W.T.B. Financial Corporation

Peter F. Stanton
Chairman of the Board and
Chief Executive Officer

April 19, 2019

Dear Shareholders:

Widening net interest margin on average earning asset growth was the central financial story for a strong start to 2019. Average earning asset growth of $240 million combined with a 29 basis points improvement in margin helped drive year-over-year earnings higher by $1.3 million, or 7.0 percent to $20.2 million. Our success also enabled improved returns to our shareholders through a 52 percent increase in shareholder dividends to a quarterly rate of $1.75 per share announced earlier in the year. Strong earnings and opportunities in the capital markets also enabled us to execute on the share repurchase authorization announced last April and a larger share repurchase authorization has been approved by the Board of Directors for the coming year.

Earnings in the first quarter came in at $20.2 million, a solid increase of $1.3 million, or 7.0 percent over the first quarter of last year. Diluted earnings per share for the quarter were $7.87, up $0.51, or 6.9 percent year-over-year. That level of performance translated into a return on assets of 1.27 percent and a return on equity of 13.35 percent. While return on assets was up 4 basis points ("bps") year-over-year, return on equity declined 95 bps year-over-year, which reflected growth in average equity (up $78 million, or 14.7 percent) exceeding growth in earnings (up 7.0 percent). Book value per share increased nicely finishing the quarter at $243.78, up $9.33, or 4.0 percent for the quarter and up $35.03, or 16.8 percent over the past 12 months.

While assets were up $112 million, or 1.8 percent year-over-year, deposit outflows in the first quarter contributed to a decline in assets of $159 million, or 2.4 percent to $6.4 billion. Deposit flows are typically the dominant factor driving balance sheet growth, and for our customer base, increasing deposits in the early months of each calendar year tends to be challenging. This quarter followed that seasonal pattern. Deposits at the end of March were nearly $5.5 billion, which was $27.3 million, or 0.5 percent lower than a year ago, and $186 million, or 3.3 percent lower than yearend 2018. Seasonal deposit flows are expected, but we are also seeing a more competitive environment for customer funding.

Loans for the quarter were up $53 million, or 1.3 percent and over the past year were up

$161 million, or 4.1 percent to $4.1 billion. While loan origination activity remains strong, loan growth has moderated recently due to a variety of factors, including elevated payoffs as clients take profits on appreciated assets and an increasingly competitive marketplace .

Net interest revenue was solid for the quarter at $61.4 million, up $6.6 million, or 12.1 percent over year ago results. Net interest revenue benefitted from wider margins and growth in average earning assets. Noninterest revenue for the quarter declined $1.7 million, or 13.4 percent versus one year ago primarily due to lower mortgage banking revenue. Mortgage banking revenue was lower, in part, due to a strategy to retain more single family home loans on the balance sheet, which grew loan balances, but reduced gains from loan sales. Our thinking is to retain more mortgages to grow earning assets and build more duration into the balance sheet given where we are in the economic cycle. Lower mortgage banking revenue was offset by higher interest revenue on single family loans, which increased $1.2 million, or 22.1 percent over last year's results. Noninterest expense during the quarter of $45.6 million was higher by $3.0 million, or 7.1 percent over last year's results, primarily due to higher salary expense.

We keep close track of the Company's risk profile and balance sheet strength, especially given the length of the economic recovery and some emerging concerning trends. GDP growth in the U.S., Europe and China have been declining and the fixed income markets are showing signs of caution. Longer term rates have come down in the U.S. with 10-year Treasury yields recently hovering around 2.50 percent, while yields in Japan and Germany at the 10-year point on the curve are once again negative. We continue to marvel at the extraordinary notion of negative bonds yields. Here at home, the yield curve is roughly flat with just 7 bps of differential between one and ten year maturities and a flat yield curve is at least cause for some increased caution about the future.

As for the risk position of the Bank, credit performance continues to be excellent with noncurrent loans and other real estate totaling just $12.9 million, or 0.20 percent of assets. Our allowance for loan loss position remains robust at $93.0 million, or 2.27 percent of loans. Liquidity was significant with cash and bonds totaling $2.1 billion, or one-third of the balance sheet, with no wholesale borrowings outstanding. Capital is substantial at $627 million and over the past year, the Company's capital to assets ratio has grown 124 basis points to 9.81 percent. Unless something happens to drive longer term rates higher, it does not appear the Fed has much room to increase short term rates so we are taking steps to add duration to earning assets and improve our prospects for a declining rate scenario. All of these elements of balance sheet strength come at a cost, but our intent is to position the Bank for a range of possible operating environments.

Behind our strong results are a lot of people working very hard to execute to our plan and manage the evolution of the Bank in many important ways. We have a solid strategy for our technology platform, systems architecture, product delivery and project roadmap. We have aligned the organization with these goals and that is providing opportunities for our people and keeping us focused on key objectives. There are many emerging leaders getting great opportunities to contribute and grow as professionals. We have newly formed teams organized around continuous improvement, business intelligence, project management and customer experience. We recognize the importance of delivering on the capabilities and efficiency we need for the future. The industry is quite dynamic right now and I expect that to only accelerate in the future.

We are gratified that the Company is performing at strong levels while still maintaining considerable strength in our balance sheet. Given our operating results and balance sheet position, in the first quarter, we began executing on the share repurchase authorization that has been in place since last April. That $2.0 million share repurchase authorization expired on April 18, 2019 and under that authorization, we repurchased a total of $1.8 million of the Company's Class B common shares.

Additionally, the Board of Directors has reauthorized a share repurchase plan for up to $10.0 million of Class B common stock, which will be in effect over the next twelve months. Common share repurchases under this plan, if any, may be made from time to time on the open market through broker dealers or in privately negotiated transactions, at the discretion of Company management. The extent to which the Company purchases shares and the timing of any such purchases will depend upon a variety of factors, including market conditions and relevant corporate considerations. The share repurchase program will be conducted in a manner intended to comply with the safe harbor provisions of Rule 10b-18 under the Securities and Exchange Act of 1934 and may be suspended or terminated at any time by the Company's Board of Directors without prior notice. We will report back to you periodically on our progress under this authorization.

The first quarter was an excellent start to 2019 and we are positioning the Company to adapt to a changing world. We very much appreciate the hard work and contributions of our employees, the loyalty of our customers and the support of our shareholders. Please let us know if we can help you in anyway. For additional pertinent information, please also visit our Investor Relations webpage at watrust.com/about/investor-relations.

Warm Regards,

Peter F. Stanton

Pete Stanton
Chairman of the Board and CEO

Enclosure

W.T.B. Financial Corporation

Summary Financial Statements and Selected Financial Highlights Q1 2019

(unaudited)

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

	March 31, 2019	December 31, 2018	March 31, 2018
ASSETS			
Cash and due from banks	**$ 90,732,820**	$ 106,555,393	$ 83,359,435
Interest-bearing deposits with banks	**467,225,647**	751,180,001	872,673,862
Securities available for sale, at fair value	**1,123,829,993**	1,031,058,762	884,814,074
Securities held to maturity, at amortized cost	**543,065,327**	558,191,770	456,300,951
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	**7,911,600**	7,540,600	7,540,600
Loans receivable	**4,100,672,229**	4,047,398,419	3,939,241,882
Allowance for loan losses	**(92,975,393)**	(90,748,593)	(87,551,289)
Loans net of allowance for loan losses	**4,007,696,836**	3,956,649,826	3,851,690,593
Premises and equipment, net	**55,620,373**	55,522,989	52,362,374
Other real estate	**-**	-	310,500
Accrued interest receivable	**20,997,962**	20,929,201	17,655,410
Other assets	**76,438,339**	64,721,736	54,584,511
Total assets	**$ 6,393,518,897**	$ 6,552,350,278	$ 6,281,292,310
LIABILITIES			
Deposits:			
Noninterest-bearing	**$ 2,309,745,996**	$ 2,413,512,717	$ 2,441,263,418
Interest-bearing	**3,143,077,484**	3,225,410,150	3,038,862,372
Total deposits	**5,452,823,480**	5,638,922,867	5,480,125,790
Securites sold under agreements to repurchase	**244,902,546**	259,857,022	222,552,453
Accrued interest payable	**2,227,949**	2,084,277	756,324
Other liabilities	**66,319,669**	48,821,466	39,800,613
Total liabilities	**5,766,273,644**	5,949,685,632	5,743,235,180
SHAREHOLDERS' EQUITY			
Common stock	**31,435,951**	32,424,650	30,432,744
Surplus	**32,665,000**	32,665,000	32,665,000
Undivided profits	**600,119,242**	584,433,474	529,038,443
	664,220,193	649,523,124	592,136,187
Accumulated other comprehensive loss	**(36,974,940)**	(46,858,478)	(54,079,057)
Total shareholders' equity	**627,245,253**	602,664,646	538,057,130
Total liabilities and shareholders' equity	**$ 6,393,518,897**	$ 6,552,350,278	$ 6,281,292,310

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

	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
INTEREST REVENUE			
Loans, including fees	**$ 52,814,234**	$ 53,610,725	$ 46,777,857
Deposits with banks	**3,979,401**	4,942,573	2,918,009
Securities	**8,925,358**	8,532,456	6,841,316
Other interest and dividend income	**79,642**	63,877	149,257
Total interest revenue	**65,798,635**	67,149,631	56,686,439
INTEREST EXPENSE			
Deposits	**4,102,466**	3,832,194	1,825,108
Funds purchased and other borrowings	**270,589**	220,199	42,659
Total interest expense	**4,373,055**	4,052,393	1,867,767
Net interest revenue	**61,425,580**	63,097,238	54,818,672
Provision for loan losses	**800,000**	400,000	400,000
Net interest revenue after provision for loan losses	**60,625,580**	62,697,238	54,418,672
NONINTEREST REVENUE			
Fiduciary income	**4,205,554**	5,699,608	4,004,692
Investment services fees	**749,045**	903,218	1,110,215
Bank and credit card fees, net	**2,774,343**	3,219,313	2,780,871
Mortgage banking revenue, net	**760,468**	940,756	1,552,218
Other fees on loans	**285,849**	277,991	205,793
Service charges on deposits	**1,786,636**	1,676,011	1,838,292
Other income	**243,476**	1,247,387	986,761
Total noninterest revenue	**10,805,371**	13,964,284	12,478,842
NONINTEREST EXPENSE			
Salaries and benefits	**28,223,646**	26,607,215	26,924,765
Occupancy, furniture and equipment expense	**4,324,427**	4,424,673	4,040,573
Other expense	**13,060,206**	16,677,074	11,619,109
Total noninterest expense	**45,608,279**	47,708,962	42,584,447
Income before provision for income taxes	**25,822,672**	28,952,560	24,313,067
Provision for income taxes	**5,651,339**	4,880,460	5,467,916
NET INCOME	**$ 20,171,333**	$ 24,072,100	$ 18,845,151
PER SHARE DATA			
Weighted average number of common stock shares outstanding			
Basic	**2,558,669**	2,555,674	2,550,103
Diluted	**2,564,390**	2,562,801	2,561,185
Earnings per common share (based on weighted average shares outstanding)			
Basic	**$ 7.88**	$ 9.42	$ 7.39
Diluted	**$ 7.87**	$ 9.39	$ 7.36

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

(dollars in thousands)

	Quarters Ended				
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
SELECTED DATA					
Interest-bearing deposits with banks	$ 467,226	$ 751,180	$ 650,873	$ 647,779	$ 872,674
Securities	1,666,895	1,589,251	1,540,463	1,363,042	1,341,115
Total loans	4,100,672	4,047,398	4,054,935	4,079,035	3,939,242
Allowance for loan losses	92,975	90,749	91,026	89,236	87,551
Earning assets [1]	6,255,713	6,420,888	6,293,542	6,132,681	6,192,265
Total assets	6,393,519	6,552,350	6,407,740	6,225,729	6,281,292
Deposits	5,452,823	5,638,923	5,548,990	5,380,063	5,480,126
Interest-bearing liabilities	3,387,980	3,485,267	3,415,953	3,300,293	3,261,415
Total shareholders' equity	627,245	602,665	567,247	553,125	538,057
Total equity to total assets	9.81%	9.20%	8.85%	8.88%	8.57%
Full-time equivalent employees	994	994	992	977	973
ASSET QUALITY RATIOS					
Allowance for loan losses to total loans	2.27%	2.24%	2.24%	2.19%	2.22%
Allowance for loan losses to noncurrent loans	721%	755%	963%	902%	724%
Net charge-offs (recoveries) to total average loans	-0.04%	0.02%	-0.03%	-0.01%	-0.01%
Noncurrent loans and ORE to assets	0.20%	0.18%	0.15%	0.16%	0.20%
Noncurrent loans, ORE and TDRs to assets	0.21%	0.20%	0.16%	0.18%	0.22%

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

(dollars in thousands, except per share data)

	Quarters Ended			% Change	
	March 31, 2019	December 31, 2018	March 31, 2018	Sequential Quarter	Year over Year
PERFORMANCE					
Net interest revenue, fully tax-equivalent	$ 61,550	$ 63,230	$ 54,942	-2.7%	12.0%
Fully tax-equivalent adjustment	124	133	123	-6.8%	0.8%
Net interest revenue	61,426	63,097	54,819	-2.6%	12.1%
Provision for loan losses	800	400	400	100.0%	100.0%
Net interest revenue after provision for loan losses	60,626	62,697	54,419	-3.3%	11.4%
Noninterest revenue	10,805	13,964	12,479	-22.6%	-13.4%
Noninterest expense	45,608	47,708	42,585	-4.4%	7.1%
Income before provision for income taxes	25,823	28,953	24,313	-10.8%	6.2%
Provision for income taxes	5,652	4,881	5,468	15.8%	3.4%
Net income	$ 20,171	$ 24,072	$ 18,845	-16.2%	7.0%
PER COMMON SHARE					
Earnings per common share - basic	$ 7.88	$ 9.42	$ 7.39	-16.3%	6.6%
Earnings per common share - diluted	7.87	9.39	7.36	-16.2%	6.9%
Common cash dividends	1.75	1.15	1.15	52.2%	52.2%
Common shareholders' equity	243.78	234.45	208.75	4.0%	16.8%

	Quarters Ended			% Change	
	March 31, 2019	December 31, 2018	March 31, 2018	Sequential Quarter	Year over Year
PERFORMANCE RATIOS					
Return on average assets	1.27%	1.45%	1.23%	-0.18%	0.04%
Return on average shareholders' equity	13.35%	16.49%	14.30%	-3.14%	-0.95%
Margin on average earning assets [1]	3.94%	3.87%	3.65%	0.07%	0.29%
Noninterest expense to average assets	2.86%	2.87%	2.79%	-0.01%	0.07%
Noninterest revenue to average assets	0.68%	0.84%	0.82%	-0.16%	-0.14%
Efficiency ratio	63.0%	61.8%	63.2%	1.2%	-0.2%
Common cash dividends to net income	22.24%	12.21%	15.59%	10.03%	-3.38%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a tax rate of 21%.
NM = not meaningful