

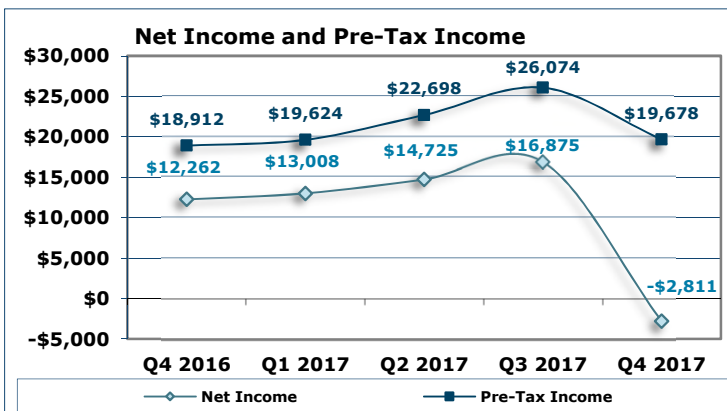
# W.T.B. Financial Corporation



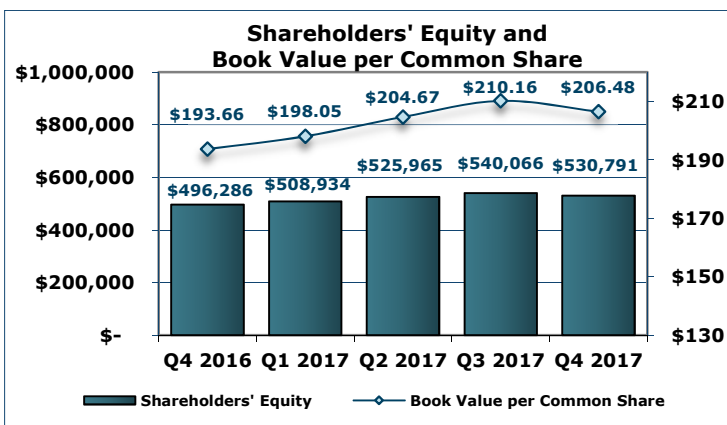
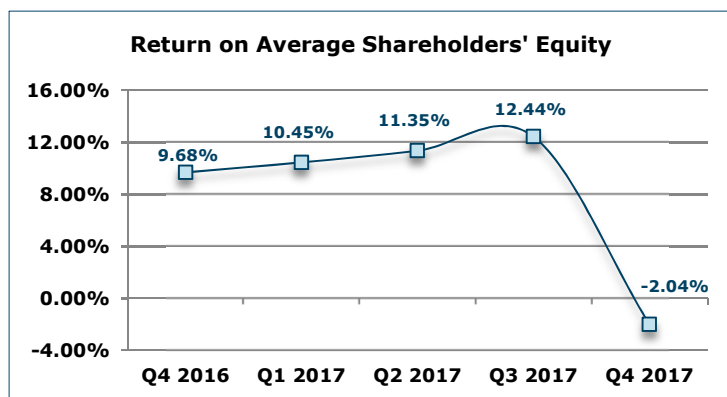
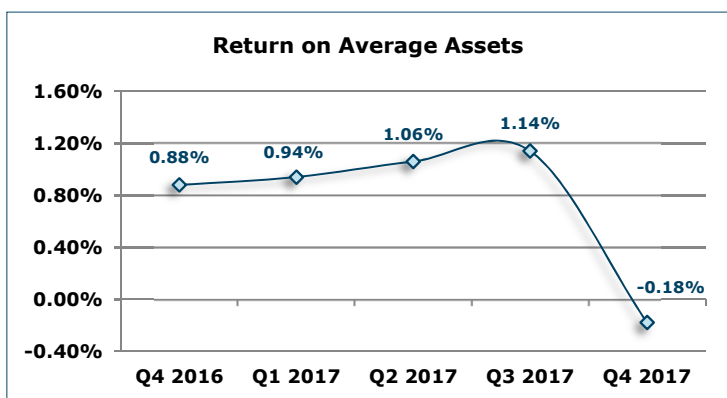
## Company Profile 4th Quarter 2017

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

### Financial Highlights



- The Company reported a net loss of \$2.8 million, almost entirely the result of the passage of the tax reform bill just before the end of the year. The lowering of the federal corporate tax rate from 35% to 21% resulted in a revaluation of the deferred tax asset and a one-time write down of \$16.8 million. The reduction in the federal corporate tax rate will be favorable to the Company in 2018 and beyond.
- Loans decreased \$24.9 million, or 2.5% annualized, to \$3.9 billion due to seasonal agricultural loans
- Deposits increased \$215.3 million, or 16.5% annualized, to \$5.4 billion
- Allowance for loan losses remained strong at 2.21% of loans and 755% of noncurrent loans
- Noncurrent loans and ORE decreased \$1.7 million to \$10.6 million, or 0.17% of total assets



### 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

	12/31/2017	9/30/2017	12/31/2016
Net interest revenue	\$ 54,519	\$ 53,469	\$ 46,940
(Recapture of) provision for loan losses	(400)	-	500
Net interest revenue after provision for loan losses	54,919	53,469	46,440
Noninterest revenue	14,385	11,783	12,397
Noninterest expense	49,626	39,178	39,925
Income before income taxes	19,678	26,074	18,912
Income taxes	22,489	9,199	6,650
<b>Net income (loss)</b>	<b>\$ (2,811)</b>	<b>\$ 16,875</b>	<b>\$ 12,262</b>

## Condensed Balance Sheets

### ASSETS

Cash and interest-bearing deposits	\$ 854,974	\$ 545,072	\$ 423,414
Securities	1,387,176	1,492,498	1,384,817
Loans net of allowance for loan losses	3,845,291	3,867,405	3,699,289
Other assets	158,652	157,216	161,433
<b>Total assets</b>	<b>\$ 6,246,093</b>	<b>\$ 6,062,191</b>	<b>\$ 5,668,953</b>

### LIABILITIES

Deposits	\$ 5,448,866	\$ 5,233,563	\$ 4,923,690
Borrowings	222,136	246,369	211,462
Other liabilities	44,300	42,193	37,515
<b>Total liabilities</b>	<b>5,715,302</b>	<b>5,522,125</b>	<b>5,172,667</b>

### SHAREHOLDERS' EQUITY

Total shareholders' equity	530,791	540,066	496,286
Total liabilities and shareholders' equity	<b>\$ 6,246,093</b>	<b>\$ 6,062,191</b>	<b>\$ 5,668,953</b>

## Performance Metrics

### PER COMMON SHARE

Earnings (loss) - basic	\$ (1.10)	\$ 6.63	\$ 4.83
Earnings (loss) - diluted	(1.10)	6.60	4.82
Common cash dividends	0.84	0.84	0.75
Common shareholders' equity	206.48	210.16	193.66

### PERFORMANCE RATIOS

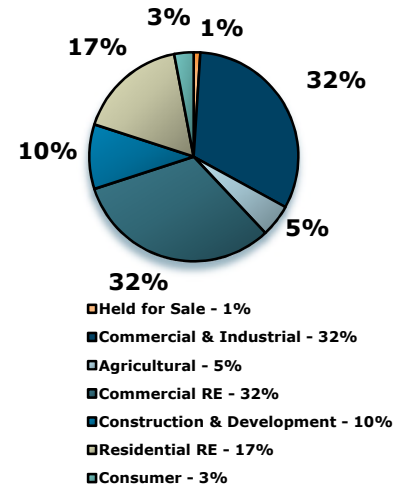
Return on average assets	-0.18%	1.14%	0.88%
Return on average shareholders' equity	-2.04%	12.44%	9.68%
Margin on average earning assets	3.59%	3.72%	3.45%
Noninterest revenue to average assets	0.92%	0.80%	0.89%
Noninterest expense to average assets	3.19%	2.65%	2.85%
Efficiency ratio	71.7%	59.8%	66.9%
Cash dividends to net income	NM	12.7%	15.5%

### ASSET QUALITY AND CAPITAL

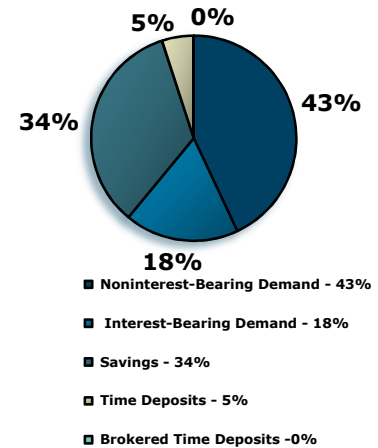
Noncurrent loans + ORE	\$ 11,800	\$ 12,308	\$ 15,226
Allowance for loan losses	86,784	89,569	85,787
Allowance for loan losses to total loans	2.21%	2.26%	2.27%
Total equity to total assets	8.50%	8.91%	8.75%
Total equity	\$ 530,791	\$ 540,066	\$ 496,286
Tier 1 Capital	575,966	572,295	533,093

NM = not meaningful

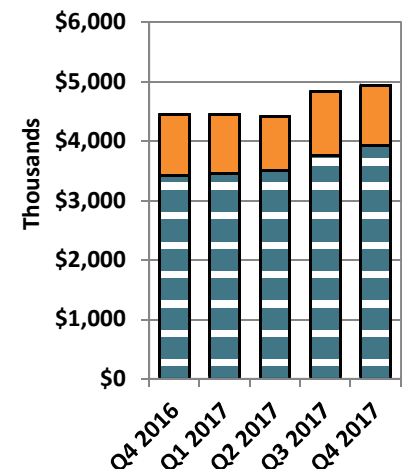
**Total Loan Portfolio**  
**\$3.93 Billion at 12/31/2017**



**Total Deposit Portfolio**  
**\$5.45 Billion at 12/31/2017**



## Wealth Management & Advisory Services



■ Fiduciary Income ■ Investment Services Fees