



WASHINGTON TRUST BANCORP, INC.

Parent Company Of The Washington Trust Company



“Washington Trust is pleased to report another strong performance, with record earnings and earnings per share for the second quarter of 2018. Our continued profitability and solid financial metrics reflect the strength and stability of our corporation, as evidenced by our recent recognition by American Banker and Bank Director as one of the nation’s top performing mid-tier banks.”

– Edward O. Handy III, Chairman & CEO

2018 Q2 Highlights

Profitability

- ★ Net interest income amounted to a record high of \$33.1 million
- ★ Net income of \$17.7 million and \$1.01 cents per diluted share, record highs
- ★ Returns on average equity and average assets were 16.99% and 1.53%, respectively

Growth

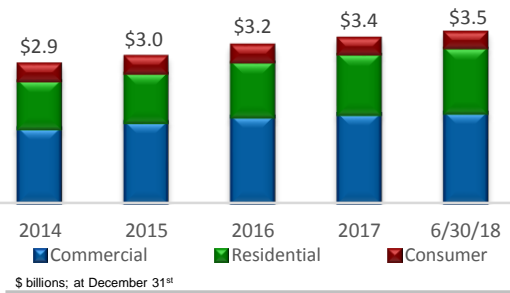
- ★ Total loans stood at \$3.5 billion at June 30, 2018, up by \$103 million from March 31, 2018
- ★ Total deposits were \$3.3 billion at June 30, 2018, up by \$65 million from March 31, 2018

Stability

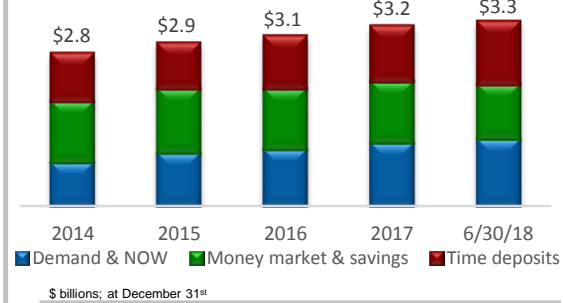
- ★ Capital levels remain solid and well-capitalized
- ★ Quarterly dividend of 43 cents per share was declared

| Market Summary | |
|---------------------|---------|
| Trading Symbol | WASH |
| Exchange | NASDAQ |
| Market Value (\$M) | \$1,004 |
| Stock Price | \$58.10 |
| As of June 30, 2018 | |

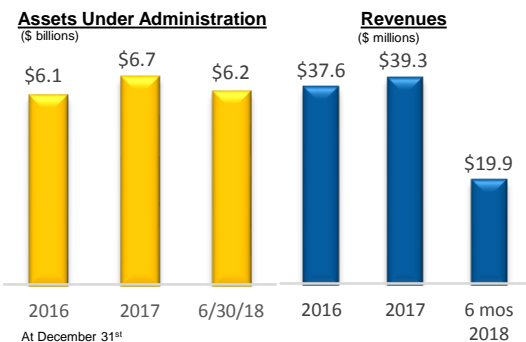
Loans



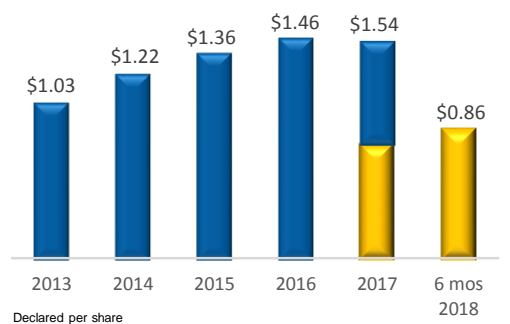
Deposits



Wealth Management



Cash Dividends



Washington Trust Recognition



For the fifth consecutive year, Washington Trust has been named to the American Banker’s list of Top Performing Mid-tier Banks. Ranked 32 out of 237 national institutions with between \$2 billion - \$10 billion in assets, Washington Trust was one of only seven New England banks to break the top 100, and the only Rhode Island bank to make the list in 2018.

And for the sixth consecutive year, Washington Trust is listed as a high performer in Bank Director’s 2018 Bank Performance Score Card. Washington Trust is ranked 39 out of 154 institutions with between \$1 billion - \$5 billion in assets, the Rhode Island bank to make the list and one of only three in New England to break the top 50.





Financial Highlights

At or for the Quarters Ended

(\$ and shares in thousands, except per share amounts)

| | 6/30/18 | 3/31/18 | 12/31/17 | 9/30/17 |
|---|-------------|-------------|-------------|-------------|
| Balance Sheet (\$000) | | | | |
| Total assets | \$4,737,242 | \$4,566,326 | \$4,529,850 | \$4,469,230 |
| Total loans | 3,490,230 | 3,387,406 | 3,374,071 | 3,323,078 |
| Total securities | 788,105 | 799,815 | 793,495 | 727,596 |
| Total deposits | 3,321,611 | 3,256,434 | 3,242,707 | 3,157,081 |
| Total shareholders' equity | 421,571 | 413,081 | 413,284 | 414,228 |
| Income Statement (\$000) and Profitability | | | | |
| Net interest income | 33,111 | 31,852 | 30,889 | 30,059 |
| Provision for loan losses | 400 | 0 | 200 | 1,300 |
| Wealth management revenues | 9,602 | 10,273 | 9,914 | 10,013 |
| Other noninterest income | 6,391 | 5,470 | 6,296 | 7,270 |
| Noninterest expenses | 26,288 | 27,130 | 25,754 | 26,784 |
| Net income | 17,674 | 16,211 | 7,982 | 12,962 |
| Return on average assets | 1.53% | 1.45% | 0.71% | 1.17% |
| Return on average equity | 16.99% | 15.96% | 7.56% | 12.43% |
| Net interest margin (taxable equivalent basis) | 3.05% | 3.03% | 2.95% | 2.93% |

| | | | | |
|--|--------|--------|--------|--------|
| Balance Sheet Ratios/Capital | | | | |
| Total risk based capital | 12.61% | 12.56% | 12.45% | 12.53% |
| Tier 1 leverage ratio | 8.87% | 8.84% | 8.79% | 8.83% |
| Equity to assets | 8.90% | 9.05% | 9.12% | 9.27% |
| Tangible equity / tangible assets; non-GAAP ⁽¹⁾ | 7.48% | 7.57% | 7.63% | 7.76% |

| | | | | |
|--|-------|-------|-------|-------|
| Asset Quality | | | | |
| Total past due loans to total loans | 0.48% | 0.57% | 0.59% | 0.49% |
| Nonperforming assets to total assets | 0.32% | 0.30% | 0.34% | 0.44% |
| Nonaccrual loans to total loans | 0.34% | 0.31% | 0.45% | 0.56% |
| Allowance for loan losses to total loans | 0.75% | 0.76% | 0.79% | 0.82% |

| | | | | |
|--|---------|---------|---------|---------|
| Share Data: | | | | |
| Diluted earnings per share | \$1.01 | \$0.93 | \$0.46 | \$0.75 |
| Dividends declared per share | \$0.43 | \$0.43 | \$0.39 | \$0.39 |
| Book value per share | \$24.40 | \$23.93 | \$23.99 | \$24.06 |
| Tangible book value per share; non-GAAP ⁽²⁾ | \$20.20 | \$19.71 | \$19.75 | \$19.81 |
| Market value per share | \$58.10 | \$53.75 | \$53.25 | \$57.25 |
| Shares outstanding at end of period | 17,278 | 17,262 | 17,227 | 17,214 |
| Weighted average shares outstanding – diluted | 17,387 | 17,345 | 17,349 | 17,318 |

- (1) GAAP shareholders' equity less goodwill & intangible assets divided by GAAP assets less goodwill & intangible assets
- (2) GAAP shareholders' equity less goodwill & intangible assets divided by shares outstanding

About Washington Trust

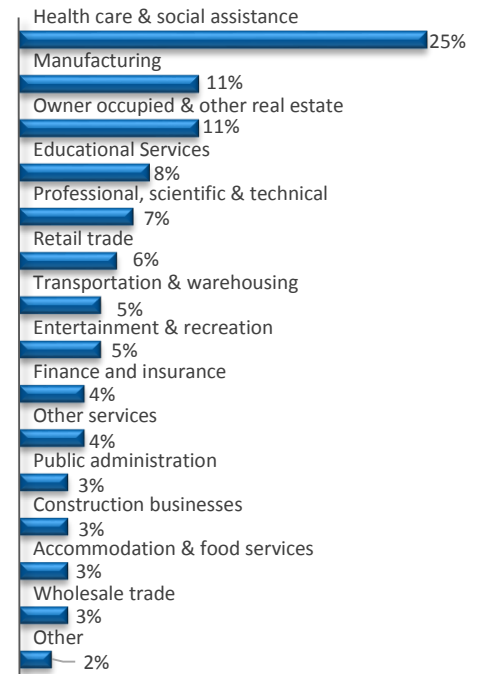
At 6/30/18

- ★ \$4.7 billion in assets
- ★ Publicly-owned holding company of The Washington Trust Company
- ★ RI state-chartered commercial bank
- ★ Founded in 1800; oldest community bank in the United States
- ★ Personal banking, commercial banking, and wealth management services
- ★ Market area of Rhode Island, eastern Massachusetts, and Connecticut
 - ★ 22 branches
 - ★ 5 wealth management offices
 - ★ 7 residential mortgage loan offices
 - ★ 3 commercial lending offices

C&I Loans By Industry

At 6/30/18

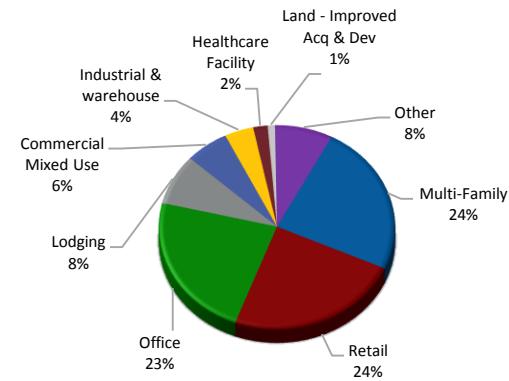
Total portfolio: \$632.0 million
Percent of total loans: 18%



Commercial Real Estate

At 06/30/18

Total portfolio: \$1.2 billion
Percent of total loans: 35%



Analyst Coverage

- ★ American Capital Partners, LLC
Nicole Gulino
- ★ Compass Pt Rch & Trading LLC
Laurie Hunsicker
- ★ Keefe Bruyette & Woods Inc.
Damon Delmonte
- ★ Sandler O'Neill & Partners LP
Mark Fitzgibbon

The financial information contained herein is unaudited, and qualified in its entirety by reference to Washington Trust's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission and as updated by its Quarterly Reports on Form 10-Q.

