WASHINGTON TRUST BANCORP, INC.

Investor Deck

Q2 2023

NASDAQ: WASH

Safe Harbor

This presentation contains certain statements that may be considered “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results, performance or achievements of Washington Trust may differ materially from those discussed in these forward-looking statements, as a result of, among other factors, the factors described under the caption “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the Securities and Exchange Commission and updated by our Quarterly Reports on Form 10-Q. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this presentation, and Washington Trust assumes no obligation to update forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Investor Information

Elizabeth B. Eckel
Executive Vice President, Chief Marketing and Corporate Communications Officer

401-348-1309, ebeckel@washtrust.com

Executive Leadership



Ned Handy
Chairman and Chief Executive Officer



Mary Noons
President and Chief Operating Officer



Ron Ohsberg
Senior EVP, Chief Financial Officer and Treasurer

Why Washington Trust

- Distinguished history with prestigious recognition
- Proven business model with diverse revenue streams
- Prudent balance sheet management
- Strong credit profile through multiple economic cycles
- Consistent returns in all economic cycles
- Robust dividend payout and capital deployment strategy

Distinguished Corporate Profile

- Oldest community bank in the U.S.
- Diversified financial services company
- Largest state-chartered bank in Rhode Island
  - $7.0 billion assets
  - $5.4 billion loans
  - $5.3 billion deposits
- Premier regional wealth management firm
  - $6.4 billion assets under administration
- Market capitalization
  - $456 million
- Strong shareholder value
  - ROA: 0.65%
  - ROE: 9.67%
  - ROTCE: 11.32% (1)









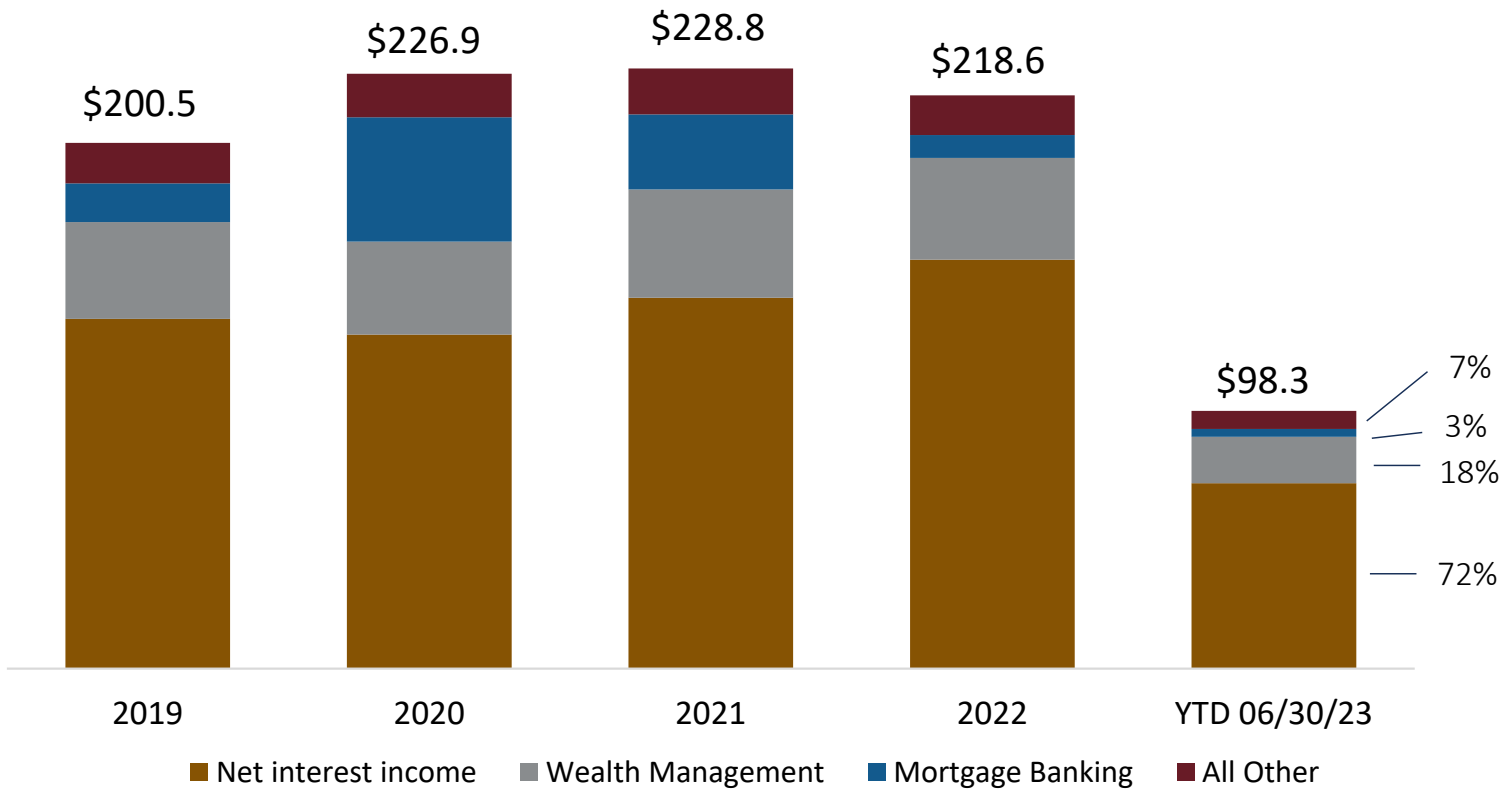


At or for the quarter ended June 30, 2023, unless otherwise noted

(1) Non-GAAP; see "Non-GAAP Financial Measures"

Diversity of Revenue

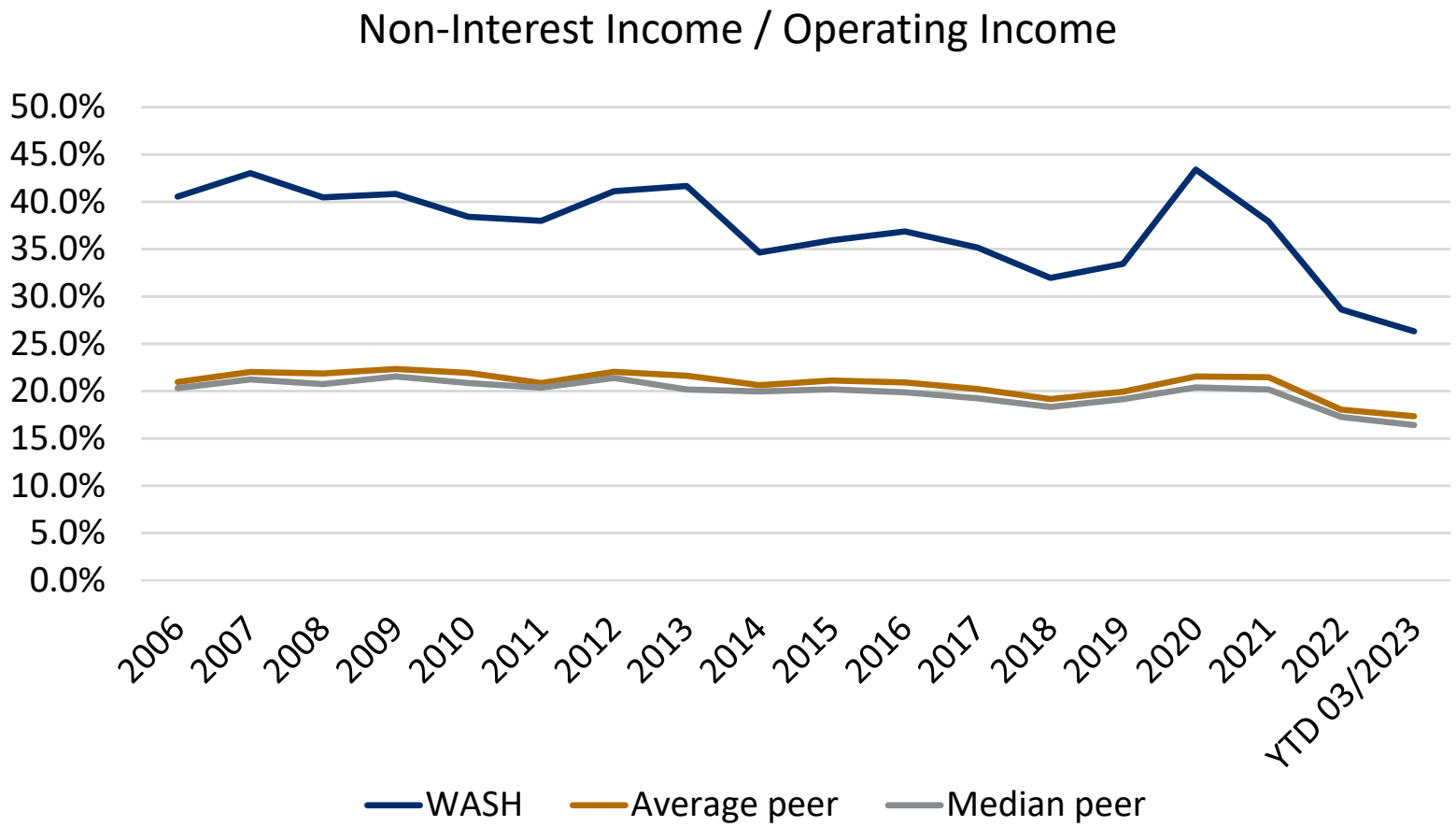
Contributions from all major business lines



$ millions

Quality Revenues

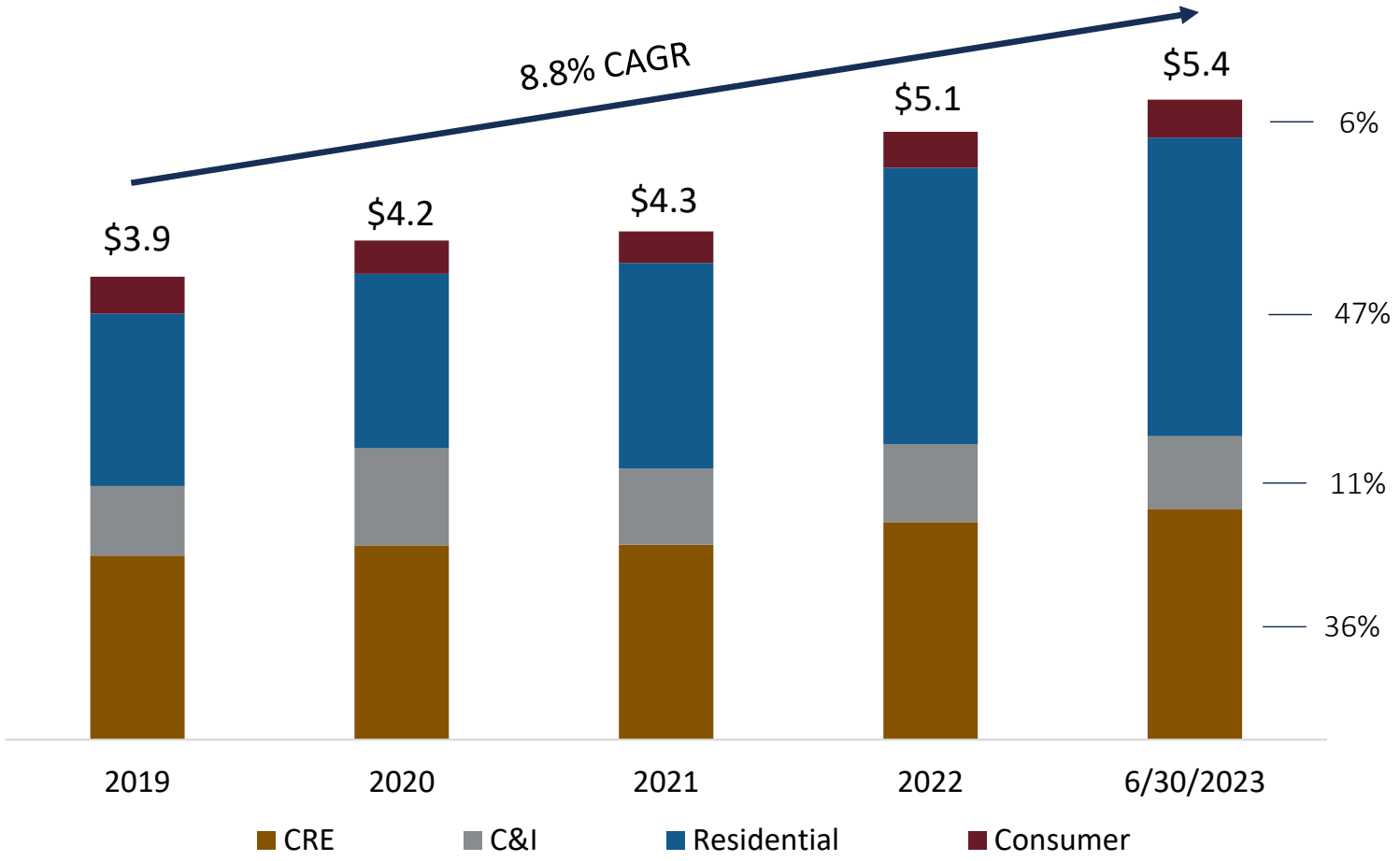
Better than 91% of peer group [1]



Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 03/31/23.
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Source: S&P Global Market Intelligence

Loan Mix and Growth

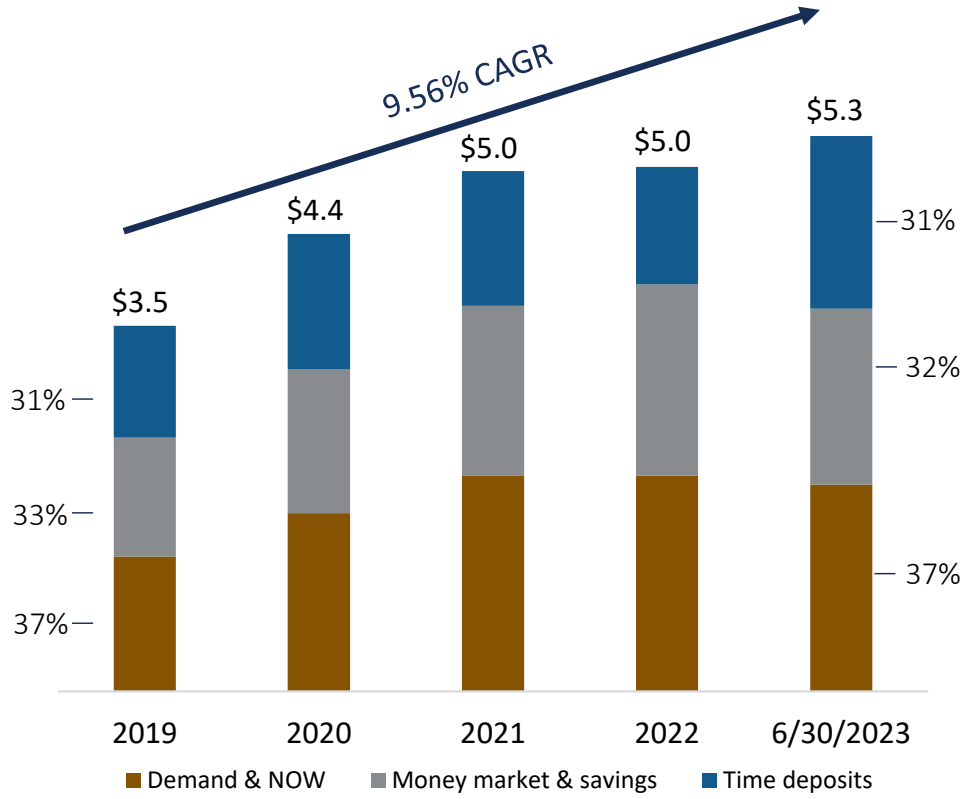
- Well-diversified portfolio
- 58.3% variable rate loans



$ billions; at December 31st unless otherwise noted

Deposit Mix and Share

- 35% of deposits are commercial-based
- 11% market share in RI; ranked 3rd(1)
- #1 State-chartered bank in RI
- $181 million average in-market deposits per branch
- 18% uninsured deposits after exclusions(2)



Rank	Institution (ST)	Branch Count	Total Deposits in Market ($B)	Total Market Share
1	Citizens (RI)	**55**	**$17.3**	**39%**
2	Bank of America (NC)	**23**	**$9.6**	**22%**
3	**Washington Trust (RI)**	**23**	**$4.9**	**11%**
4	Santander	22	$2.8	6%
5	Bank Rhode Island (MA)	20	$2.6	6%
6	BankNewport (RI)	18	$2.0	5%
7	TD Bank	9	$1.5	3%
8	Centreville Bank (RI)	9	$1.1	2%
9	HarborOne (MA)	11	$.7	1%
10	Webster Bank (CT)	8	$.4	1%
	Total For Institutions In Market	**233**	**$44.3**	

$ billions; at December 31st unless otherwise noted
(1) FDIC deposits as of June 30, 2022; most recent data available
(2) Determined in accordance with regulatory requirements excluding affiliate deposits and fully-collateralized preferred deposits

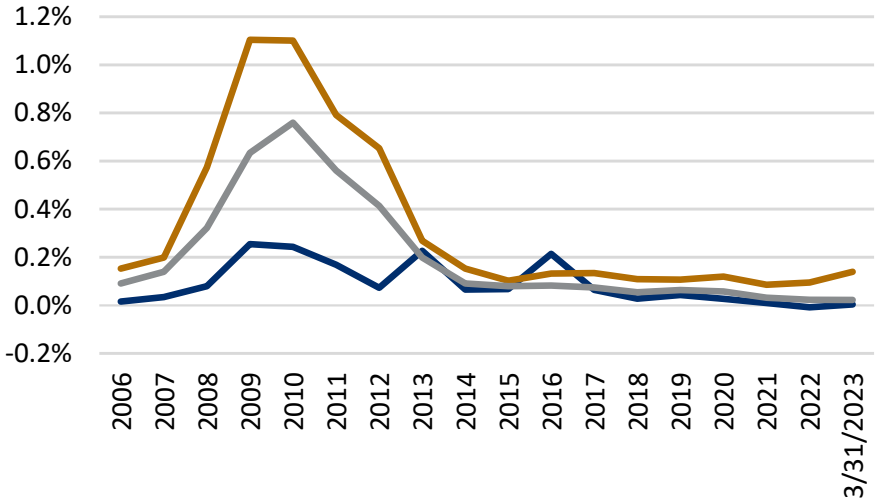
Asset Quality

Historical differentiator

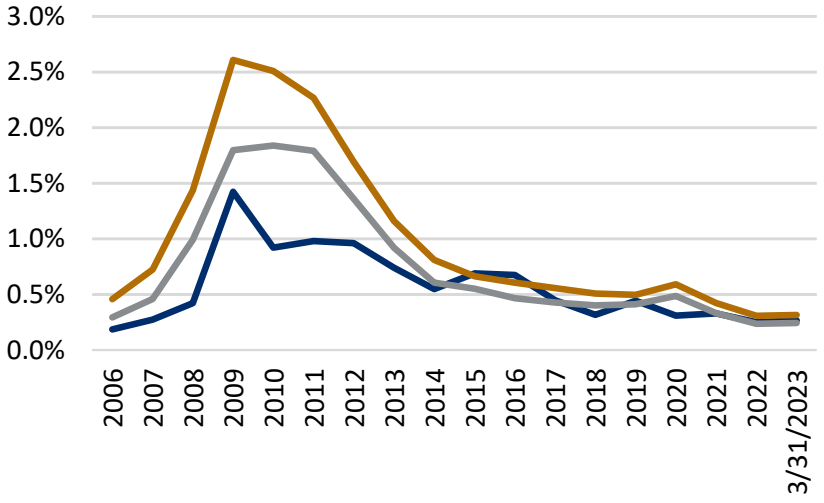
Cumulative losses
2006 – YTD 03/31/2023 (bps)

WASH	161
Average peer	602
Median peer	370

NCO / Average Loans



Non-Accrual Loans / Total Loans





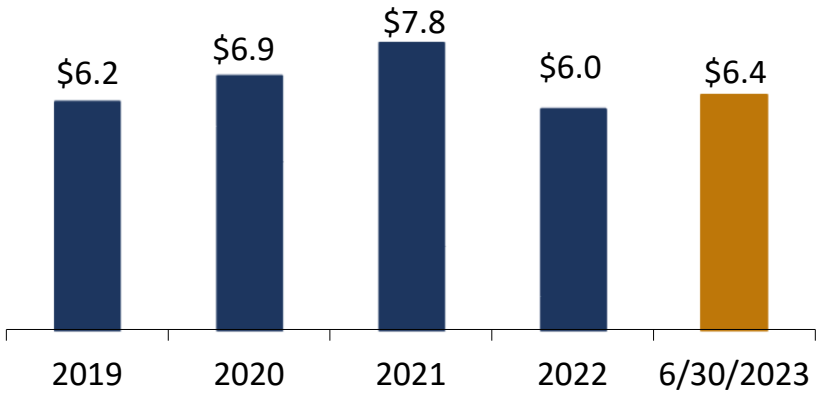
Most recent complete peer data as of 3/31/23
Percentile ranking for the year ended December 31st unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

Wealth Management

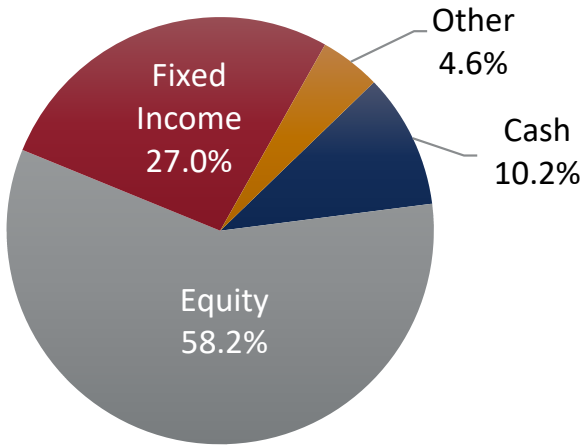
- Key contributor to pre-tax income
- Average client size: $2.8 million
- 60% high net worth individuals
- Average fee: 55 basis points

Assets Under Administration (AUA)

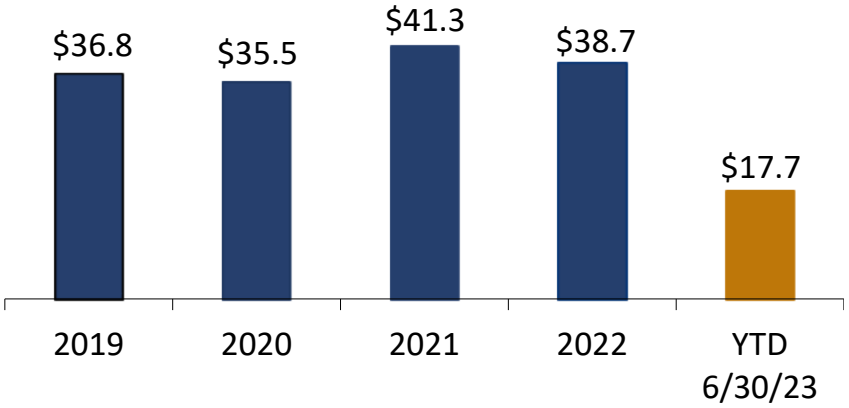
($ billions)



Asset Mix at June 30, 2023



Revenues ($ millions)

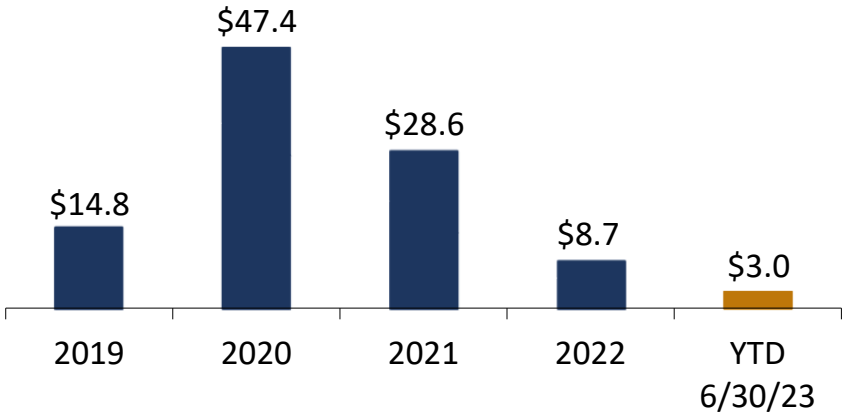


At or for the year ended December, unless otherwise noted.

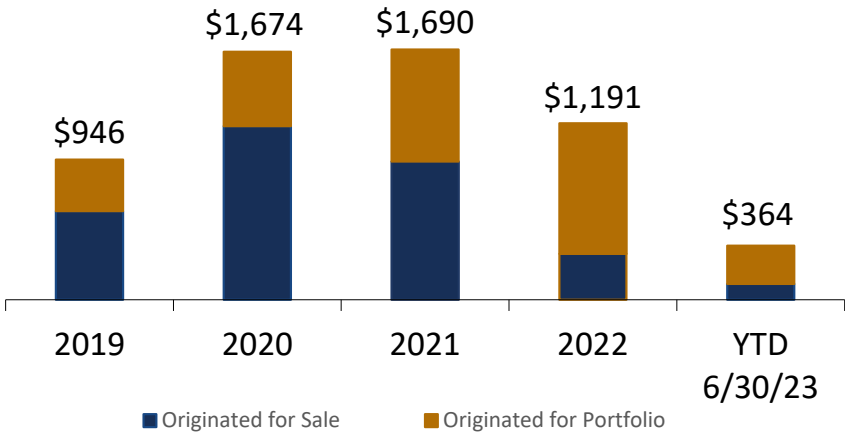
Mortgage Banking

- Strategic approach aimed at developing banking relationships
- Flexible origination model where loans can be sold or put in portfolio
- Origination mix is shifting from sale to portfolio
- Success in leveraging clients' mortgage experience to offer other banking services

Mortgage Banking Revenues (1)



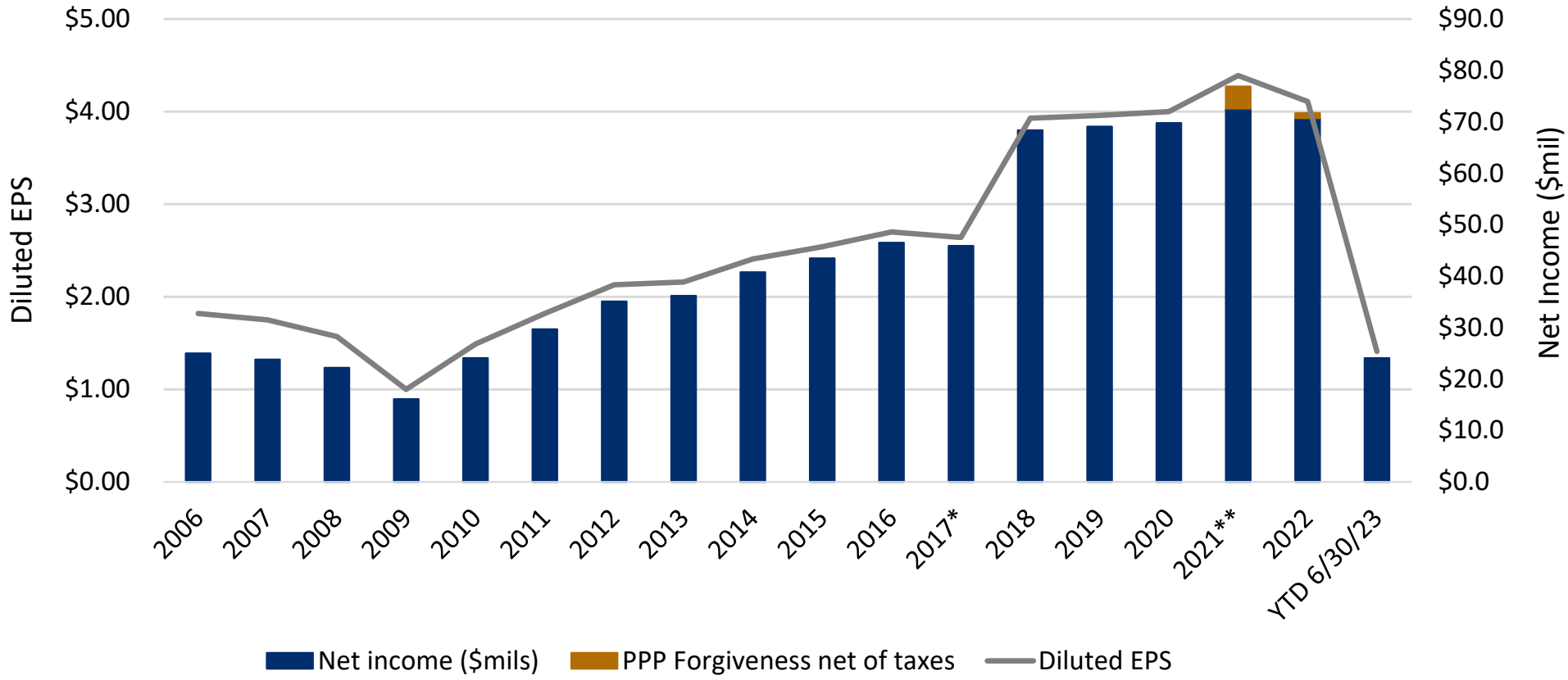
Mortgage Originations (2)



$ millions; at December 31st unless otherwise noted
(1) Net gains on loan sales and commissions on loans originated for others, fair value changes on mortgage loans held for sale and forward loan commitments, and net loan servicing fee income
(2) Includes loans originated for portfolio or sale and as broker for other parties

Proven Track Record

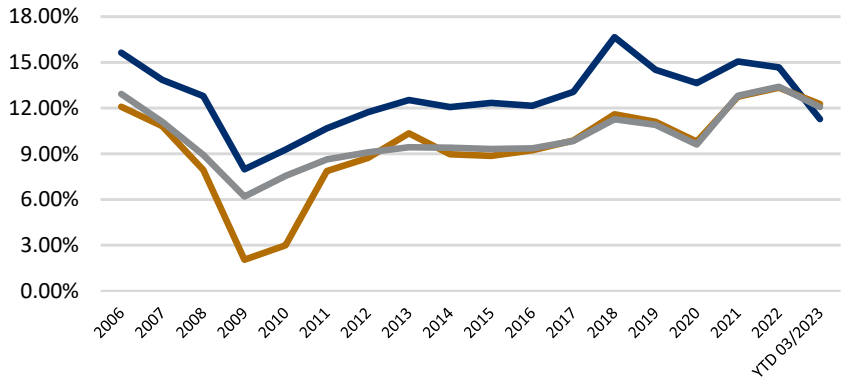
Profitability trend



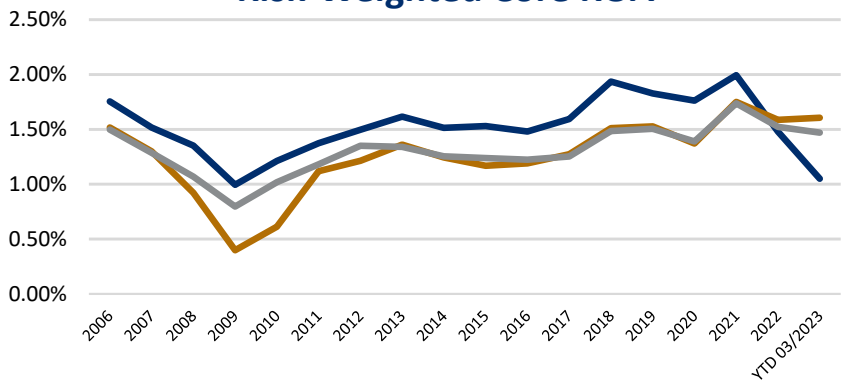
At December 31st unless otherwise noted
** Includes $6.2 million deferred tax asset write-down resulting from Tax Reform Act*
*** Includes $5.4 million after tax net non-operating expense (FHLB prepayment fees)*

Profitability Metrics

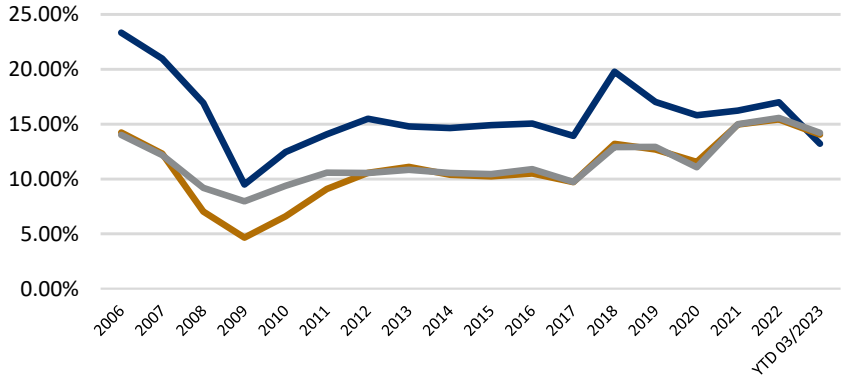
Core ROE (1)



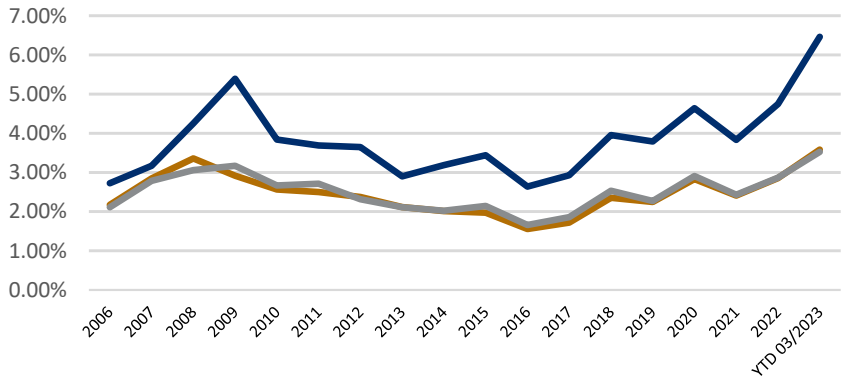
Risk-Weighted Core ROA (2)



ROATCE (3)



Dividend Yield



WASH — Average peer — Median peer

Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 3/31/23. Source: S&P Global Market Intelligence

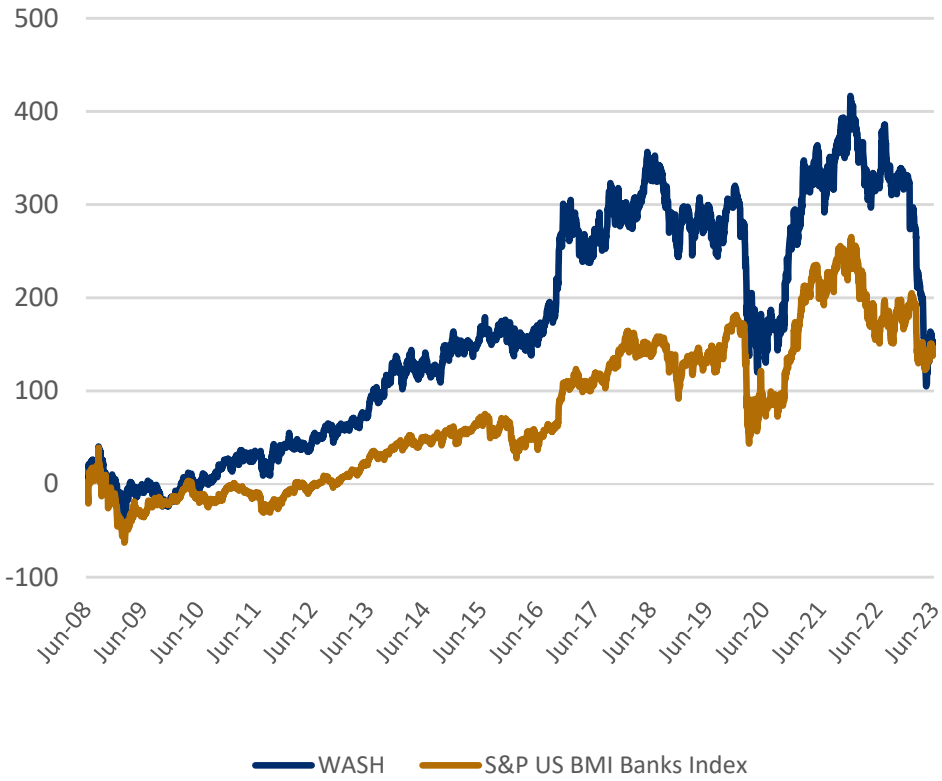
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Non-GAAP; see "Non-GAAP Financial Measures"

(2) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items divided by risk-weighted assets." Non-GAAP; see "Non-GAAP Financial Measures"

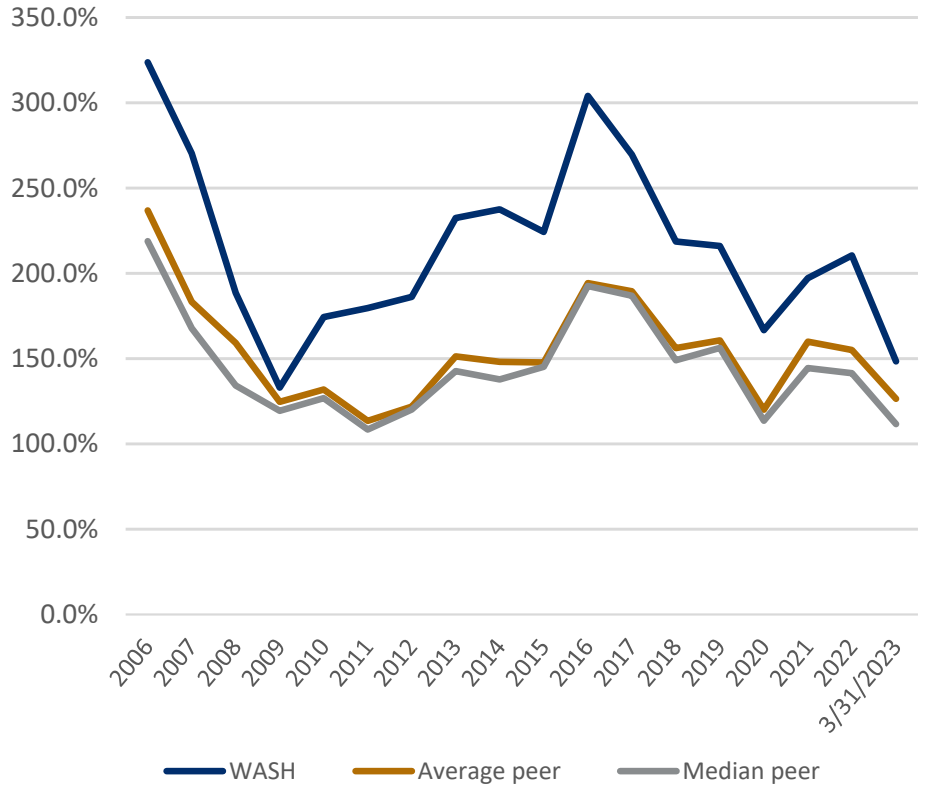
(3) Non-GAAP; see "Non-GAAP Financial Measures"

15 Year Total Stock Returns

WASH Total Return (%) versus S&P US BMI Banks Index



Price / Tangible Book Multiple

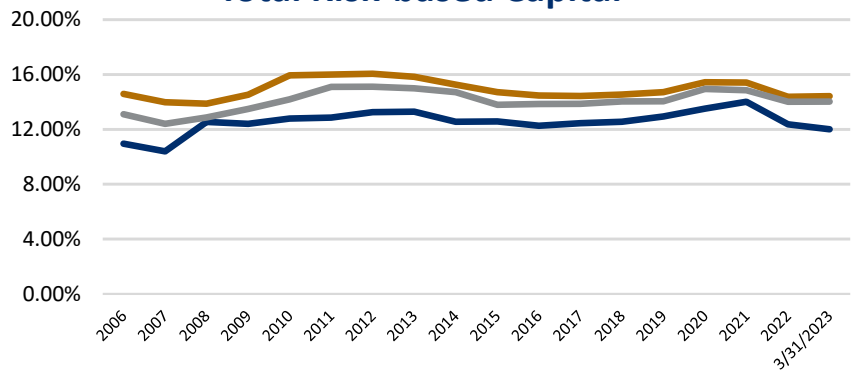


Source: S&P Global Market Intelligence as of March 31, 2023
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 3/31/23.
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Source: S&P Global Market Intelligence

Solid Capital Position

- Solid balance sheet, fee-intensive business model
- Supports dividend & future growth opportunities
- Temporary decline for Tangible Equity / Tangible Assets ratio due to AFS securities unrealized losses

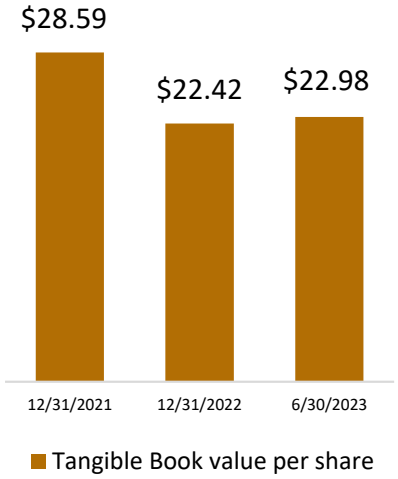
Total Risk-based Capital



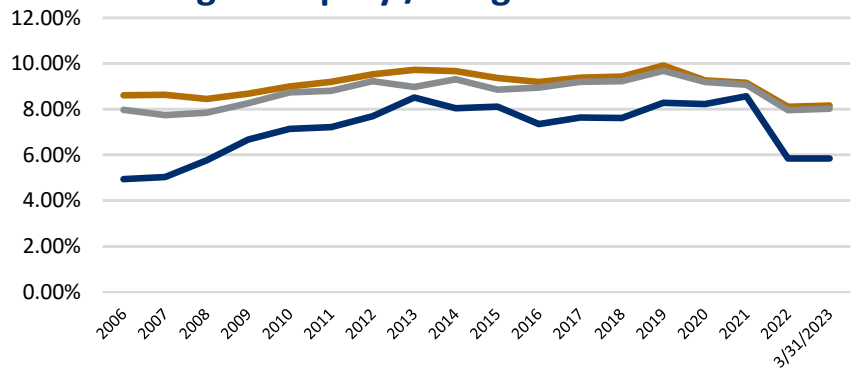
Book Value per Share



Tangible Book Value per Share (1)



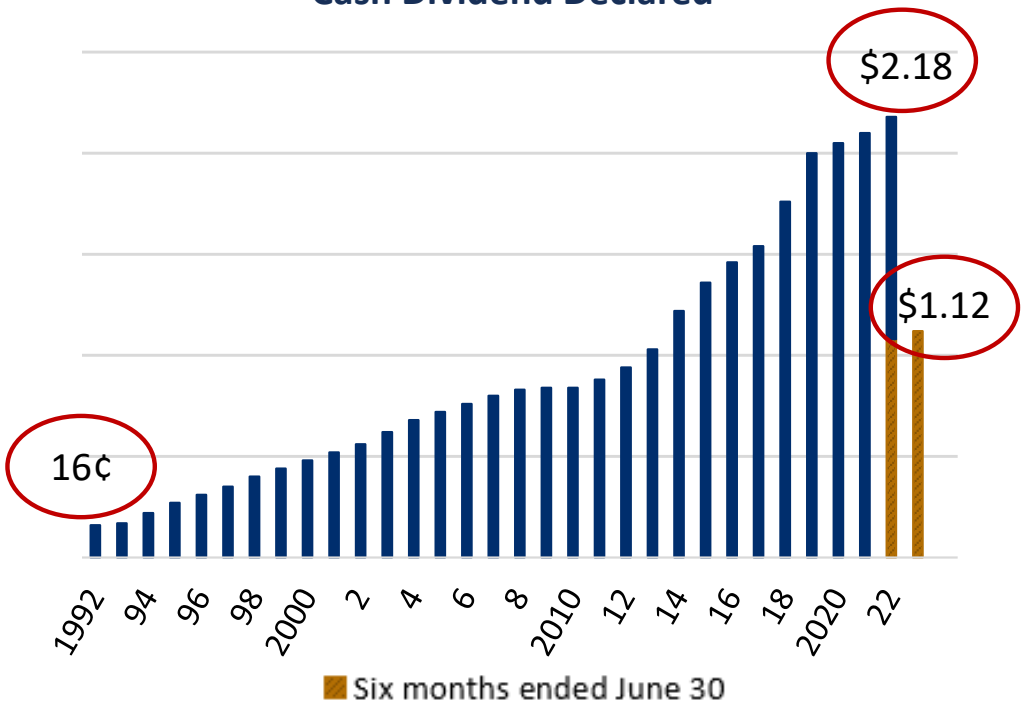
Tangible Equity / Tangible Assets

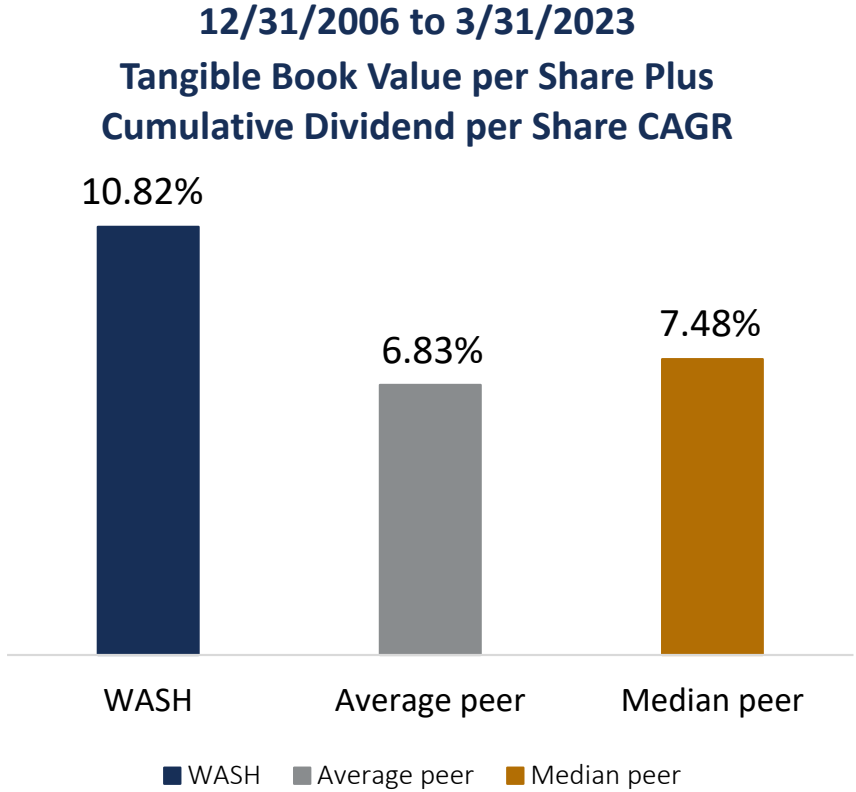


Most recent complete peer data as of 3/31/23
(1) Non-GAAP; see "Non-GAAP Financial Measures"
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

Dividend Return to Shareholders

- Dividend yield 8.36% (1)
- Increased dividend in Q4-22 for 12th consecutive year
- Paid consistent dividend for more than a century





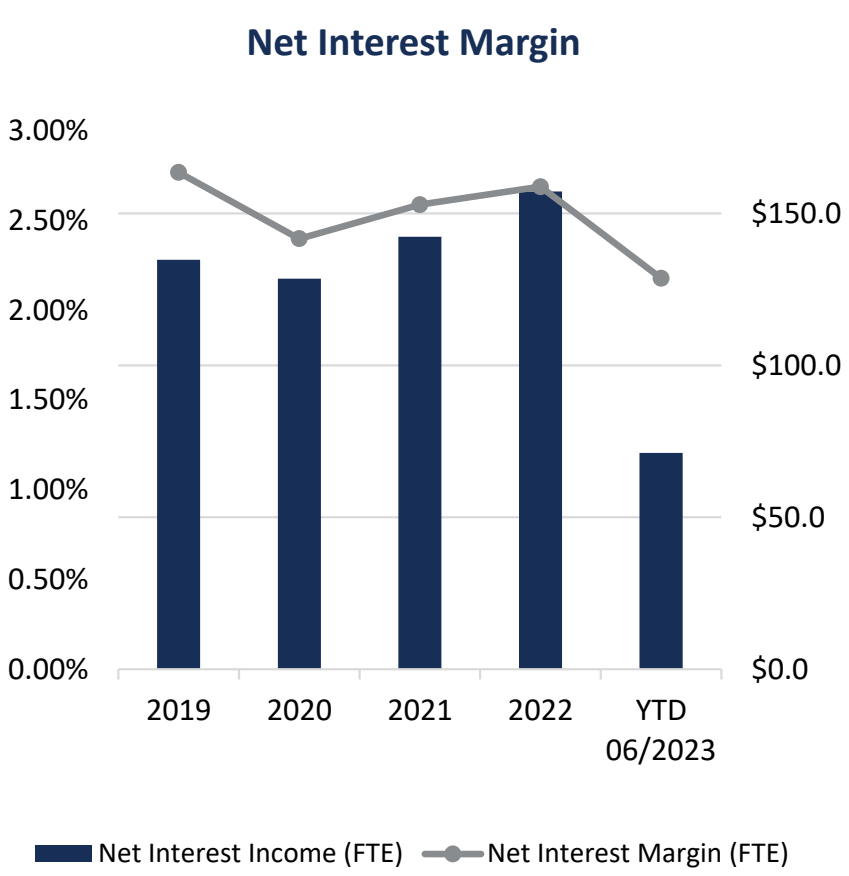
(1) As of June 30, 2023

Strategic Priorities

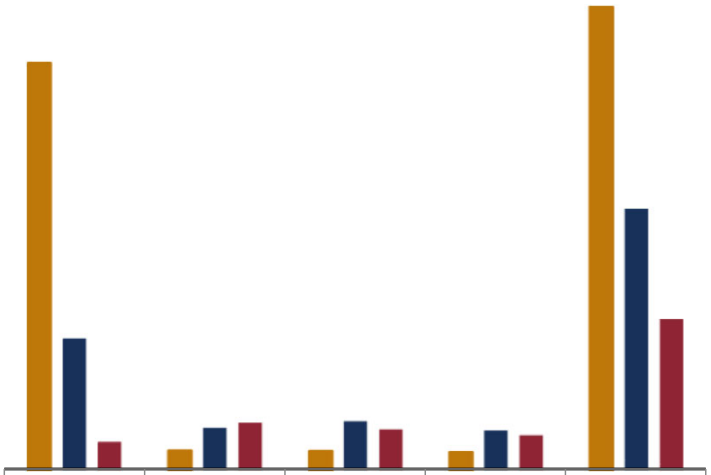
- Focus on deposit growth and mix
- Optimize investments in technology
- Deepen client relationships
- Expand brand and market presence
- Continued corporate responsibility

Net Interest Margin & Repricing

- Adjustable rate loans mainly 1M LIBOR and Prime
- Adjustable rate loans largely funded with short-term adjustable liabilities (<= 1 year)



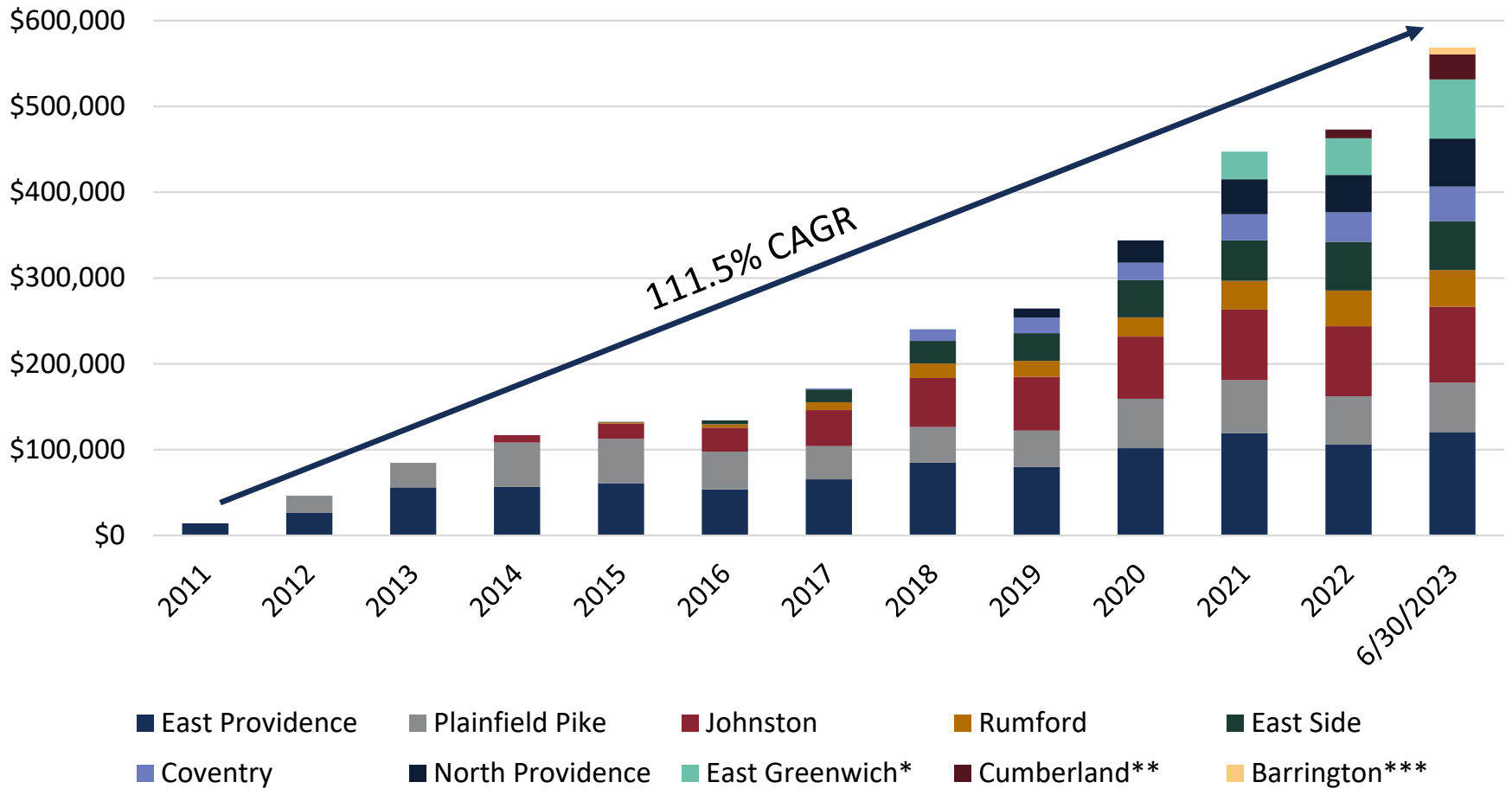
Loan & Funding Repricing



	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Total
Adjustable rate loans	$1,836	$88	$86	$81	$2,090
Wholesale Funds	$593	$190	$219	$178	$1,180
Retail CDs	$127	$213	$183	$156	$680

$ millions; as of and for the years ended December 31st unless otherwise noted

De Novo Branch Growth



*East Greenwich branch opened in May 2021
**Cumberland branch opened in August 2022
***Barrington branch opened in April 2023

Improving Customer Experience

- Digital banking enhancements
- Financial planning process
- Automated asset verification
- Financial wellness center



Protecting Data

- Cyber threat intelligence
- ACH fraud detection
- Cloud-based data systems
- Network modernization



Deepening Relationships

- Business line integration
- Private clients
- COI networking
- Enhanced product suite



Expand Brand & Market Presence

- RI branches
- CT commercial banking office
- Wealth Management rebrand
- Brand marketing



Key Investment Considerations

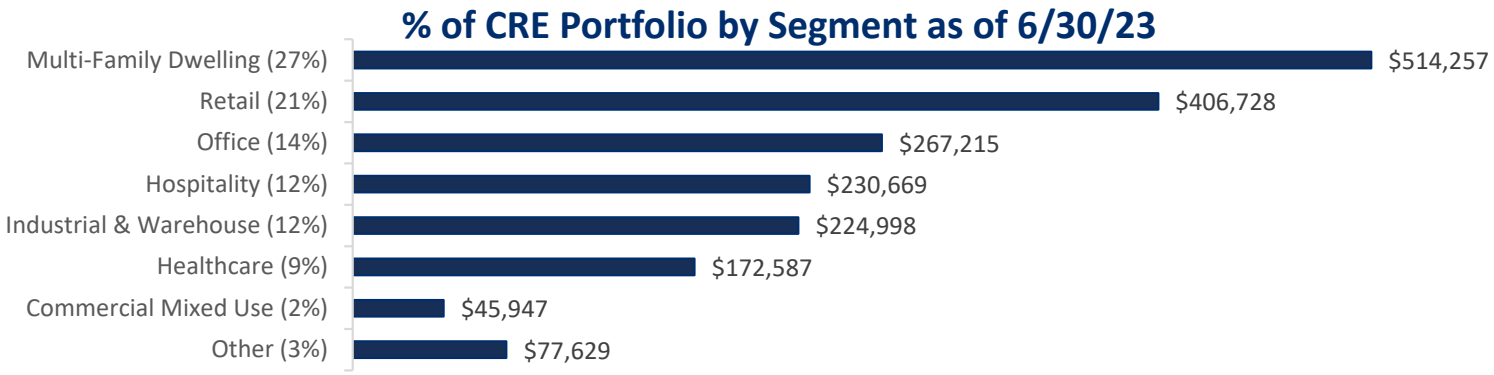
- Proven performance in adverse operating environment
- Consistent results from diverse revenue streams
- Successful, steady long-term growth strategy
- Low risk balance sheet positioned favorably for rising rates
- Attractive dividend yield & strong capital position

WASHINGTON TRUST BANCORP, INC.

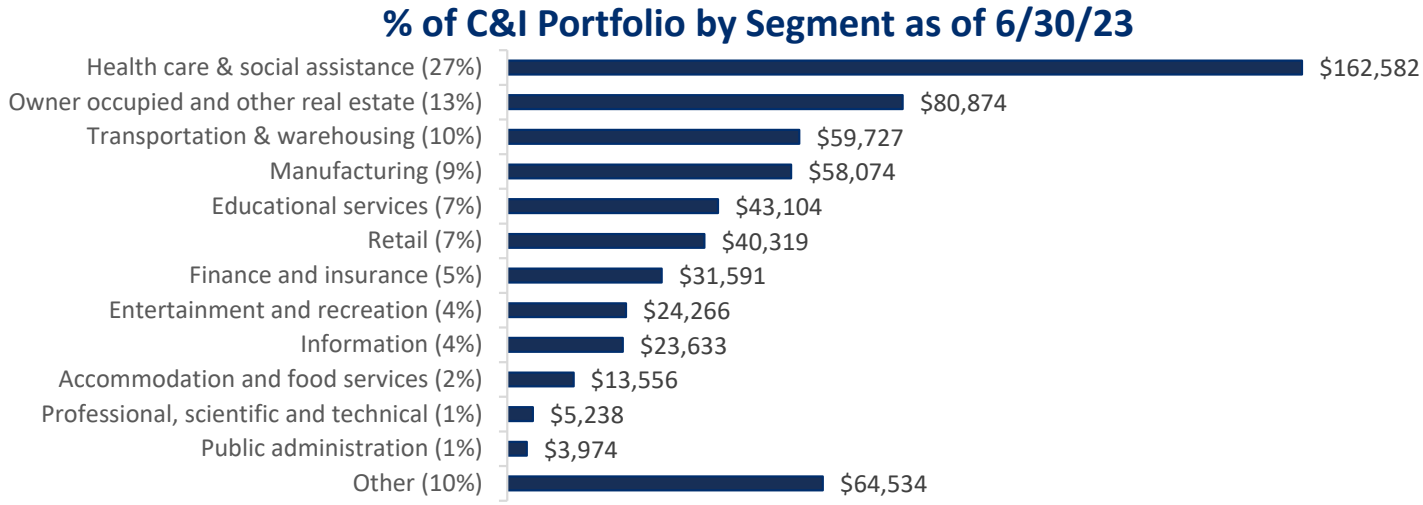
Appendix

Commercial Lending Portfolio

Commercial real estate: $1.9 billion



Commercial & Industrial (C&I): $611.5 million



Office Portfolio

- Office portfolio consists of 55 loans and 47 relationships with a Carry Value of $268 million and Exposure of $306 million.
- Average loan size = $6.5mm original commitment.
- Largest = $29.9mm ($14.9mm outstanding, in construction)
- Average LTV = 50.4%
- Weighted Average LTV = 58.7%
- Average DSCR is 1.43x
- Weighted Average DSCR 1.50x (Carry Value on mortgages, and Commitment if Construction)
- NPLs = $0

Type	Carry	Exposure	%
Suburban	198,773	218,968	74%
Urban	68,774	86,644	26%
	267,546	**305,613**	

Geography	Carry	Exposure	%
Boston	78,727	108,504	29%
Fairfield County	87,219	92,523	33%
Hartford	30,839	32,215	12%
New London County	27,091	27,091	10%
Providence	43,670	45,280	16%
	267,546	**305,613**	

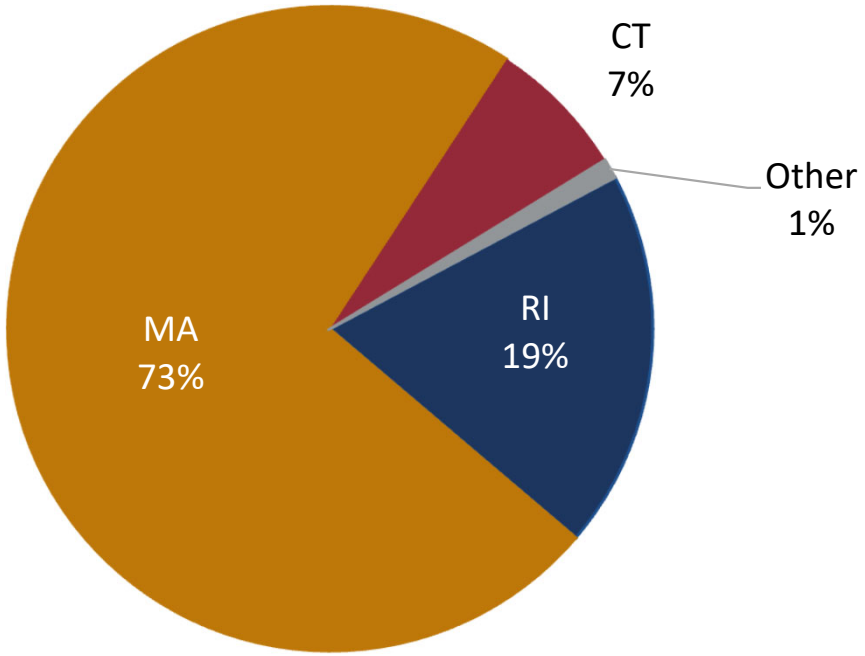
Class Type	Carry	Exposure	%
A	172,911	209,368	65%
B	80,566	82,175	30%
C	14,069	14,069	5%
	267,546	**305,613**	

Medical office	Carry	Exposure	%
Yes	49,414	68,484	18%
No	218,132	237,129	82%
	267,546	**305,613**	

$ thousands; at June 30, 2023

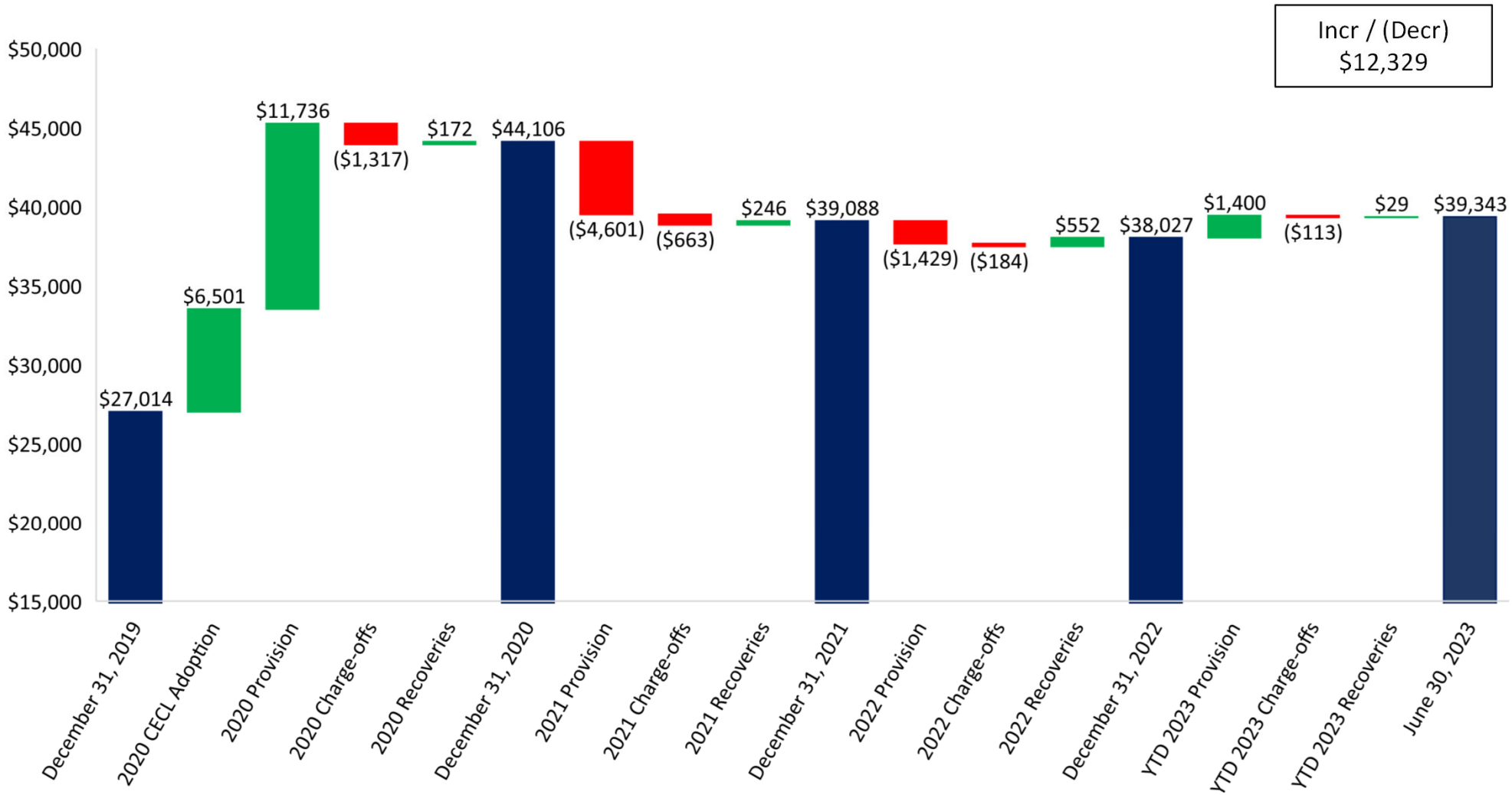
Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$ 2,510.1	$ 301.1
FICO score*	763	761
Total delinquencies	0.17%	0.50%
Nonperforming	0.34%	0.32%
Net charge-offs to average loans	0.00%	0.00%
LTV (1)	59.8%	25.9%



At or for the six months ended June 30,2023
** Weighted average; refreshed May 2023*
(1) Weighted average LTV for residential loans is based on updated collateral values and current loan balances. LTV for home equity represent the LTV at origination.

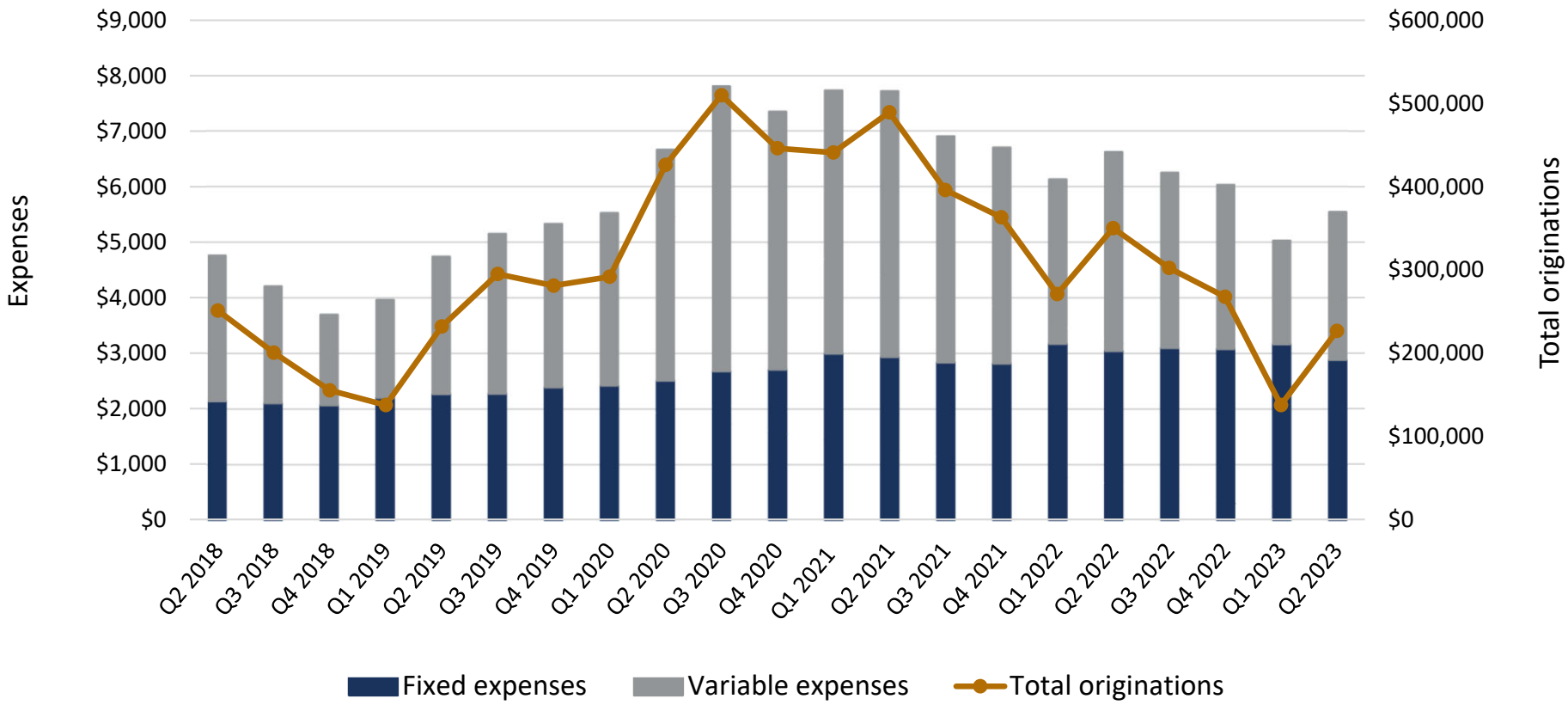
ACL on Loans Rollforward



$ thousands

Mortgage Execution

- Expense base is largely variable with volumes
- Fintech processing provides speed of execution and closing reliability



$ thousands
Expenses exclude deferred labor

Income Statement

$s in thousands	For the Quarter Ended Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022
Interest and dividend income	$ 75,230	$ 68,762	$ 61,761	$ 52,138	$ 42,029
Interest expense	41,730	31,569	20,419	10,096	4,514
Net interest income	33,500	37,193	41,342	42,042	37,515
Provision for credit losses	700	800	800	800	(3,000)
Net interest income after provision for credit losses	32,800	36,393	40,542	41,242	40,515
Total noninterest income	14,325	13,283	13,788	15,803	15,852
Noninterest expense	33,016	33,564	33,359	33,067	31,077
Income before income taxes	14,109	16,112	20,971	23,978	25,290
Income tax expense	2,853	3,300	4,398	5,310	5,333
Net income	$ 11,256	$ 12,812	$ 16,573	$ 18,668	$ 19,957

Balance Sheet

$s in thousands	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022
Assets:					
Cash and cash equivalents	$ 128,316	$ 138,280	$ 118,422	$ 132,839	$ 98,623
Total securities	1,068,326	1,097,248	1,037,391	1,015,513	1,036,769
Total loans	5,381,113	5,227,969	5,110,139	4,848,873	4,479,822
Less allowance for credit losses on loans	39,343	38,780	38,027	36,863	36,317
Net loans	5,341,770	5,189,189	5,072,112	4,812,010	4,443,505
Other assets	473,348	434,465	432,126	447,689	403,994
Total assets	$7,011,760	$6,859,182	$6,660,051	$6,408,051	$5,982,891
Liabilities and Shareholders' Equity:					
Total deposits	$5,314,478	$5,268,514	$5,018,962	$5,069,857	$5,006,629
FHLB advances	1,040,000	925,000	980,000	700,000	328,000
Other liabilities	175,440	178,004	184,739	183,239	148,947
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Total shareholders' equity	459,161	464,983	453,669	432,274	476,634
Total liabilities and shareholders' equity	$7,011,760	$6,859,182	$6,660,051	$6,408,051	$5,982,891

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Jun 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Calculation of tangible book value per share				
Total shareholders' equity at end of period	$459,161	$453,669	$564,808	$534,195
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,130	4,554	5,414	6,305
Total tangible shareholders' equity at end of period	$391,122	$385,206	$495,485	$463,981
Shares outstanding at end of period	17,019	17,183	17,331	17,265
Book value per share – GAAP	$26.98	$26.40	$32.59	$30.94
Tangible book value per share – Non-GAAP	$22.98	$22.42	$28.59	$26.87
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$391,122	$385,206	$495,485	$463,981
Total assets at end of period	$7,011,760	$6,660,051	$5,851,127	$5,713,169
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,130	4,554	5,414	6,305
Total tangible assets at end of period	$6,943,721	$6,591,588	$5,781,804	$5,642,955
Equity to assets - GAAP	6.55%	6.81%	9.65%	9.35%
Tangible equity to tangible assets – Non-GAAP	5.63%	5.84%	8.57%	8.22%

Washington Trust's management believes that the supplemental non-GAAP information, which consists of measurements and ratios based on tangible equity and tangible assets, is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Quarter Ended Jun 30, 2023	Dec 31, 2022	FYE Dec 31, 2021	Dec 31, 2020
Calculation of return on average tangible assets:				
Net income, as reported	$ 11,256	$ 71,681	$ 76,870	$ 69,829
Total average assets, as reported	6,939,238	6,102,755	5,837,966	5,704,950
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,233	4,977	5,852	6,755
Total average tangible assets	$6,871,096	$6,033,869	$5,768,205	$5,634,286
Return on average assets - GAAP	0.65%	1.17%	1.32%	1.22%
Return on average tangible assets - Non-GAAP	0.66%	1.19%	1.33%	1.24%
Calculation of return on average tangible equity				
Net income available to common shareholders	$11,237	$71,479	$76,648	$69,678
Total average equity	$466,227	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,233	4,977	5,852	6,755
Total tangible assets at end of period	$398,085	$424,366	$476,432	$445,038
Return on average equity - GAAP	9.67%	14.49%	14.03%	13.51%
Return on average tangible equity - Non-GAAP	11.32%	16.84%	16.09%	15.66%

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Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	Quarter Ended Mar 31, 2023	Dec 31, 2022	FYE Dec 31, 2021	Dec 31, 2020
Calculation of adjusted return on average tangible equity				
Net income available to common shareholders	$12,783	$71,479	$76,648	$69,678
Adjustments:				
Amortization*	167	679	703	722
Adjusted net income available to common shareholders	12,950	72,158	77,351	70,400
Non-recurring expense*	-	-	5,475	1,116
Net income, adjusted	12,979	72,360	82,258	70,380
Total average equity	$460,106	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,445	4,977	5,852	6,755
Total tangible assets at end of period	$391,752	$424,366	$476,432	$445,038
Adjusted return on average tangible equity - Non-GAAP	13.22%	17.00%	16.24%	15.82%

* Tax effected

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Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	Mar 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of core return on average equity						
Net income, as reported	$12,812	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	167	679	703	722	745	773
Non-recurring revenue*	-	-	(790)	(1,287)	(72)	-
Non-recurring expense*			5,475	1,116	42	985
Net income, adjusted	12,979	72,360	82,258	70,380	69,833	70,190
Total average equity	460,106	493,252	546,193	515,702	481,004	421,506
Core return on average equity	11.28%	14.67%	15.06%	13.65%	14.52%	16.65%

$s in thousands, except per share amounts	Mar 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of risk weighted core return on average assets						
Net income, as reported	$12,812	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	167	679	703	722	745	773
Non-recurring revenue*	-	-	(790)	(1,287)	(72)	-
Non-recurring expense*	-	-	5,475	1,116	42	985
Net income, adjusted	12,979	72,360	82,258	70,380	69,833	70,190
Risk weighted assets	5,010,384	4,892,016	4,126,308	3,994,149	3,821,602	3,626,820
Risk weighted core return on average assets	1.05%	1.48%	1.99%	1.76%	1.83%	1.94%

* Tax effected

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