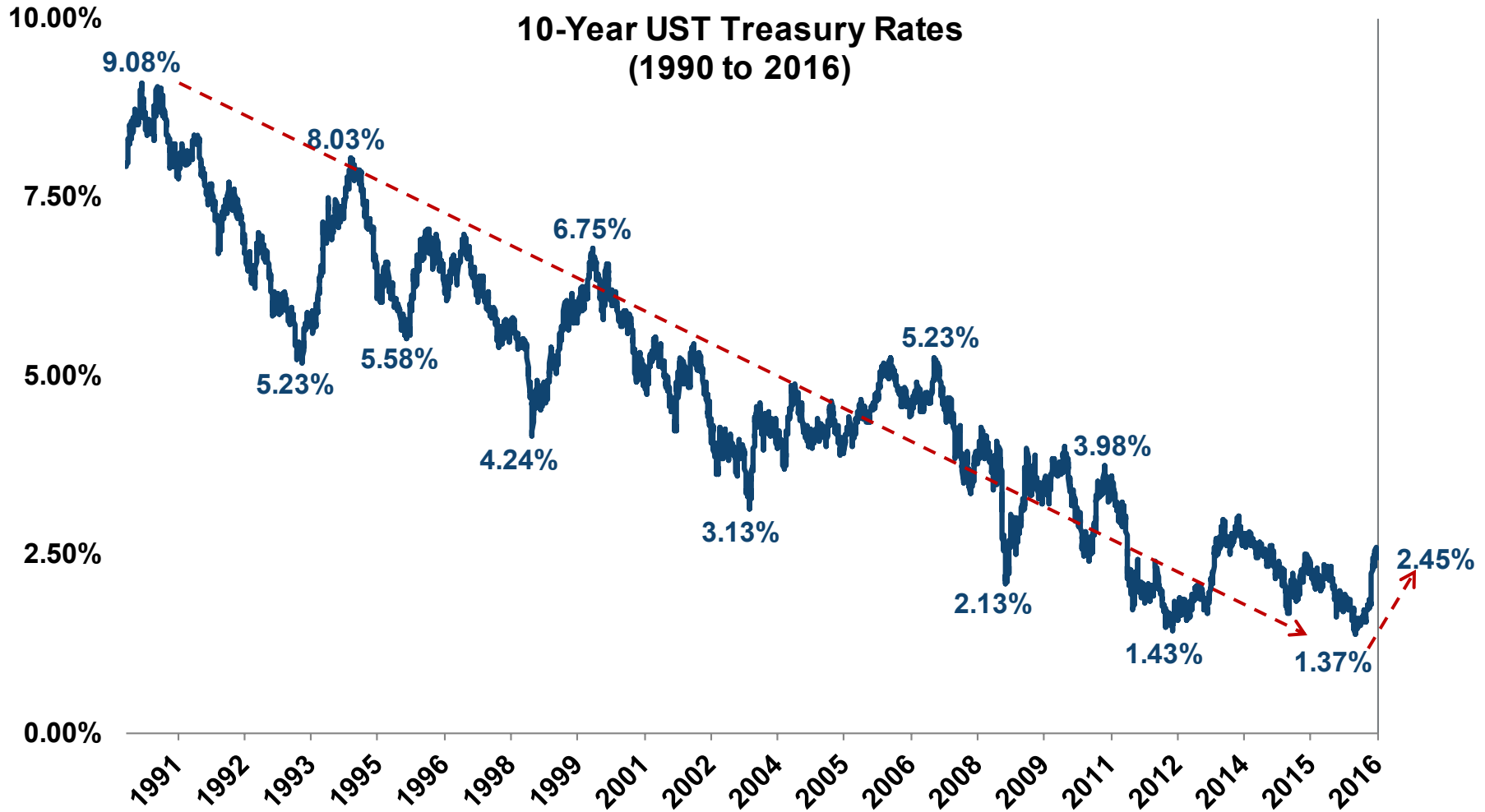
BUT PROFITABILITY HASN'T YET...

Historical (1984 to 2016) Industry Return on Assets (Q)



Source: FDIC Quarterly Bank Performance Data as of Fourth Quarter 2016

...UNTIL RATES “NORMALIZE”



Source: United States Treasury website as of 4/10/2017

INDUSTRY PERFORMANCE COMPARISON

COMPARATIVE METRIC:	Washington Trust Bank	FDIC DATA		Comments
		Banking Industry	\$1 to \$10 Billion in Assets	
FINANCIAL PERFORMANCE	Actual	4-Quarter Average		
Net Interest Margin (NIR/Earning Assets)	3.55%	3.13%	3.60%	} Comparable metrics
Operating Expenses to Assets	2.80%	2.57%	2.84%	
Efficiency Ratio (Expenses/Revenues)	63.8%	58.3%	61.5%	
Return on Assets (Earnings/Assets)	0.99%	1.04%	1.05%	} Superior performance
Return on Equity (Earnings/Equity)	10.78%	9.32%	8.97%	
ASSET QUALITY METRICS	Actual	Period End Average		
Noncurrent Loans and OREO to Assets	0.27%	0.86%	0.82%	Superior asset quality
ALLL to Total Loans	2.27%	1.30%	1.16%	} Superior loss reserve position
ALLL to Noncurrent Loans	598%	92%	121%	
CAPITAL	Actual	Period End Average		
Equity to Assets	8.60%	11.11%	11.58%	Includes intangible assets
Tier 1 Leverage Ratio (minimum = 5.00%)	9.43%	9.48%	10.46%	} Excludes intangible assets
Tier 1 Risk Based Capital (minimum = 8.00%)	11.71%	12.96%	13.50%	
Total Risk Based Capital (minimum =10.00%)	12.97%	14.35%	14.50%	

Source:

FDIC Website; QBP Time Series Spreadsheets

Download Date: 4/15/2017

FINTECH REVOLUTION WELL UNDERWAY

Lending (419 Companies)

Personal Finance (194 Companies)

Payments (447 Companies)

Equity Financing (138 Companies)

Remittances (60 Companies)

Retail Investing (151 Companies)

Financial Technology

Venture Scanner

Contact info@venturescanner.com to access the full landscape report and database with all 1927 companies

Institutional Investing (142 Companies)

Security (102 Companies)

Infrastructure (114 Companies)

Business Tools (184 Companies)

Crowdfunding (68 Companies)

Online Banking (66 Companies)

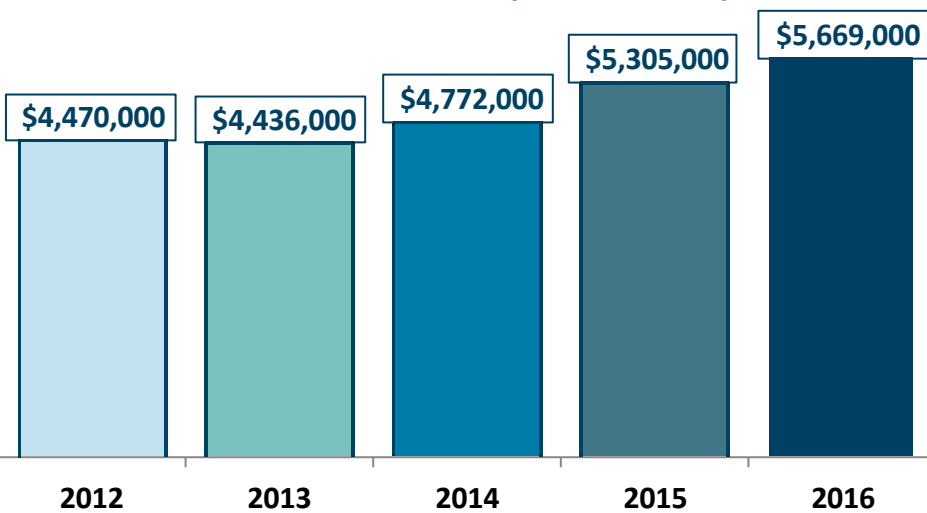
Research & Data (79 Companies)

FOCUS ON WTBFC

COMPANY 2016 PERFORMANCE IN PERSPECTIVE

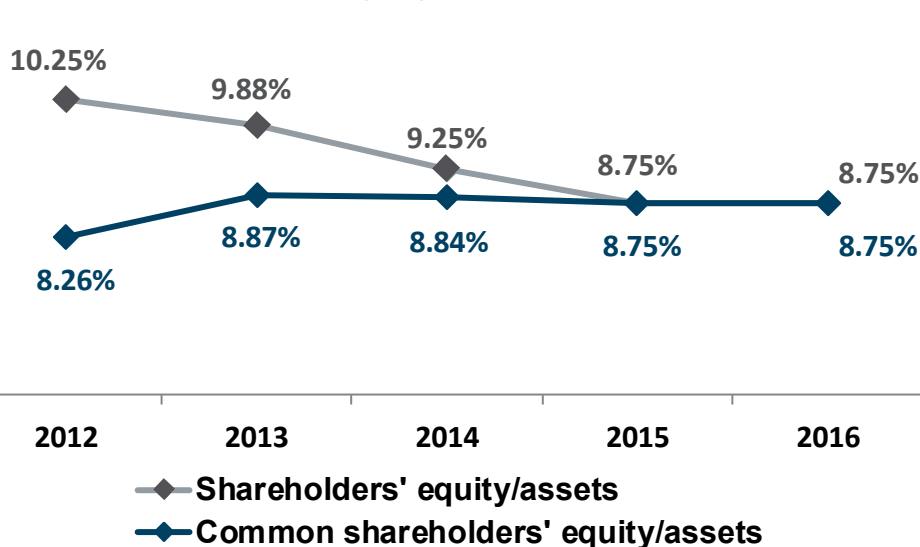
ASSETS AND CAPITAL

Total Assets (in thousands)

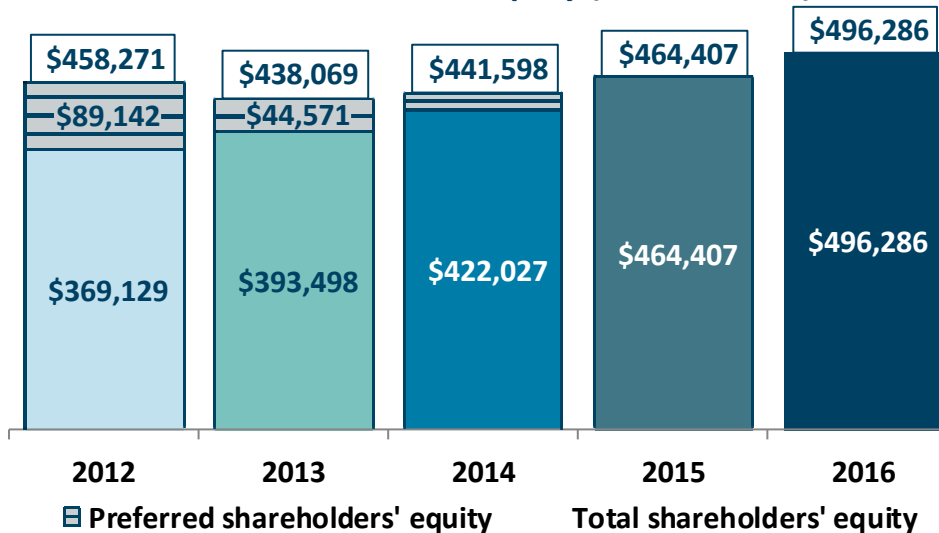


- Assets increased \$1.5 billion, or 36% over past five years
- Common equity to assets grew 49 bps to 8.75% since 2012
- Common shareholders' equity increased \$155 million, or 45% over past five years
- Capital quality is high with all common equity and no intangibles

Equity to Assets

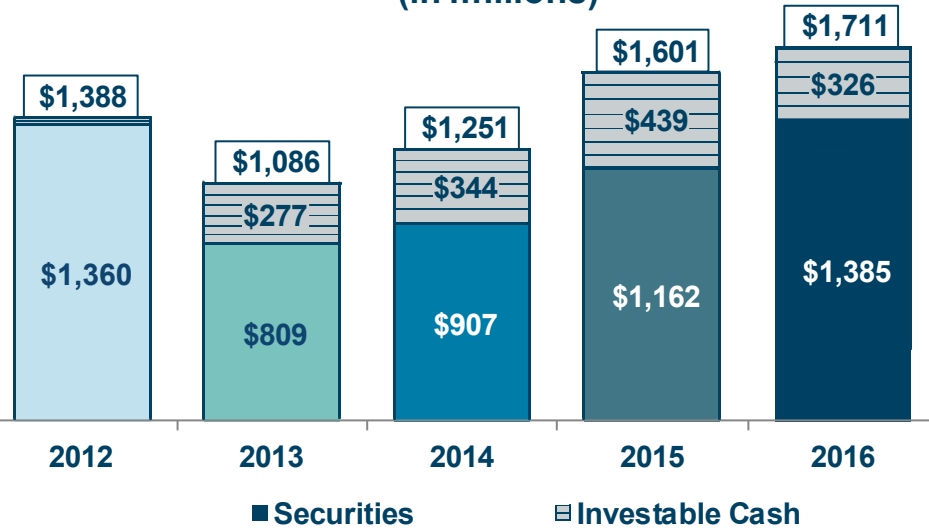


Shareholders' Equity (in thousands)



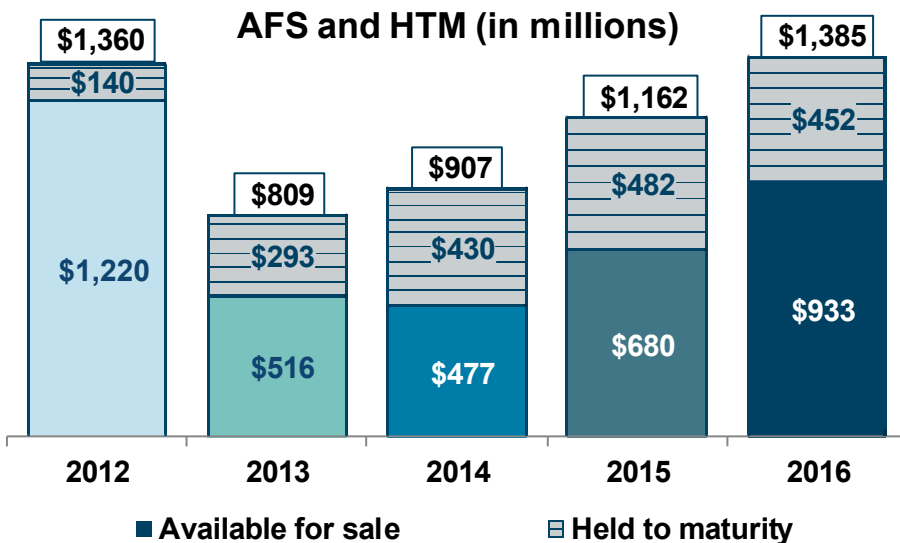
INVESTABLE CASH AND SECURITIES TRENDS

SECURITIES AND INVESTABLE CASH
(in millions)



↑
\$ **\$110 Million**
\$ Growth over the Past Year

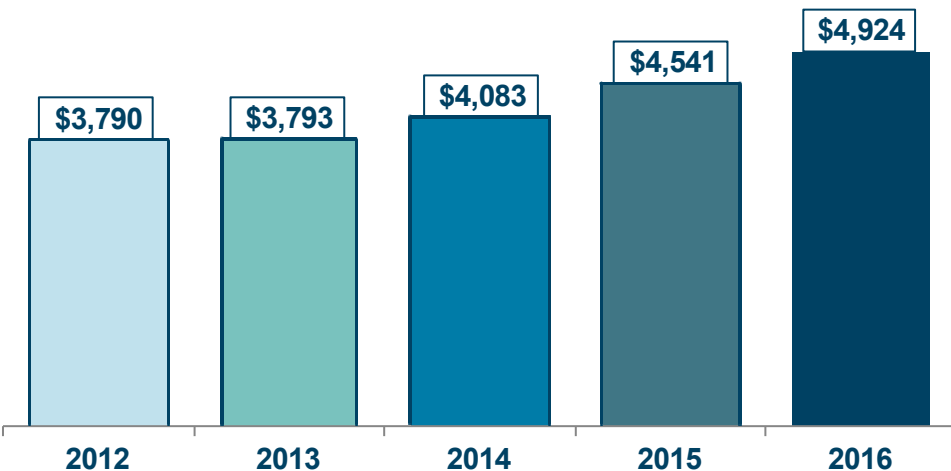
↑
% **6.9%**
% Growth over the Past Year

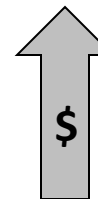


- Held to maturity (“HTM”) securities are carried at amortized cost
- Available for sale securities are carried at fair value
- The allocation of securities to HTM has increased over time
- HTM classification roughly aligns with collateral pledging needs

DEPOSIT TRENDS

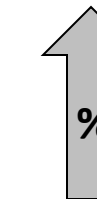
TOTAL DEPOSITS (in Millions)





\$383 Million

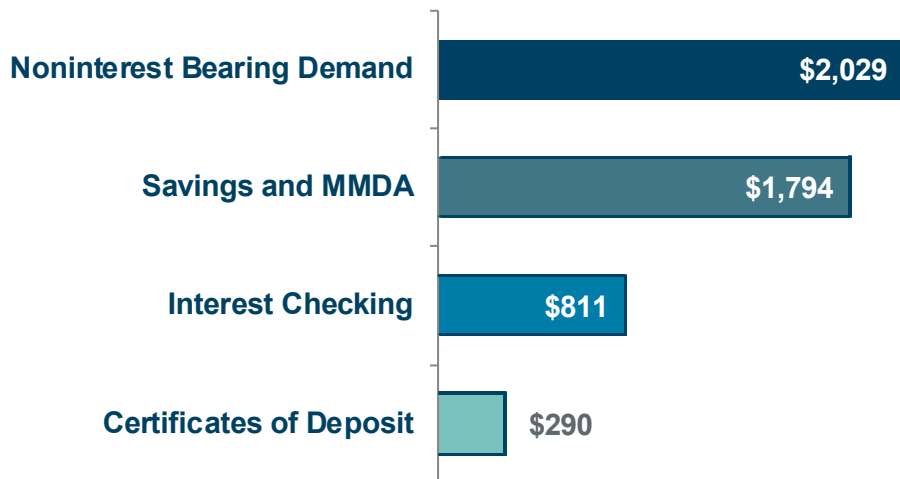
 \$ Growth over the Past Year




8.4%

 % Growth over the Past Year

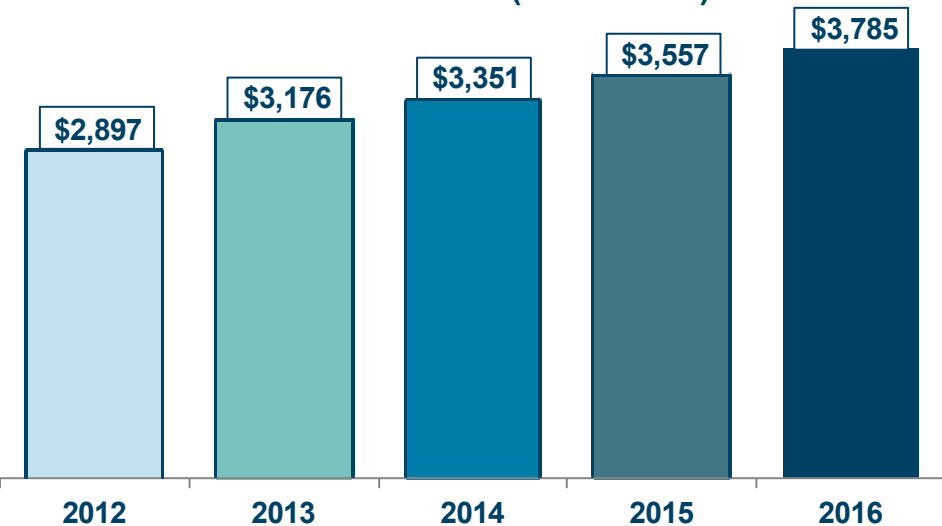
Deposit Mix

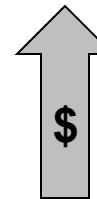


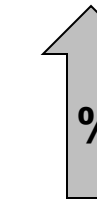
Deposit Type	\$ (Millions)	% of Total
Noninterest Bearing Demand	\$ 2,029	41% 
Savings and MMDA	1,794	36%
Interest Checking	811	17%
Certificates of Deposit	290	6%
Total Deposits	\$ 4,924	100%

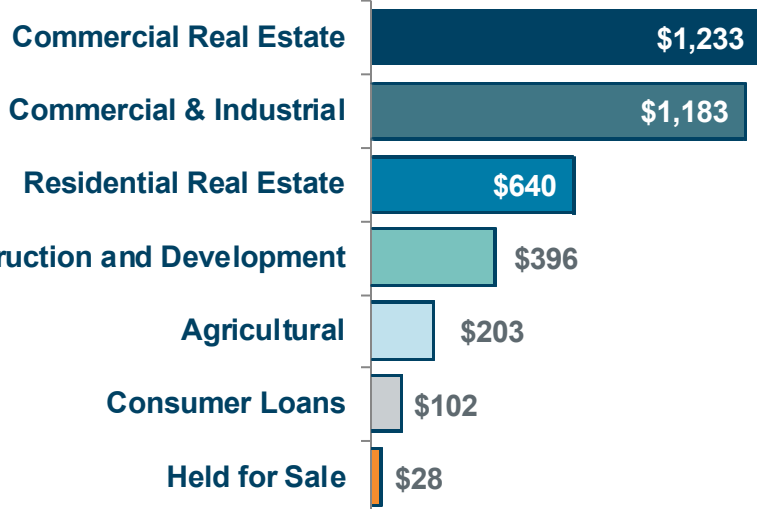
LOAN TRENDS

TOTAL LOANS (in millions)




\$228 Million
 \$ Growth over the Past Year


6.4%
 % Growth over the Past Year



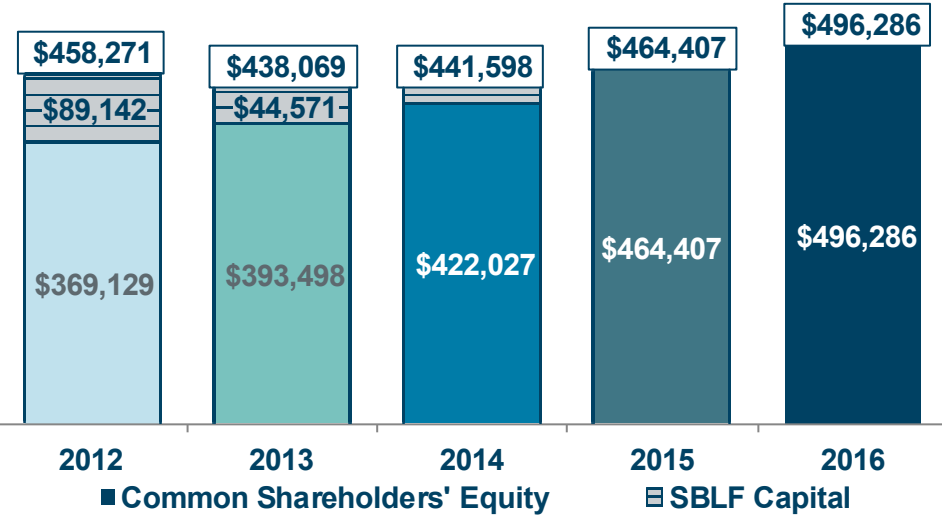
Loan Type	\$ (Millions)	% of Total
Commercial Real Estate	\$ 1,233	33%
Commercial & Industrial	1,183	31%
Residential Real Estate	640	17%
Construction and Development	396	10%
Agricultural	203	5%
Consumer Loans	102	3%
Held for Sale	28	1%
Total Loans	\$ 3,785	100%

FOCUS ON CAPITAL

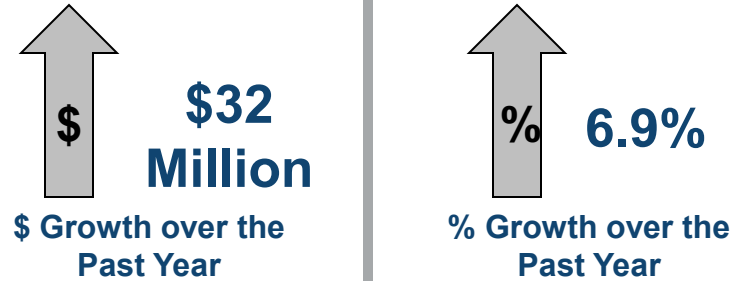
- Capital levels well above regulatory minimums
- Profitability trends sufficient to fund growth
- Capital ratio trends favorable
- Risk profile moderate
- Capital quality is high (zero intangible assets)
- Balance sheet strength considerable
- Share Repurchase July 2016
 - Opportunistic...15,000 shares at \$200 per share
- Share Repurchase Program 2017
 - Announced 4/20/2017
 - \$2 million authorized
 - One year term
 - Repurchases dependent upon market conditions, corporate considerations

CAPITAL TRENDS

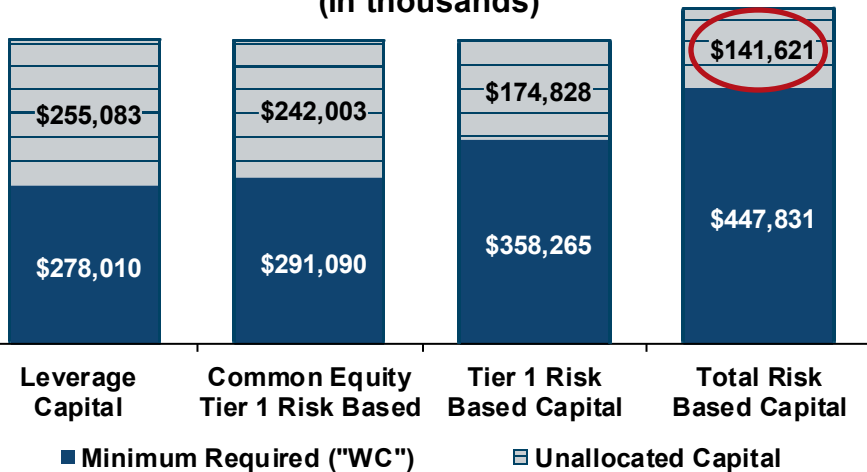
SHAREHOLDERS' EQUITY (in thousands)



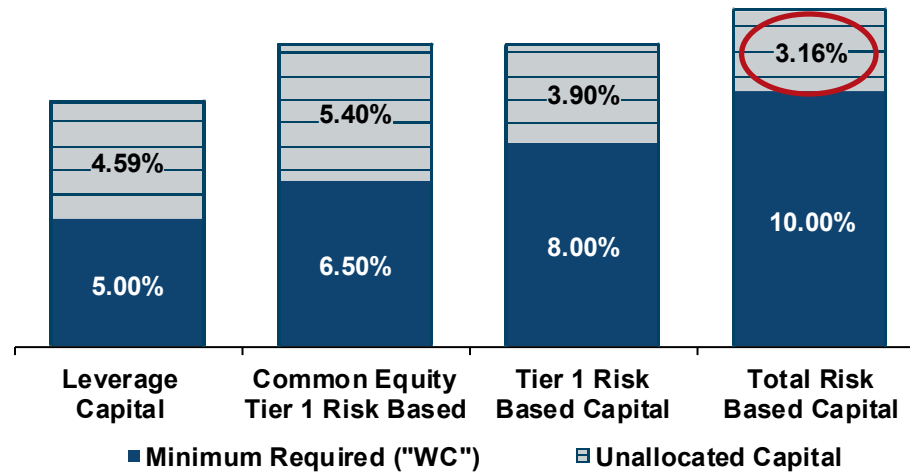
Common Shareholders' Equity



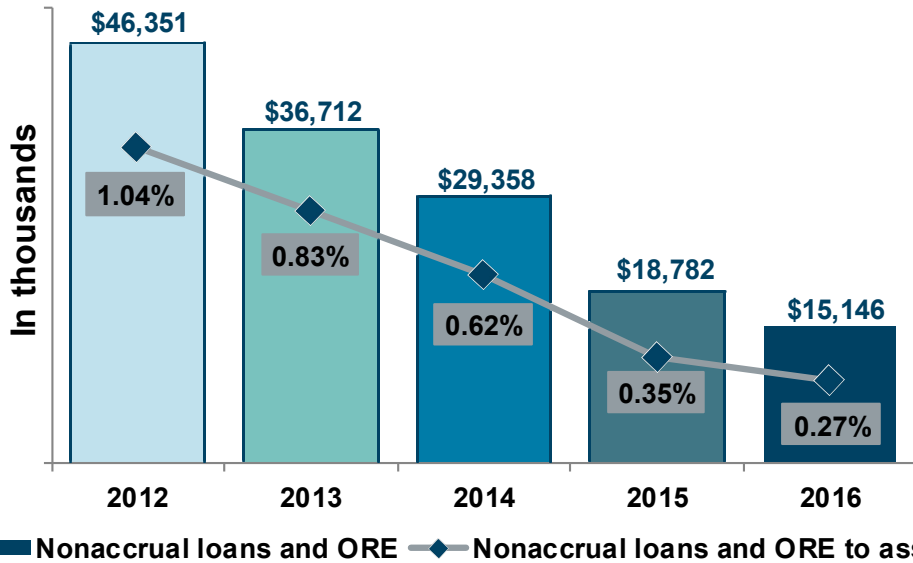
WTBFC Regulatory Capital Position (in thousands)



WTBFC Regulatory Capital Ratios

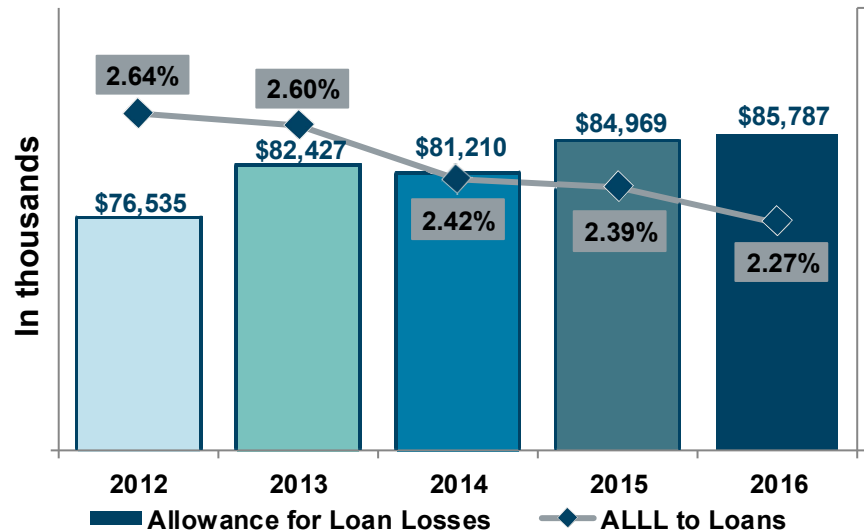


ASSET QUALITY IS HIGH



The Bank's asset quality 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



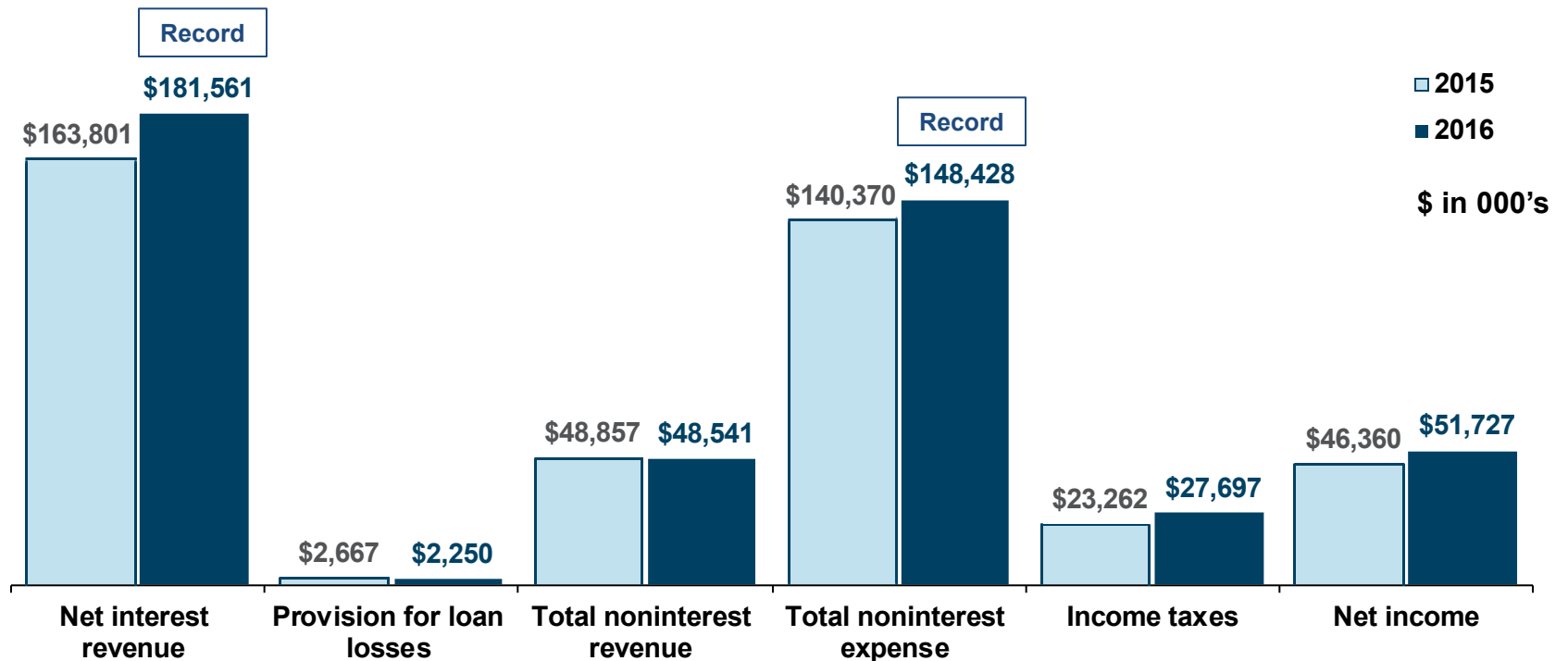
WMAS AND TRUST: KEY BUSINESS LINE

Wealth Management and Advisory Services, including Trust Powers

- **\$4.7 billion portfolio of assets**
 - **Managed asset growth of \$230 million, or 8.8%**
 - **Total asset growth of \$331 million, or 7.5%**
- **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

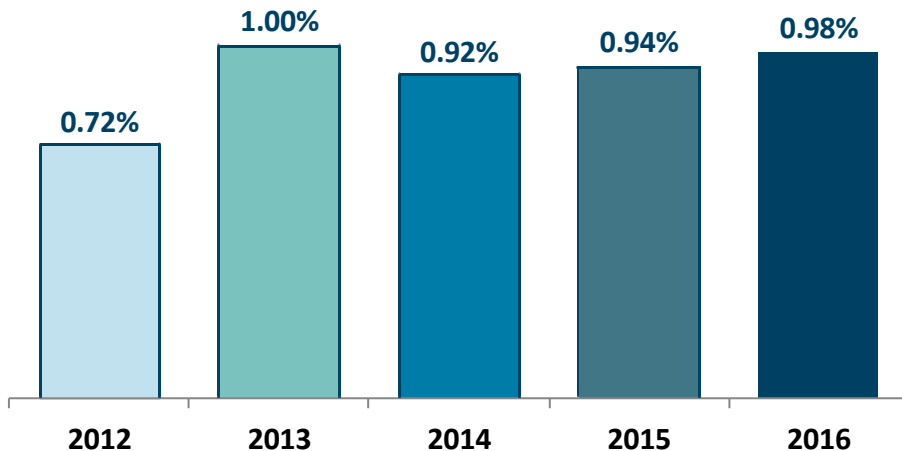
Income Statement (000's)	Years Ended December 31,		\$ Difference	% Change
	2015	2016		
Net interest revenue	\$ 163,801	\$ 181,561	\$ 17,760	10.8%
Provision for loan losses	2,667	2,250	(417)	-15.6%
Total noninterest revenue	48,857	48,541	(316)	-0.6%
Total noninterest expense	140,369	148,429	8,060	5.7%
Income taxes	23,262	27,696	4,434	19.1%
Net income	\$ 46,360	\$ 51,727	\$ 5,367	11.6%



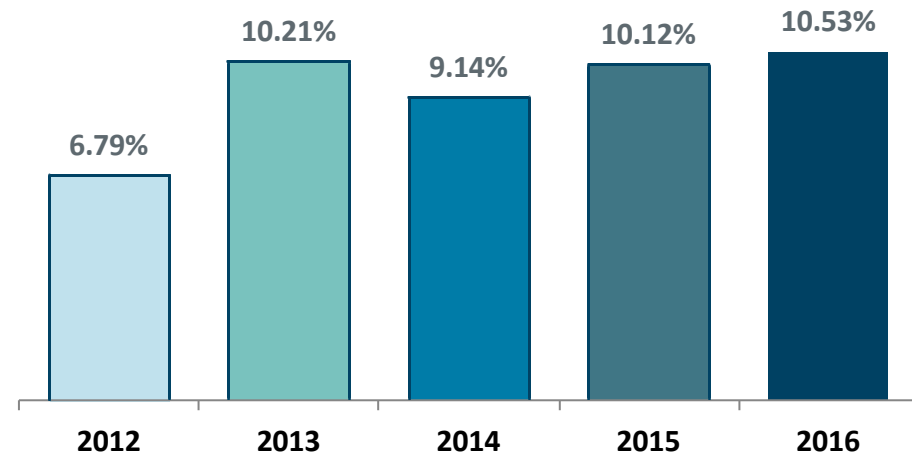
WTBFC FINANCIAL PERFORMANCE METRICS

Performance Metric	For the Year		Difference
	2015	2016	
Return on average assets	0.94%	0.98%	0.04%
Return on shareholders' equity	10.12%	10.53%	0.41%
Margin on average earning assets	3.42%	3.53%	0.11%
Noninterest expense to average assets	2.83%	2.81%	-0.02%
Noninterest revenue to average assets	0.99%	0.92%	-0.07%
Efficiency ratio	65.6%	64.1%	-1.50%

Return on Assets

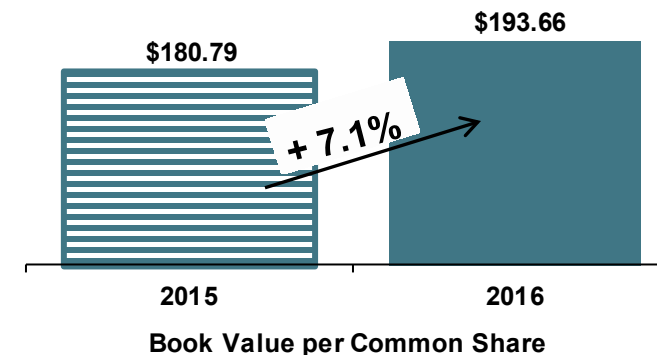
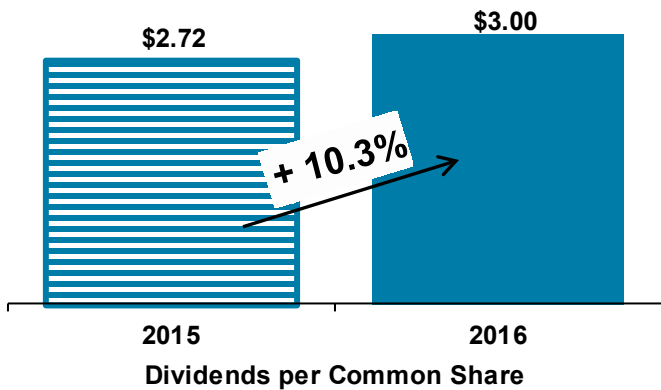
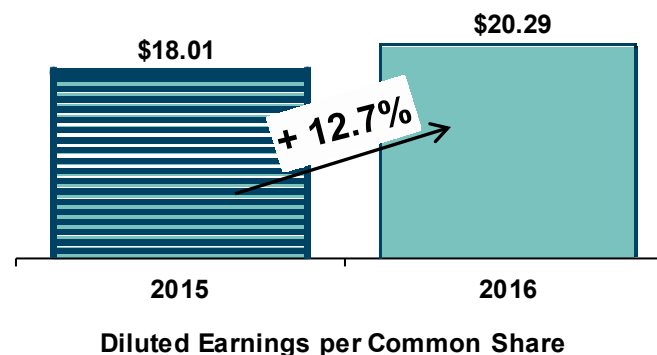
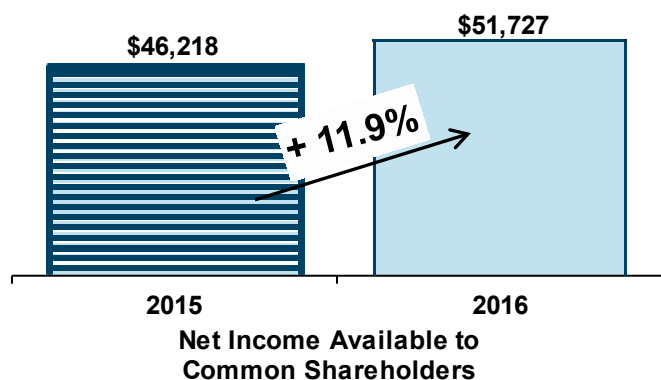


Return on Average Total Equity



KEY SHAREHOLDER VALUE METRICS

Income (000's) and Per Share Data	Years Ended December 31,		\$ Difference	% Change
	2015	2016		
Net Income	\$ 46,360	\$ 51,727	\$ 5,367	11.6%
Preferred Stock Dividends	142	-	(142)	-100.0%
Net Income Available to Common Shareholders	\$ 46,218	\$ 51,727	\$ 5,509	11.9%
Diluted Earnings per Common Share	\$ 18.01	\$ 20.29	\$ 2.28	12.7%
Dividends per Common Share	\$ 2.72	\$ 3.00	\$ 0.28	10.3%
Book Value per Common Share	\$ 180.79	\$ 193.66	\$ 12.87	7.1%



WTBFB HISTORICAL RETURNS

WTBFC Class B Common Stock Returns

		1 Year Returns			
Valuation Method:		YE 2015	YE 2016	Valuation Change	
				Total \$'s	CAGR %
Book Value		\$ 180.79	\$ 193.66	\$ 12.87	7.1%
Market Close		\$ 197.99	\$ 255.00	\$ 57.01	28.8%

		3 Year Returns			
Valuation Method:		YE 2013	YE 2016	Valuation Change	
				Total \$'s	CAGR %
Book Value		\$ 154.35	\$ 193.66	\$ 39.31	7.9%
Market Close		\$ 167.00	\$ 255.00	\$ 88.00	15.2%

		5 Year Returns			
Valuation Method:		YE 2011	YE 2016	Valuation Change	
				Total \$'s	CAGR %
Book Value		\$ 134.92	\$ 193.66	\$ 58.74	7.5%
Market Close		\$ 113.50	\$ 255.00	\$ 141.50	17.6%

Source: OTC Markets historical trading data (www.otcm Markets.com/stock/WTBFB/chart)

Q1 2017 HIGHLIGHTS

- Earnings trends continued
 - Net income \$13.0 million, up \$817,000, or 6.7% YoY
 - Earning asset growth and wider margins key drivers
 - Fed rate moves in December and March drive margin
- Credit performance remains high
- Capital levels substantial
 - Equity to assets ratio increased 34 bps in Q1 to 9.09%
- Shareholder returns favorable
 - Diluted EPS \$5.10, up \$0.36 per share, or 7.6% YoY
 - Quarterly dividends per share \$0.84, up \$0.09, or 11.7%
 - Book value per share \$198.05, up \$11.38, or 6.1% YoY

OUTLOOK ~ 2017 AND BEYOND

- Uneven economic recovery continues
 - CB policies (Fed/Global) major force on capital markets
 - Macro risks and market volatility remain a concern
- Our markets are providing opportunities
- Regulatory expectations elevated and expensive
- Uncertainty around rates...IRR management prominent
- Banking industry remains highly competitive
- Competitive landscape evolves/consolidation continues
- Technology reshaping the industry
- Performance is largely loan growth/rate dependent
- WTBFC has capacity to serve/grow customers
- WTBFC positioned for future

KEY PRIORITIES

- **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
 - Excel on electronic/mobile delivery
- **Discipline**
 - Stay true to relationship banking model
 - Compete for high quality customers ~ teams ~ bankers
 - Be opportunistic and grow our business
 - 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