

















Virtual KBW Community Bank Investor Conference

July 28 - 30, 2020

WASHINGTON TRUST BANCORP, INC.

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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, 2019, 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.

Executive Team



Pictured left to right: Mark Gim, Ned Handy, and Ron Ohsberg

Ned Handy
Chairman & Chief Executive Officer

Mark Gim
President and Chief Operating Officer

Ron Ohsberg
Senior EVP, Chief Financial Officer and Treasurer

Investor Information

Elizabeth B. Eckel
Senior Vice President, Chief Marketing & Corporate Communications Officer
401-348-1309, ebeckel@washtrust.com

WHO WE ARE

Corporate Profile

- Oldest community bank in the US
- High-performing regional bank
- Largest state-chartered bank in RI
  - $5.9 B assets
  - $4.3 B loans
  - $4.1 B deposits
- Diversified financial services company
- Premier regional wealth management firm
  - $6.1 B assets under administration
- Market capitalization[(1)]: $578 M

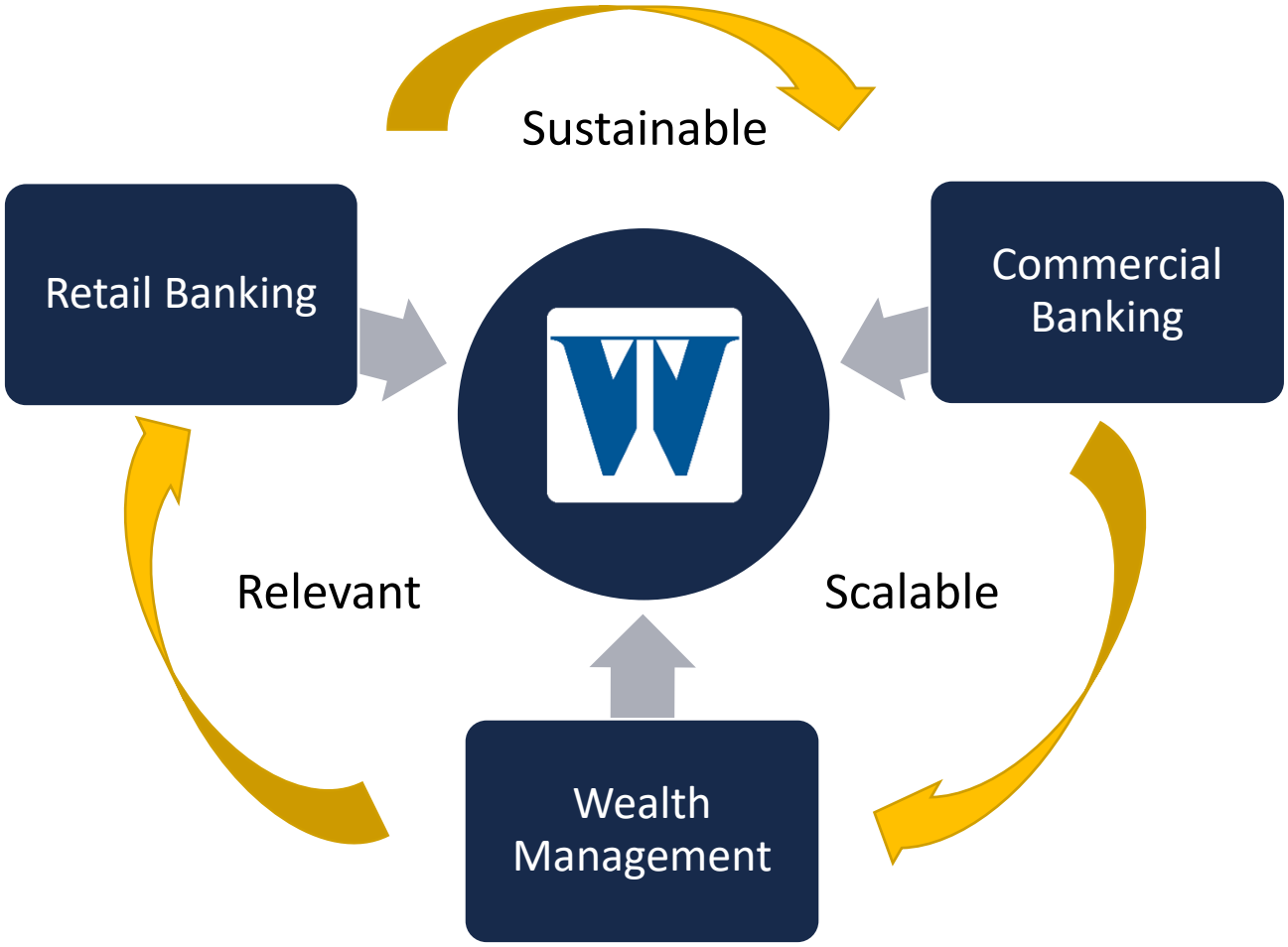


At June 30, 2020
(1) At July 24, 2020

Prestigious Recognition

- American Banker “Best Banks to Work For”
- American Banker “Top-Performing Mid-Tier Bank”
  5th consecutive year
- Bank Director “Bank Performance Score Card”
  6th consecutive year
- Providence Business News “Best Places to Work”
  9th consecutive year
- S&P Global “Best-Performing Community Banks”
- Forbes “Best-In-State Bank”
  2nd consecutive year
- New England Banking Choice Awards
  1st place for “Overall Quality” and “Community Contribution”

Unique Business Model



Proven Growth Model

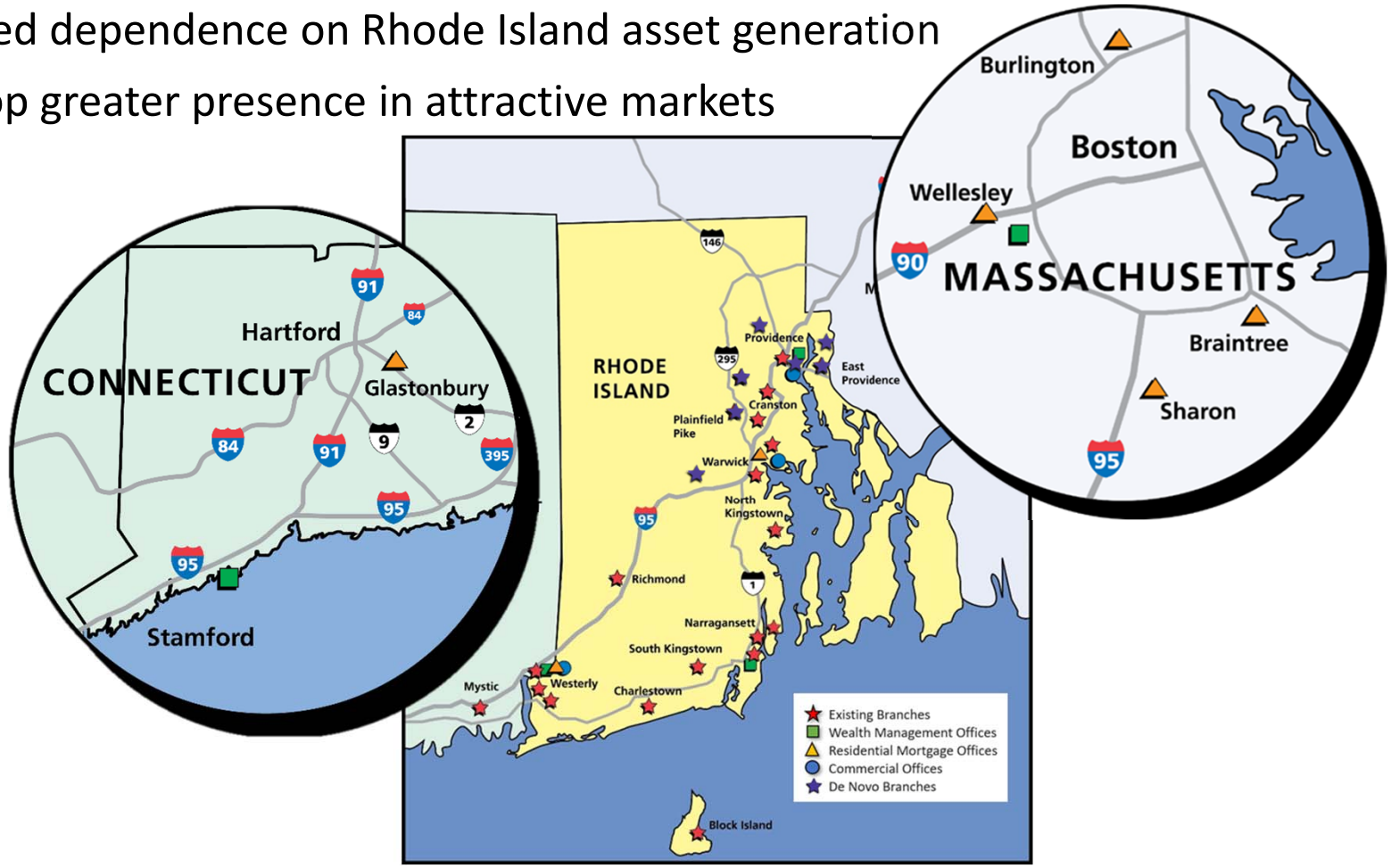


* Moved from 180 Washington Street, Providence

STRATEGIC PRIORITIES

Seize Opportunities in Growth Markets

- Enhanced lending activity into adjacent New England states
- Reduced dependence on Rhode Island asset generation
- Develop greater presence in attractive markets



Exploit Opportunities in Core Market

- Expand into markets dominated by key competitors
- Continue organic and contiguous growth
- Leverage key deposit, wealth and mortgage relationships
- Capitalize on brand strength and service quality reputation

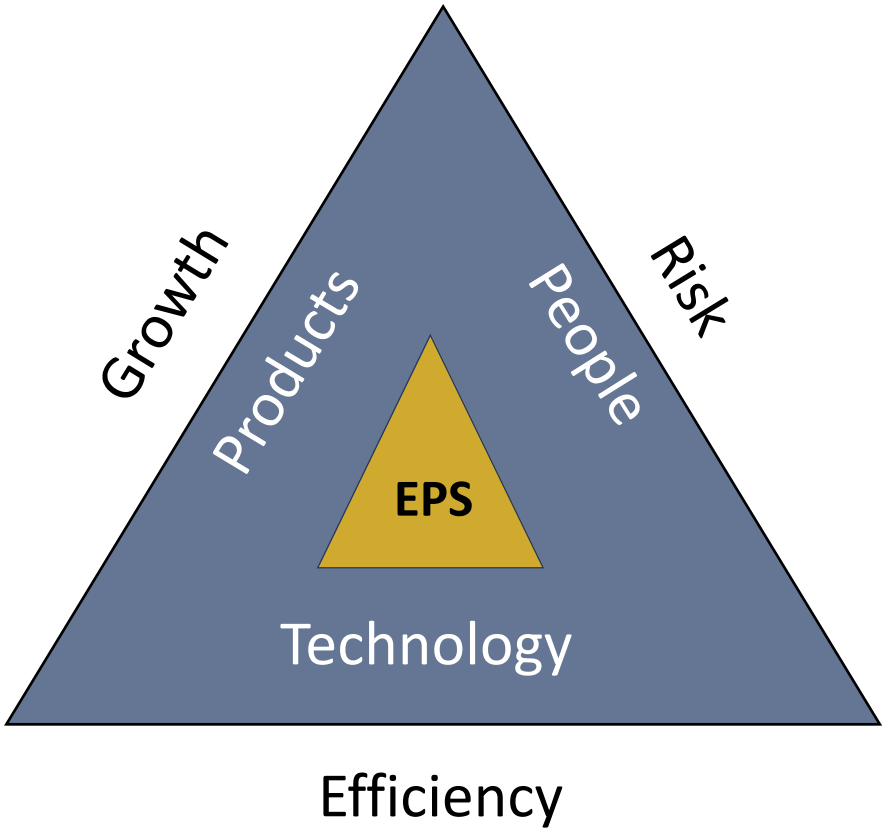


Enhance Client Experience

- Blend high service solutions with clients' technology needs
- Create seamless client experiences across all channels
- Deepen client relationships
- Optimize branch delivery
- Invest in key technology

Achieve Shareholder Value

- Top-quartile performance
- Pristine asset quality
- Consistent profitability
- Managed risk



COVID-19 UPDATE

Our COVID-19 Strategy

"We implemented our business continuity and pandemic plans and were as prepared as we could be for COVID-19 and economic disruption that followed.

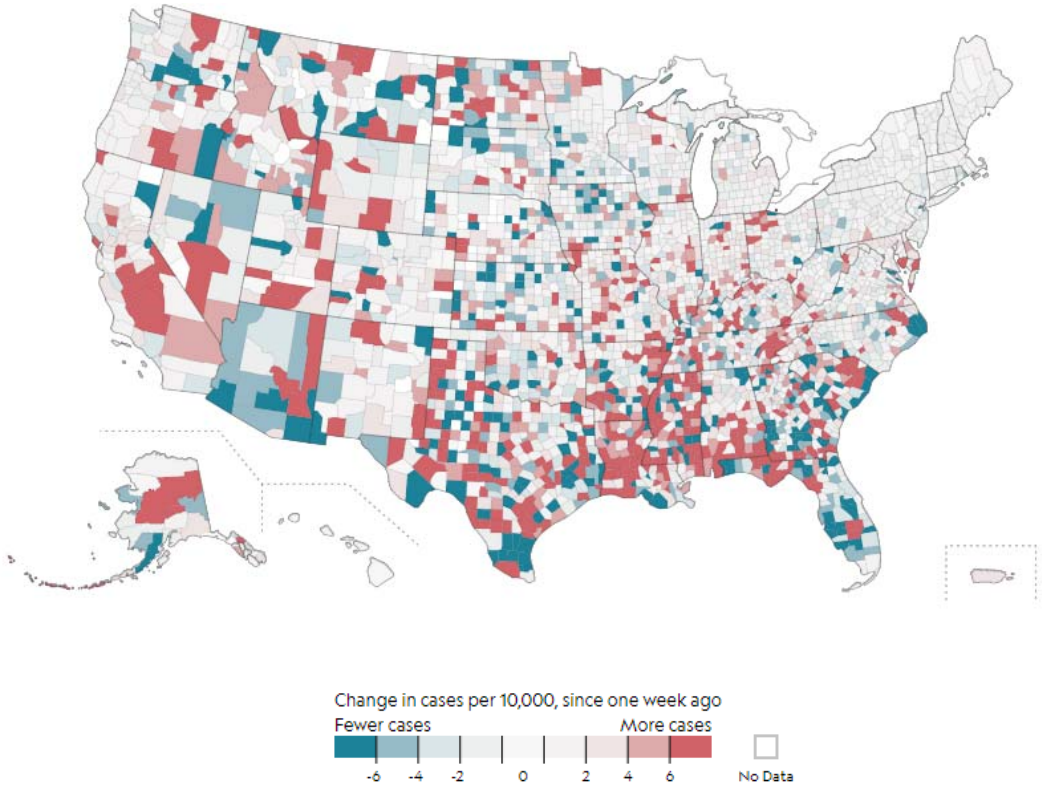
Our second quarter performance was a testament to our people and our unwavering care for our customers. It also once again demonstrated how our diversified business model enables us to generate earnings in a challenging environment.

While we are cautiously optimistic about what lies ahead, we believe Washington Trust is well positioned—with a strong capital position and ample sources of liquidity."

- Edward O. Handy,
Chairman & Chief Executive Officer

COVID-19 Reported Cases

- Reopening status:
  - Rhode Island and MA are both in Phase 3
  - CT is in Phase 2, poised to move to Phase 3
- THE COVID-19 pandemic response in Rhode Island, Massachusetts and Connecticut rank among the best in the US
- Rhode Island officials have received praise for quick and decisive action to rein in infections and subsequent deaths
- Gov. Gina M. Raimondo has attributed this success in managing the pandemic to the general public's conscientious following of the rules



Data as of July 24, 2020
Source: The New York Times, U.S. Census Bureau. Counts for Alameda County include cases and deaths from Berkeley and the Grand Princess cruise ship and counts for Douglas County include cases brought to the state from the Diamond Princess cruise ship. NGM Staff, Paul Buffa.

Business Continuity Plan Phases

Phase 1 (March 21 – July 5)

- Implemented health and safety protocols across the company
  - Limited employees working onsite; encouraged noncustomer-facing employees to work remotely
  - Prohibited in-person meetings and business travel
  - Closed branch lobbies to foot traffic; offered in-branch appointments for special services
  - Encouraged customer use of drive-through, digital and telephone banking services
  - Increased use of web and video conferencing for employee and client meetings
- Provided special compensation to branch staff and onsite employees
- Redeployed employees to assist with PPP lending

Phase 2 (July 6 – tbd)

- Reopened branches lobbies to foot traffic with new safety measures in place
- Began gradual transition of employees working remotely to onsite work
- Permitted in-person interactions allowed with restrictions
- Prohibited non-essential business travel outside RI, MA, and CT

Phase 3 (tbd)

- Lift restrictions for employee customer interactions

Our COVID-19 Assistance

Paycheck Protection Program (PPP)

- One of the top PPP lenders in Rhode Island
- 1,748 loans registered with the SBA totaling $221 million
- 21 loans pending for $1.5 million
- Working with eligible borrowers on PPP forgiveness

Loan Modifications

- Modified 234 commercial accounts and 361 consumer accounts
- $674 million total balance modified which represents 16% of total loan portfolio

Ongoing Customer Relief

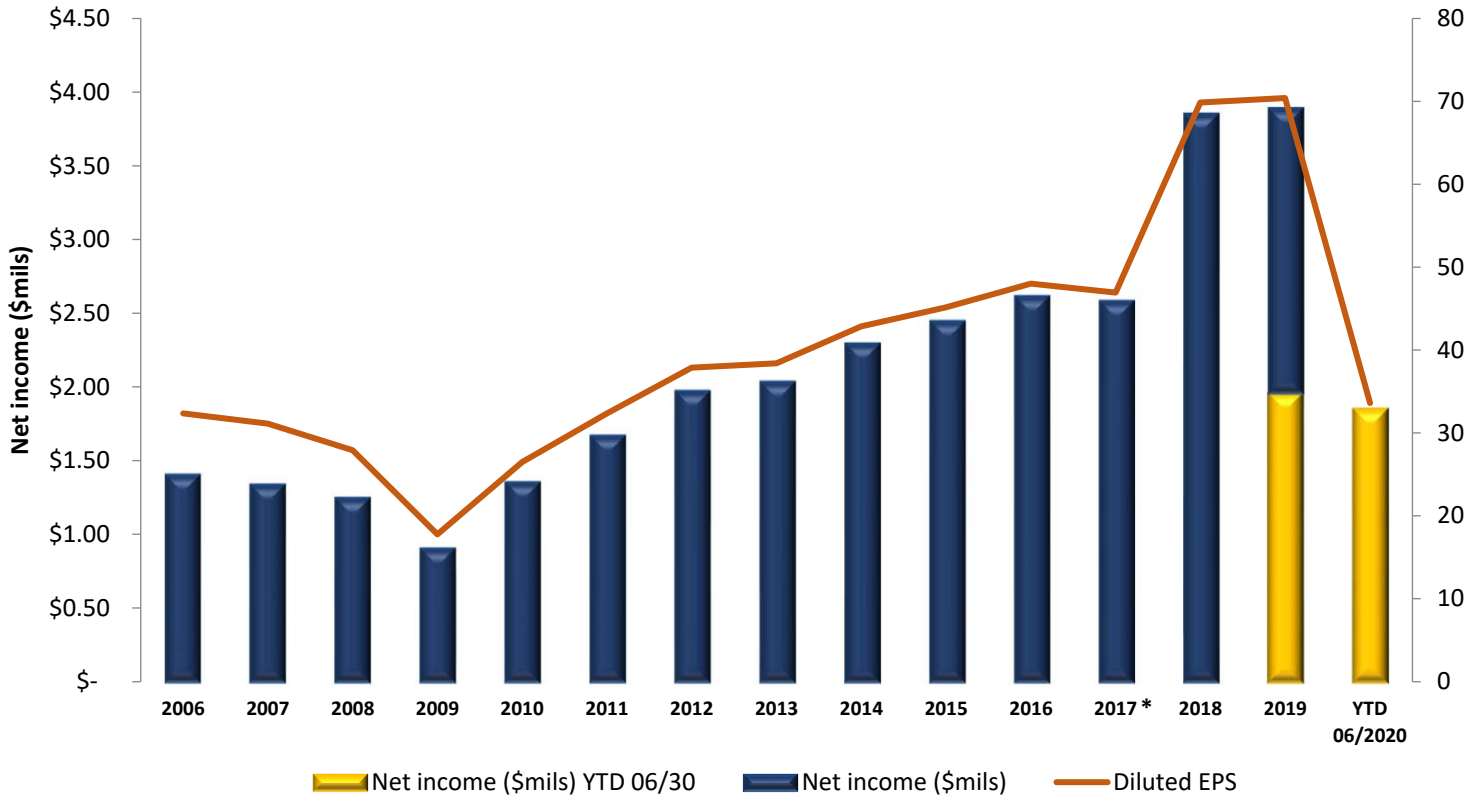
- Continue to work one-on-one with customers to:
  - Grant loan deferrals, modifications and extensions
  - Offer short-term, interest-only loan payments on temporary basis
  - Suspend late charges
  - Waive fees for early CD & IRA withdrawals and other deposit service charges

As of July 17, 2020

EARNINGS CAPACITY

Profitability Trend

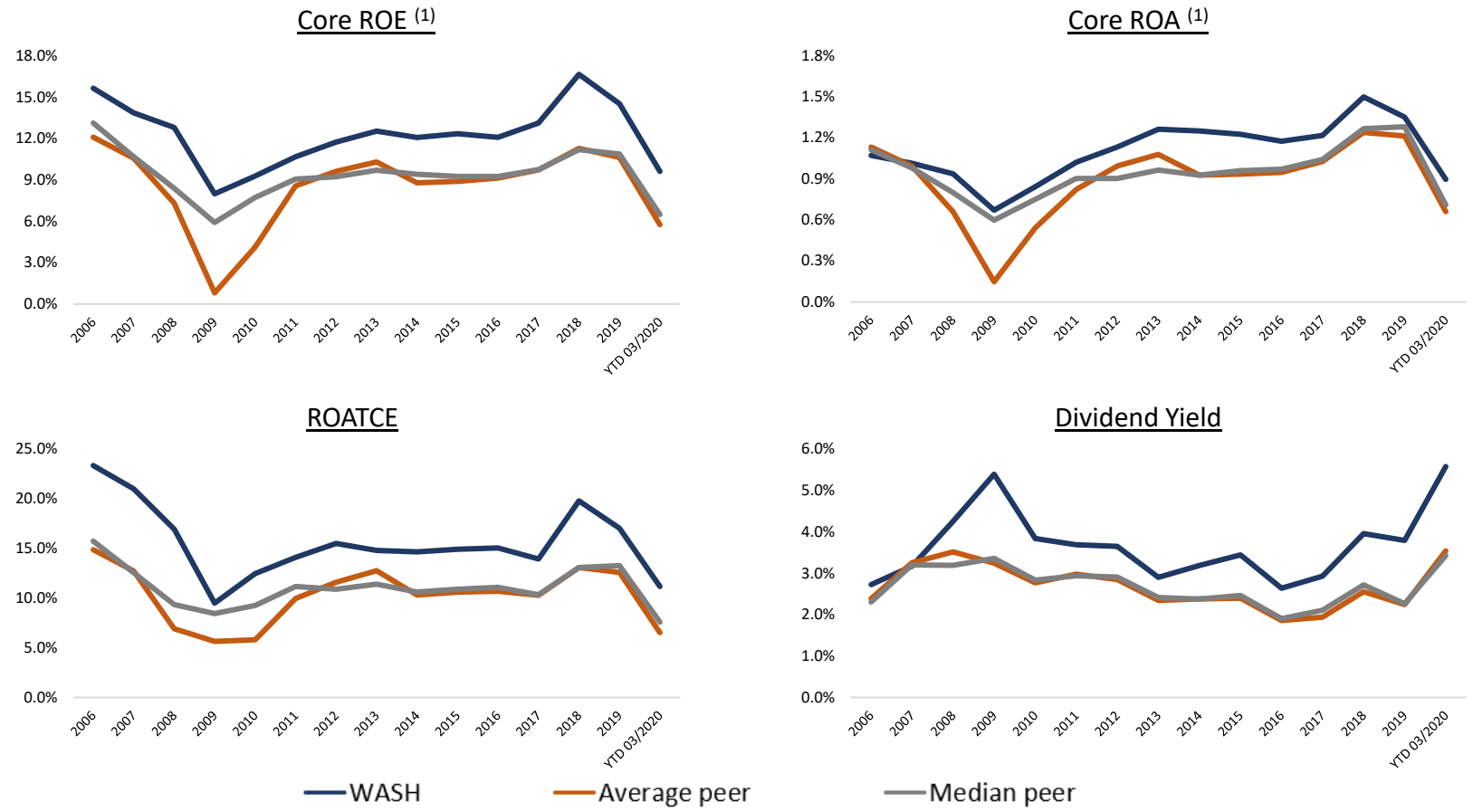
Proven track record of earnings growth



At December 31st unless otherwise noted

* Includes $6.2 million deferred tax asset write-down resulting from Tax Reform Act

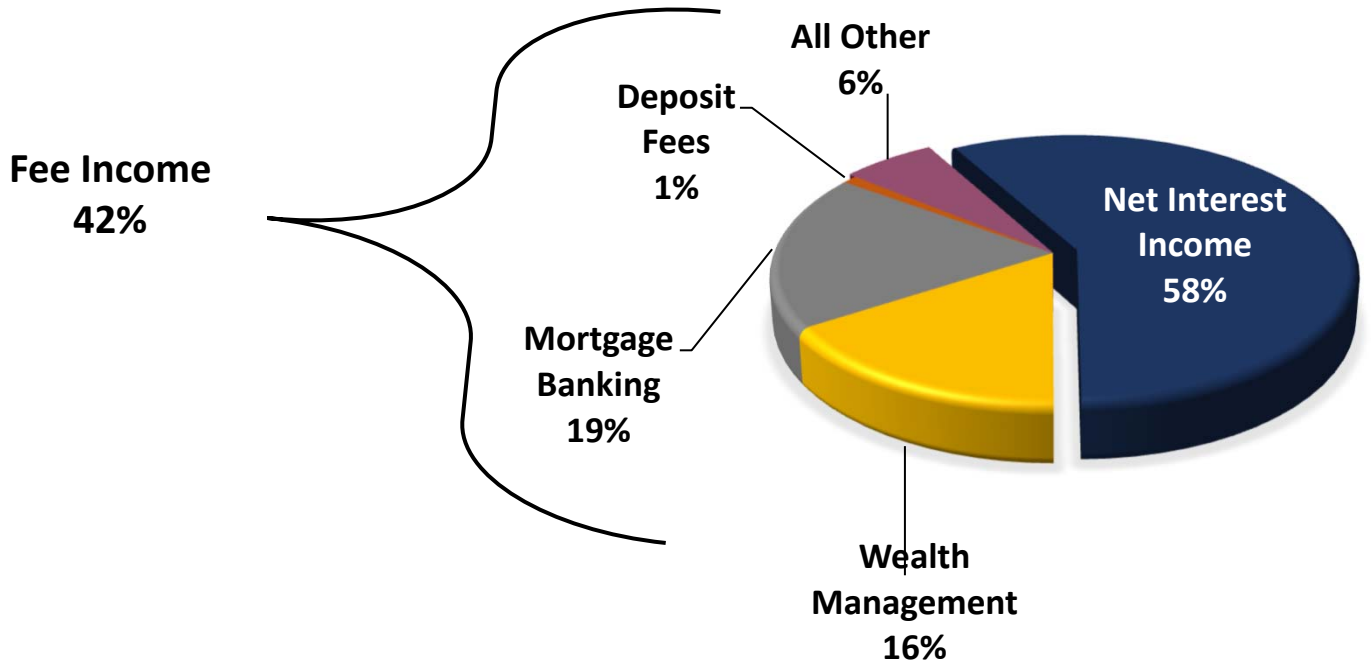
Profitability Metrics



For the three months ended 3/31/2020;
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; 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." Source: S&P Global Market Intelligence

Fee Income Mix

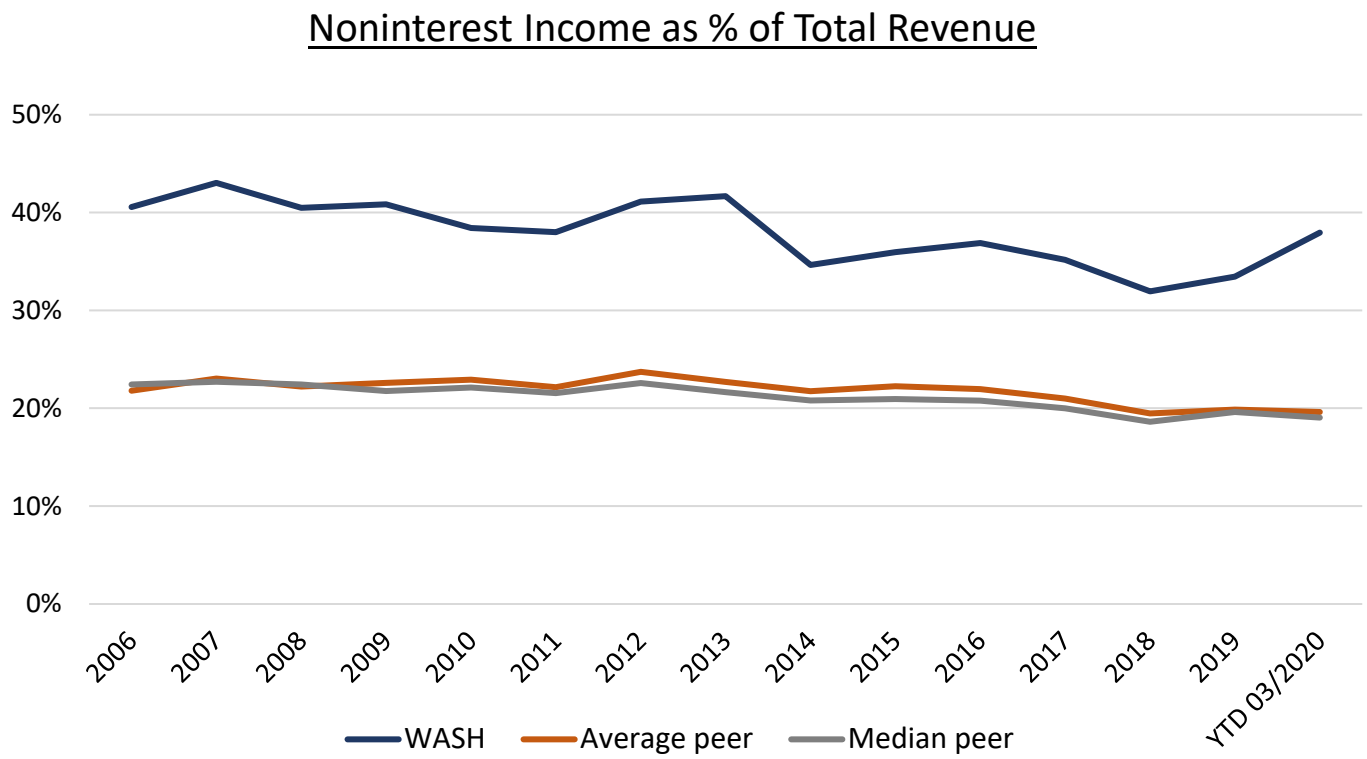
Diversified revenue stream



For the six months ended June 30, 2020

Noninterest Income Trend

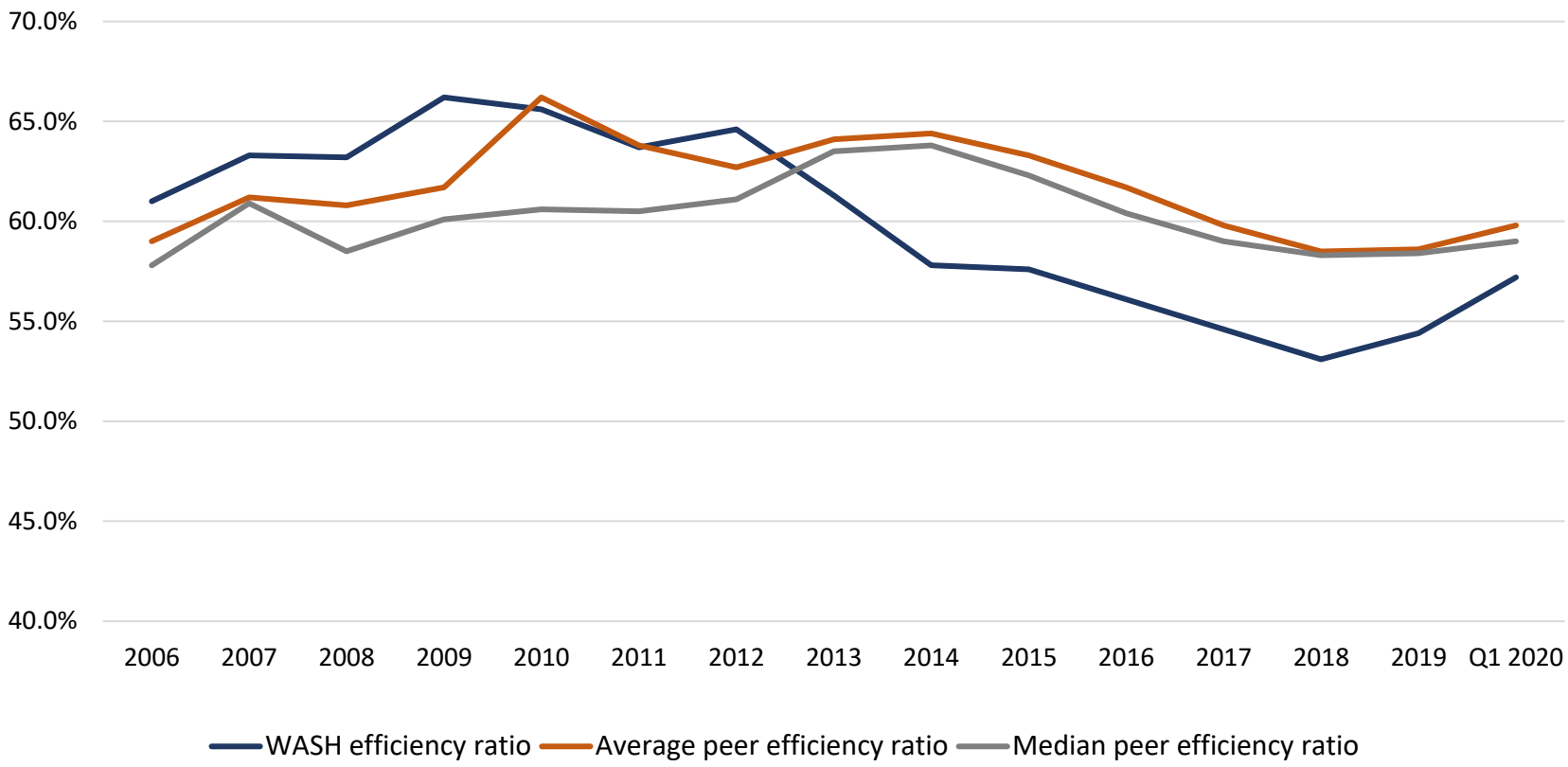
Better than 96% of peer group [1]



(1) Percentile ranking for the three months ended March 31, 2020 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

Efficiency Ratio

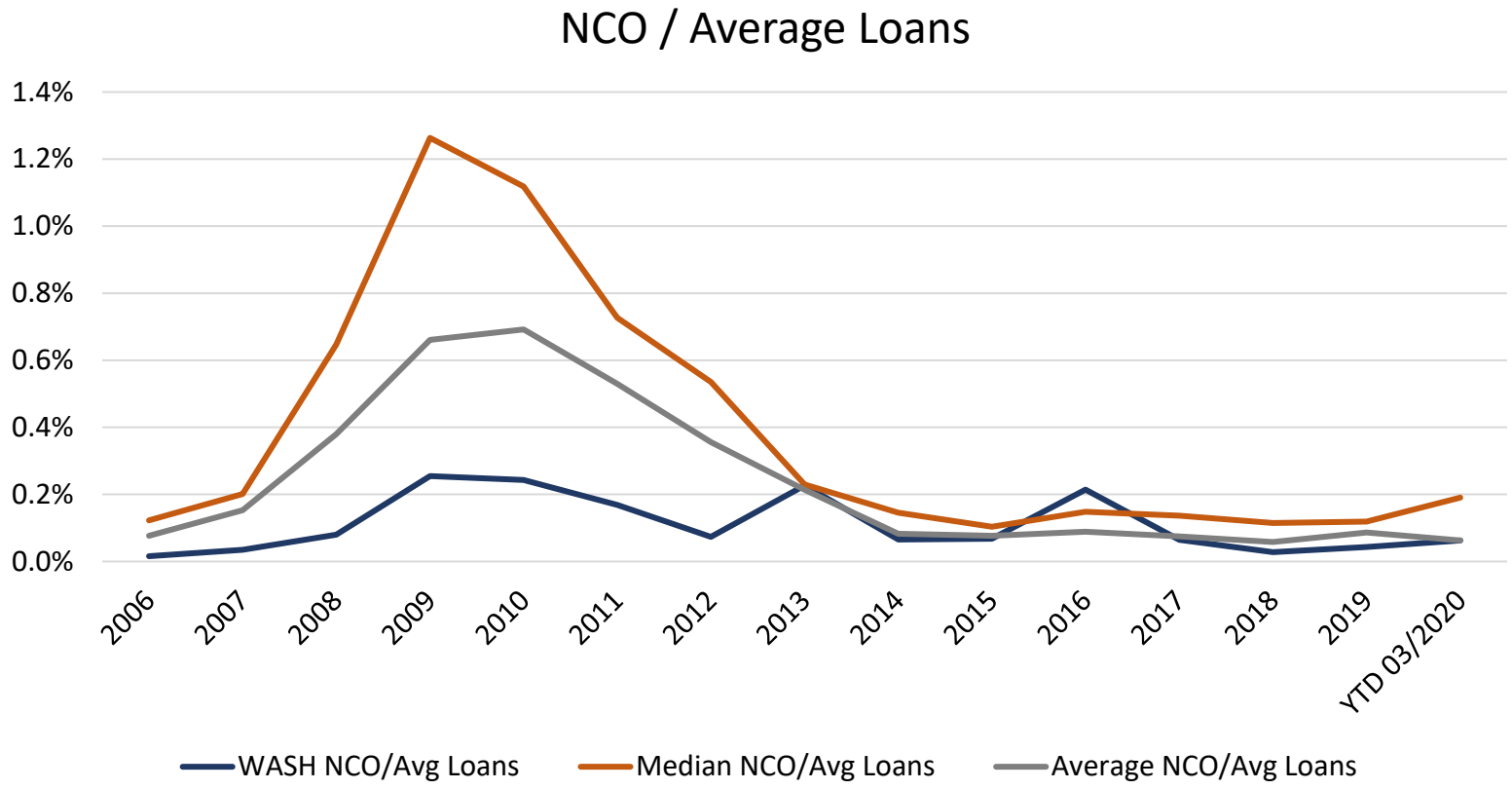
Better than 62% of peer group [1]



(1) Percentile ranking for the three months ended March 31, 2020 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

CREDIT QUALITY

Asset Quality as Historical Differentiator

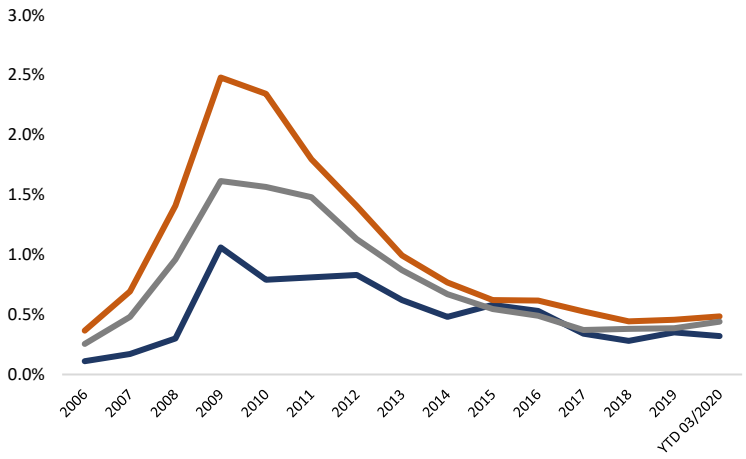


Percentile ranking for the year ended December 31st unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

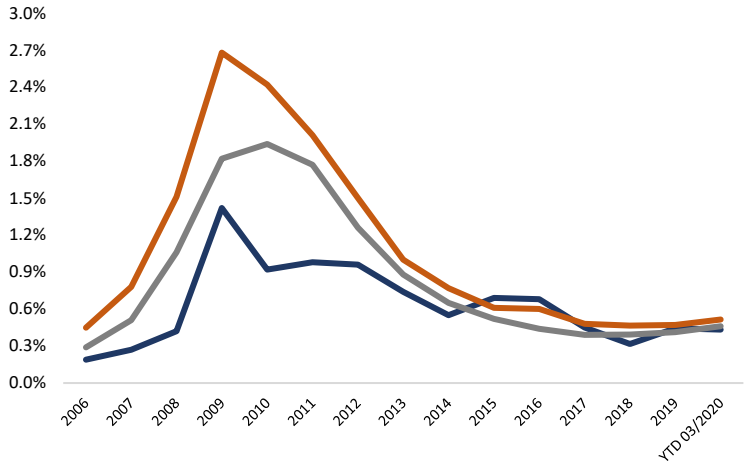
Credit Quality

- Consistently low loss experience
- Strong credit quality metrics
- Prudent risk profile

Nonperforming Assets / Total Assets



Non-accrual Loans / Total Loans

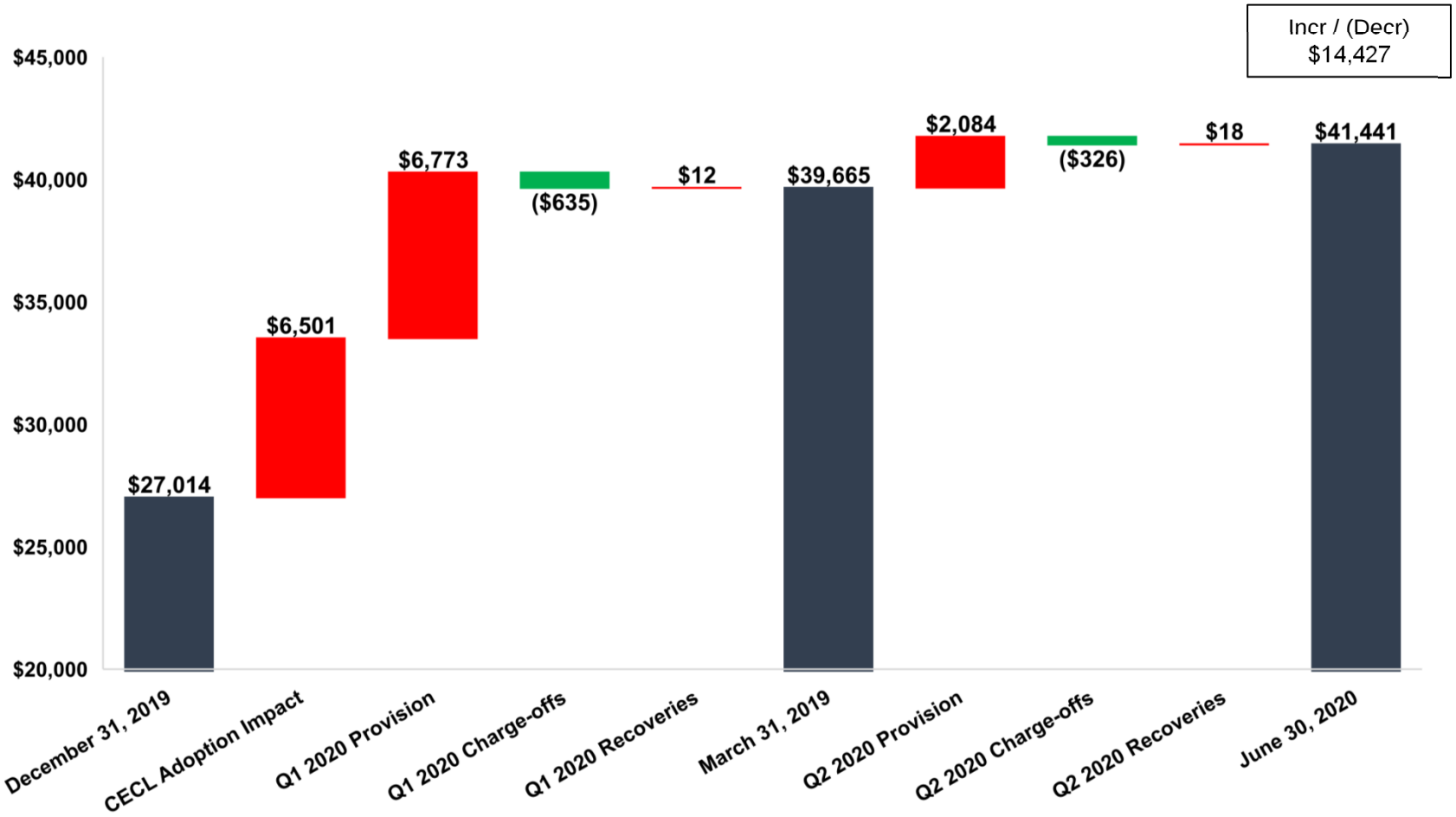


WASH Average peer Median peer

At December 31st, unless otherwise noted
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

ACL on Loans Rollforward

Approximately $6 million of Q1 2020 provision related to COVID-19



$ thousands

Allowance for Credit Loss (ACL) Assumptions

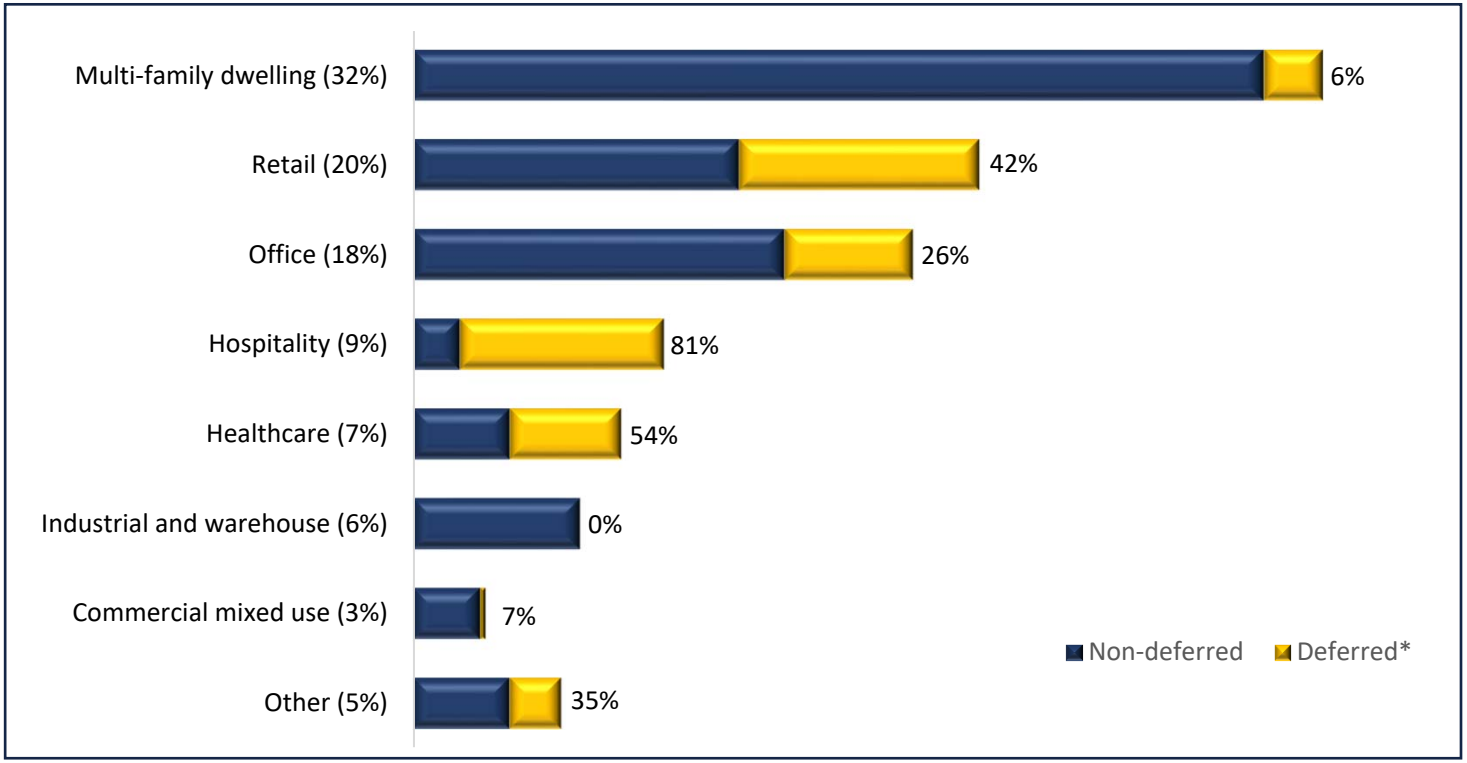
- Used the Current Expected Credit Loss (CECL) methodology.
- Relied on FactSet's 6/29 baseline forecast, which is roughly comparable to Moody's baseline forecast. This showed unemployment peaking in Q2-20 at 13.4%, dropping in Q3-20 to 10.7%; in Q4-20 to 9.4%; and remaining at 7.4% through 2021.
- Qualitative factors were adjusted to address the unprecedented nature of this economic change and the uncertainty regarding its resolution. Especially in such circumstances, reliance on quantitative modeling has to be tempered with management judgment.
- Provision forecasting was based on a scenario of losses peaking later in 2020 and into the first half of 2021.

Commercial Real Estate Lending

Portfolio Overview as of June 30, 2020 (outstandings) and July 17, 2020 (deferments)

- Total portfolio: $1.6 billion; $462.2 million (28%) deferred

% of CRE Portfolio by Segment as of 6/30



* Executed deferments as of 7/17/20 as a percentage of 6/30/20 outstanding balances.

Commercial & Industrial (C&I)

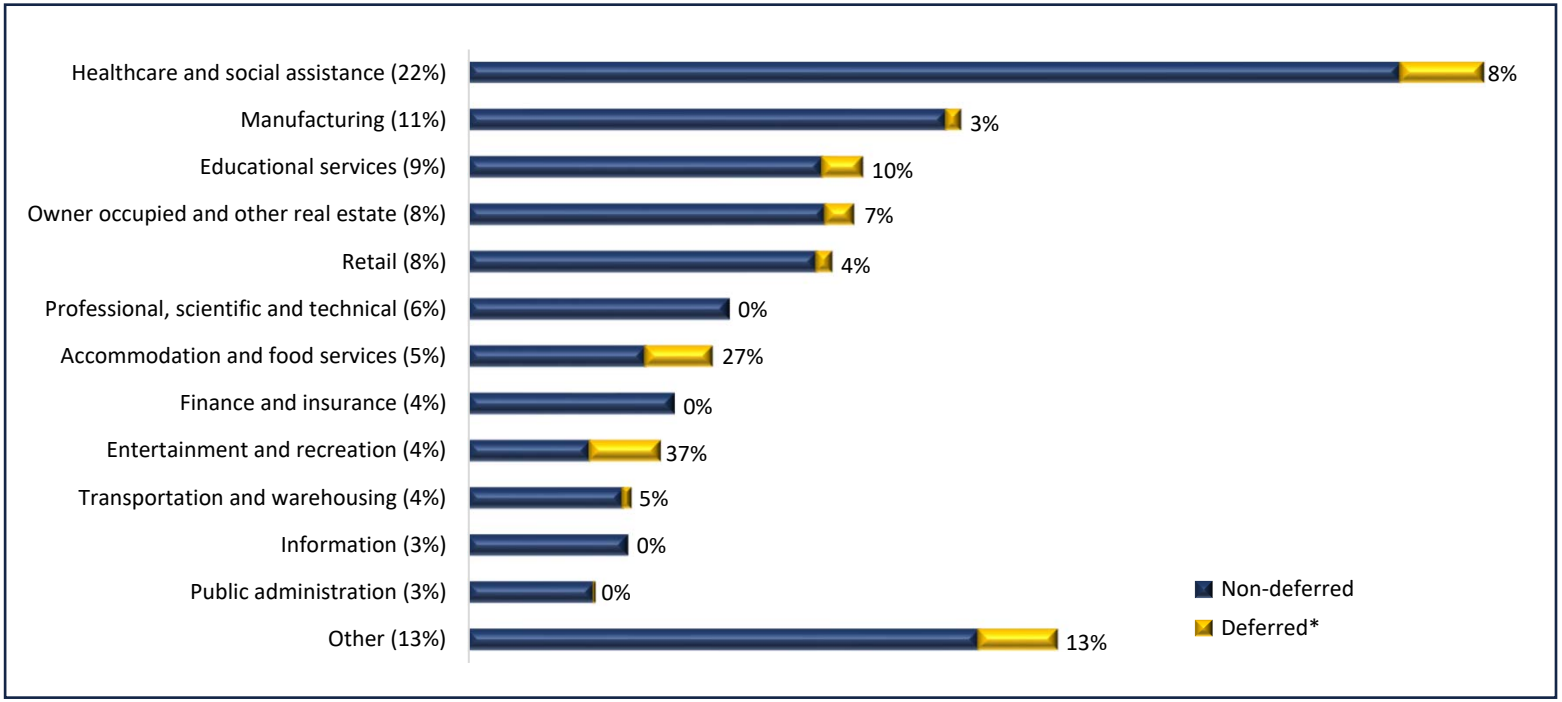
Portfolio Overview as of June 30, 2020 (outstandings) and July 17, 2020 (deferments)

- Total portfolio: $852 million; $74.4 million (9%) deferred

Paycheck Protect Program (PPP)

- 1,748 SBA approved loans totaling $221 million
- 21 pending loans totaling $1.48 million

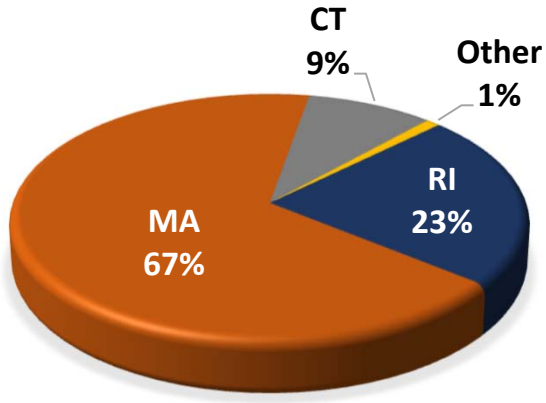
% of C&I Portfolio by Segment as of 6/30



* Executed deferments as of 7/17/20 as a percentage of 6/30/20 outstanding balances.

Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$1,508.2	$277.6
FICO score*	749	757
Total delinquencies	0.8%	0.6%
Nonperforming	0.9%	0.6%
Net charge-offs to average loans	0.00%	0.12%
LTV(1)	57.4%	62.9%



- Home Equity deferments: 87 loans for $8.6 million
- Residential deferments(2): 8.6% of portfolio

Residential deferments(1) by FICO		
FICO Bands	**#**	**$ millions**
>750	99	42.3
>660 - <750	124	60.6
<660	47	23.5
No FICO score	4	2.4
Total w/ FICO	274	128.9

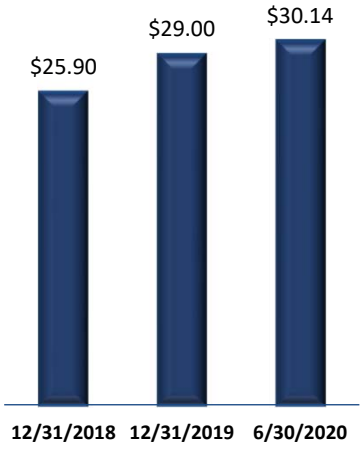
At or for the six months ended June 30, 2020
* Weighted average; refreshed May 31, 2020
(1) LTV for residential loans is based on current weighted average loan balances. LTV for home equity is based on original weighted average loan balances.
(2) Executed deferments as of 7/17/20 as a percentage of 6/30/20 outstanding balances.

CAPITAL MANAGEMENT

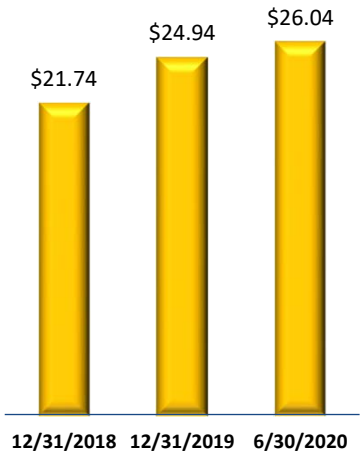
Capital Position

- Suits solid balance sheet, fee-intensive business model
- Supports dividend & future growth

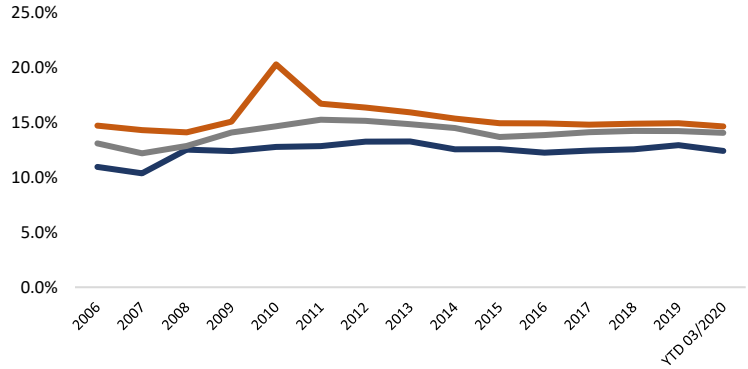
Book Value per Share



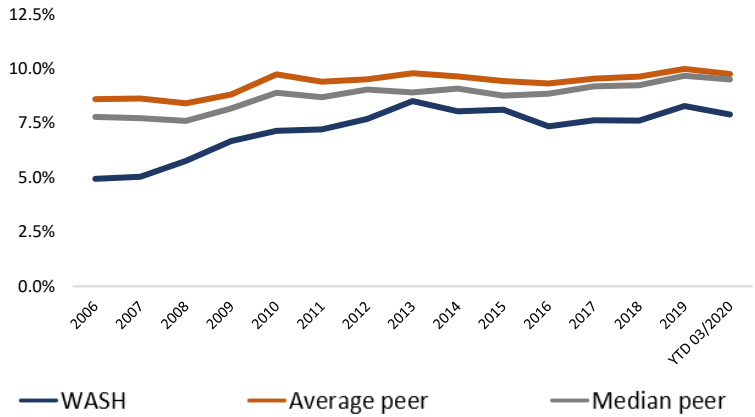
Tangible Book Value per Share (1)



Total Risk-based Capital



Tangible Equity / Tangible Assets



(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

Capital Stress Test Results

Stress testing analysis performed using 3rd party Trepp model against our call report data, modeled on regulator DFAST* scenarios

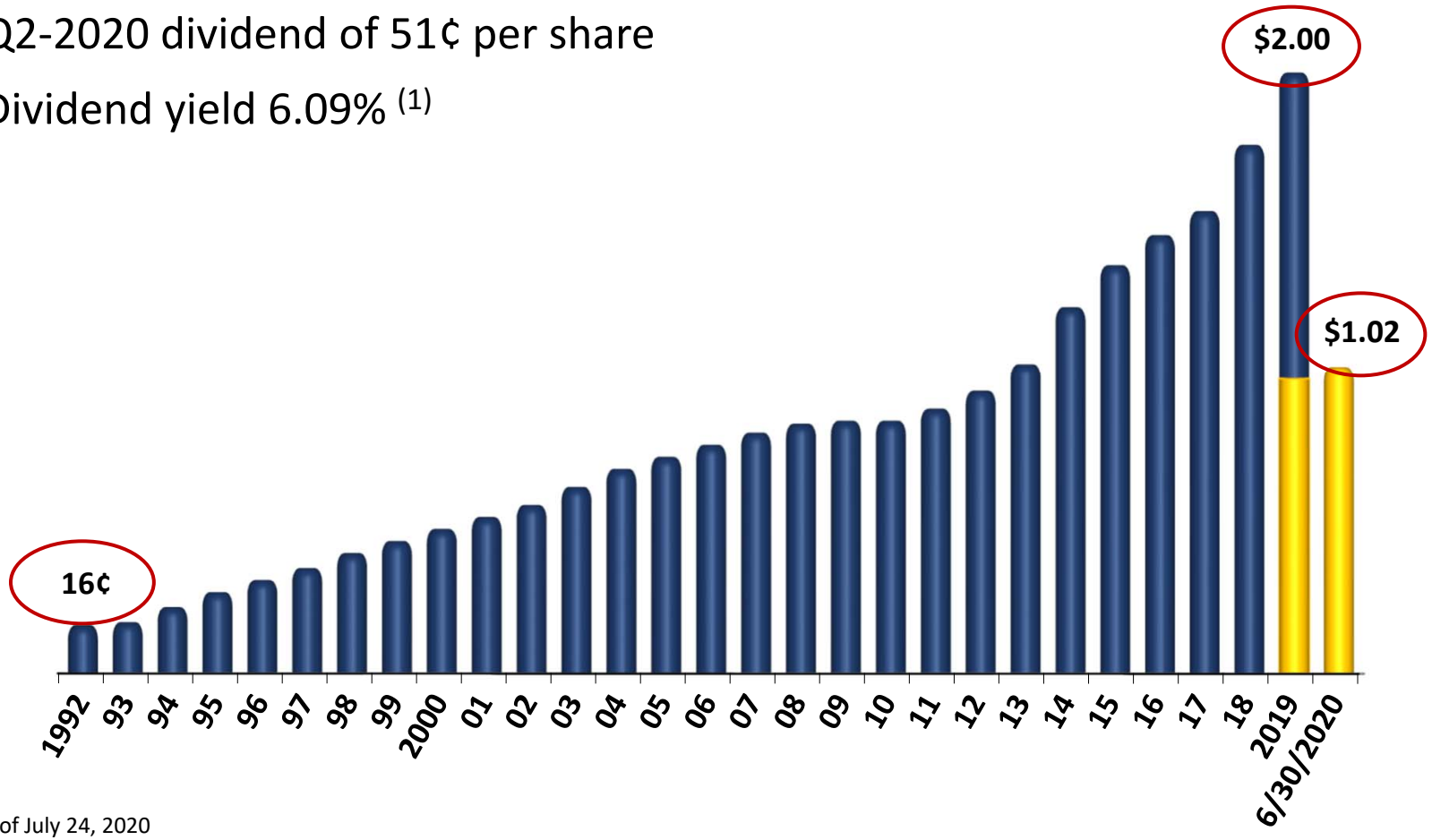
Capital Ratio	Standards for "well-capitalized"	Internal thresholds	Actual Q1/20	Scenario Minimums	
				Baseline	Sev Adv
Common equity tier 1	**6.50%**	**7.00%**	**11.08%**	**10.16%**	**8.35%**
Tier 1 risk-based capital	**8.00%**	**8.50%**	**11.62%**	**10.60%**	**8.91%**
Total risk-based capital	**10.00%**	**10.50%**	**12.42%**	**11.85%**	**10.16%**
Excess capital - Total cap				**$ 90,988**	**$ 6,343**

* Dodd Frank Act Stress Test (DFAST) is a regulatory framework introduced to enhance the resilience of banks and financial institutions to economic shocks.

Baseline: a moderate economic expansion through the 9 quarter projection period.
Adverse: weakening economic activity accompanied by rapid declines in long-term rates and flattening yield curves.
Severely adverse: severe global recession that is accompanied by a global aversion to long-term fixed-income assets. As a result, long-term rates do not fall and yield curves steepen. In turn, these developments lead to a broad-based and deep correction in asset prices—including in the corporate bond and real estate markets.

Cash Dividend Declared

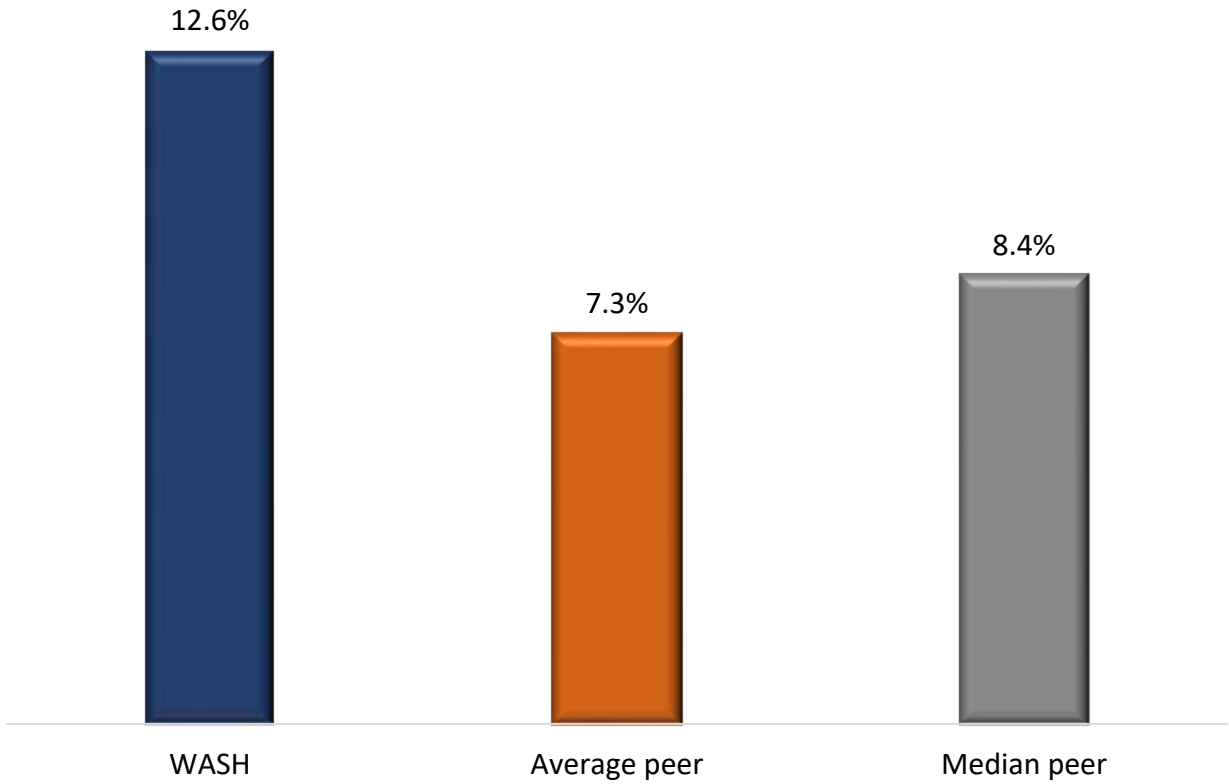
- Important contributor to shareholder value
- Q2-2020 dividend of 51¢ per share
- Dividend yield 6.09% (1)



(1) As of July 24, 2020

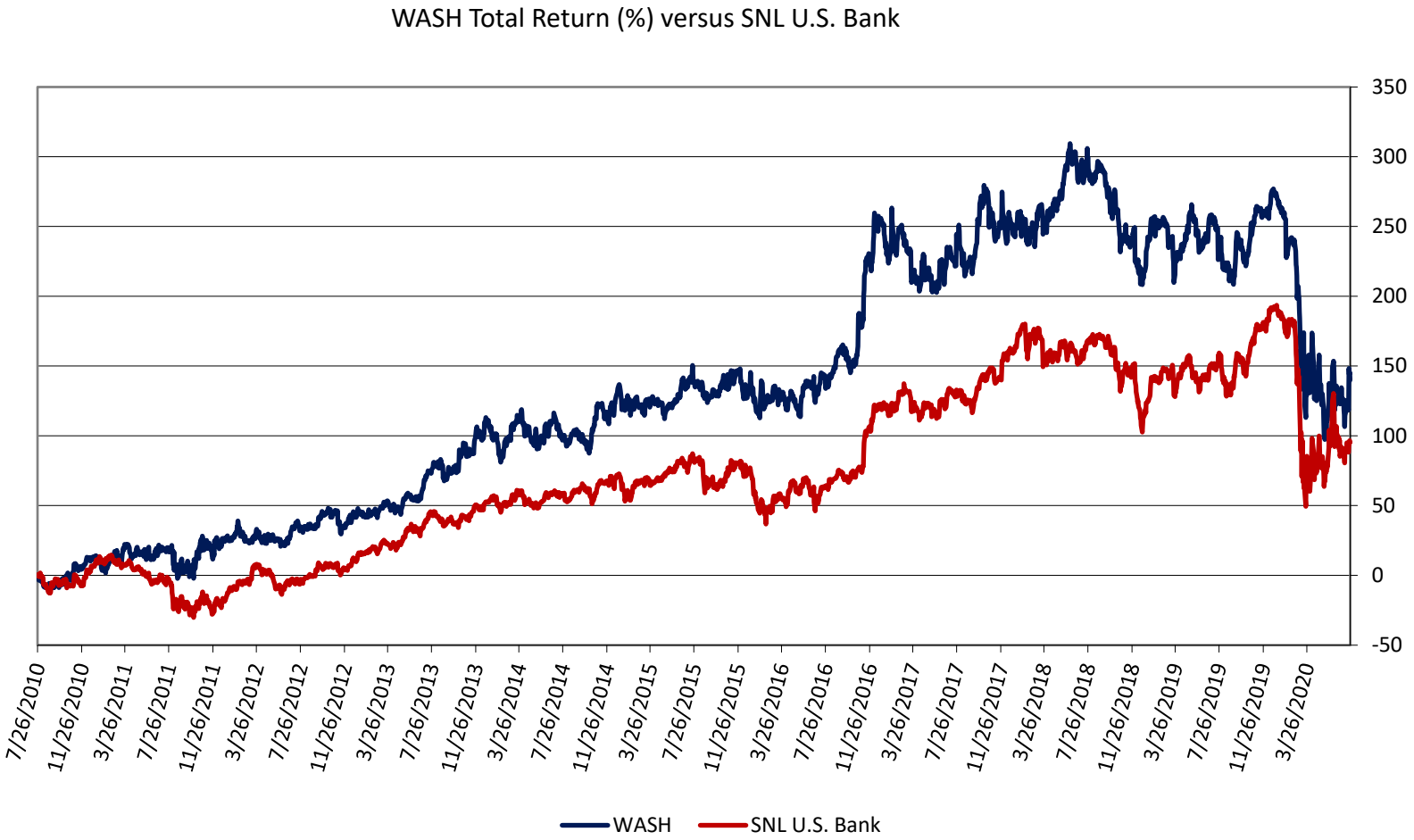
Capital Deployment

Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR
12/31/2006 to 3/31/2020



As of March 31, 2020
Public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

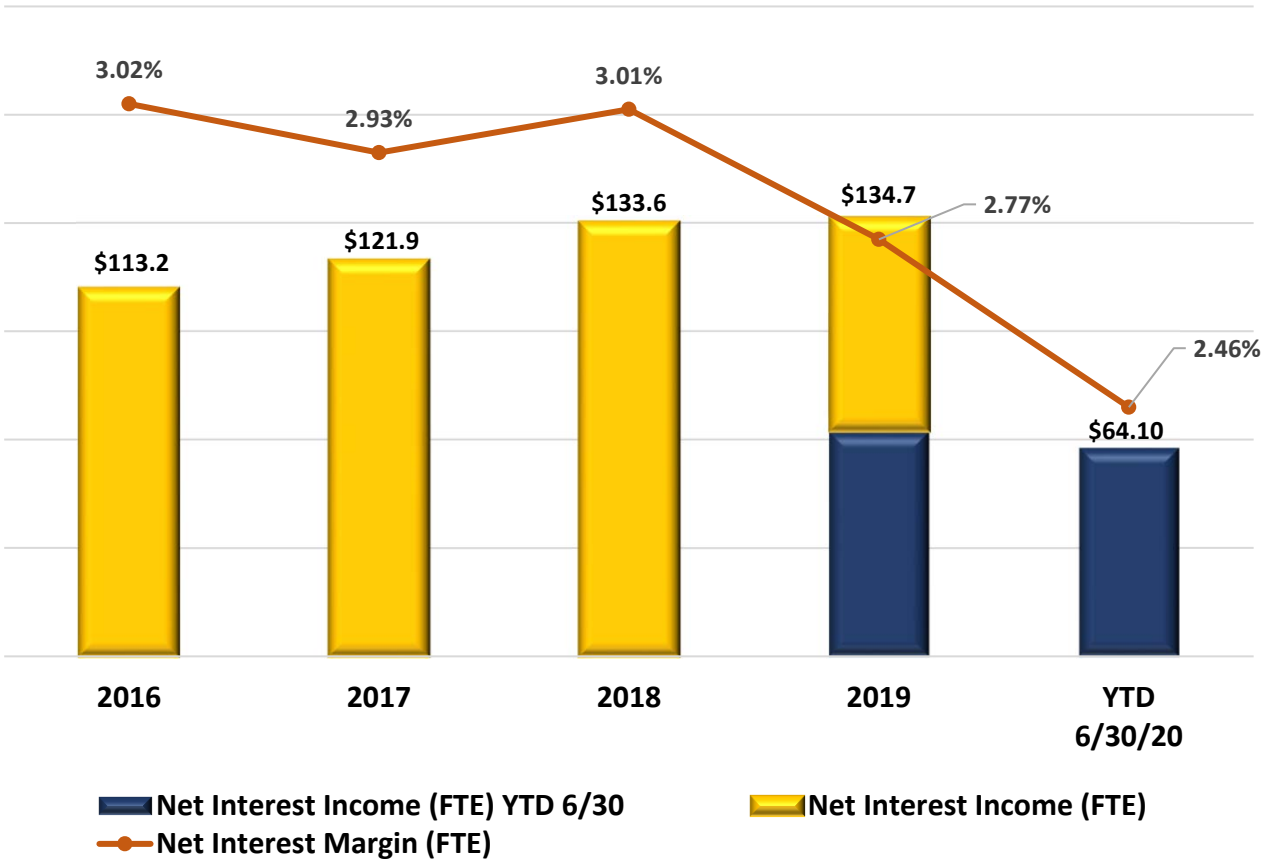
10 Year Total Stock Returns



Source: S&P Global Market Intelligence as of July 24, 2020

FINANCIAL HIGHLIGHTS

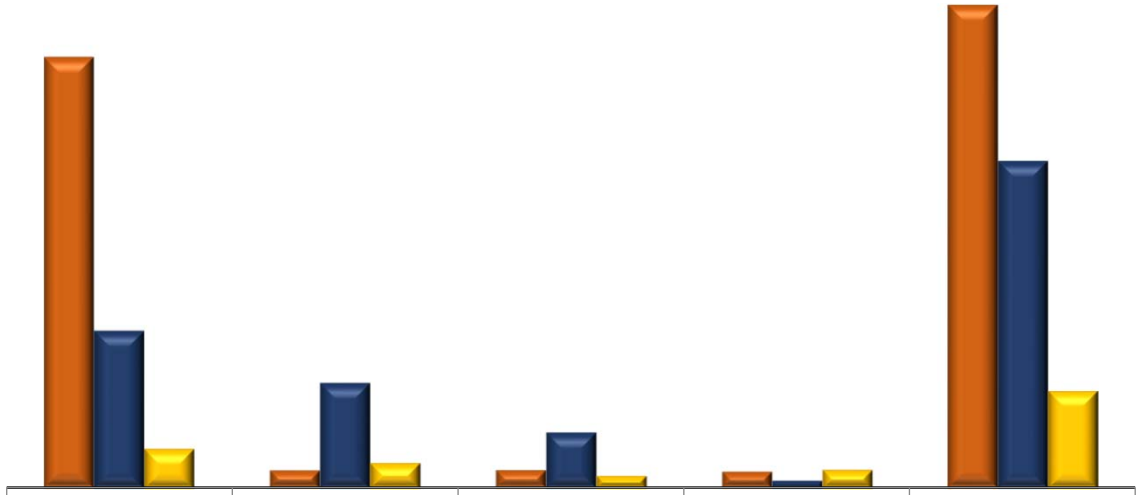
Net Interest Margin



$ millions; as of and for the years ended December 31st unless otherwise noted
(1) Securities, short-term investments and Federal Home Loan Bank stock

Repricing Analysis

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



	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Total
Adjustable rate loans	$1,967	81	83	75	2,207
Wholesale funding	719	482	256	36	1,494
Retail CDs	182	118	59	86	445

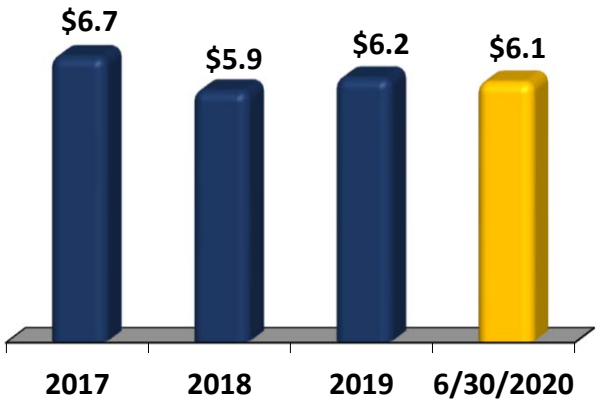
$ millions

Wealth Management

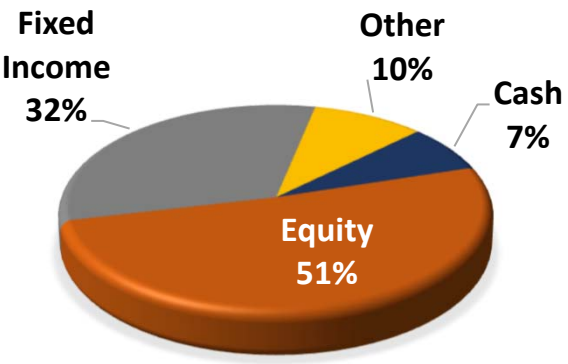
- Key contributor to pre-tax income
- Average client size: $2.3 million
- 79% high net worth individuals
- Average fee: 56 basis points

Assets Under Administration (AUA)

($ billions)

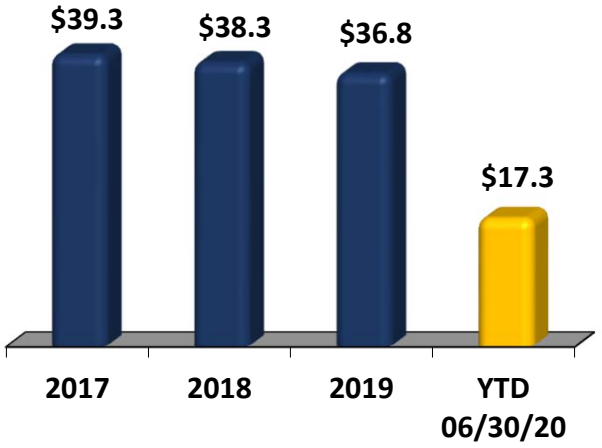


Asset Mix



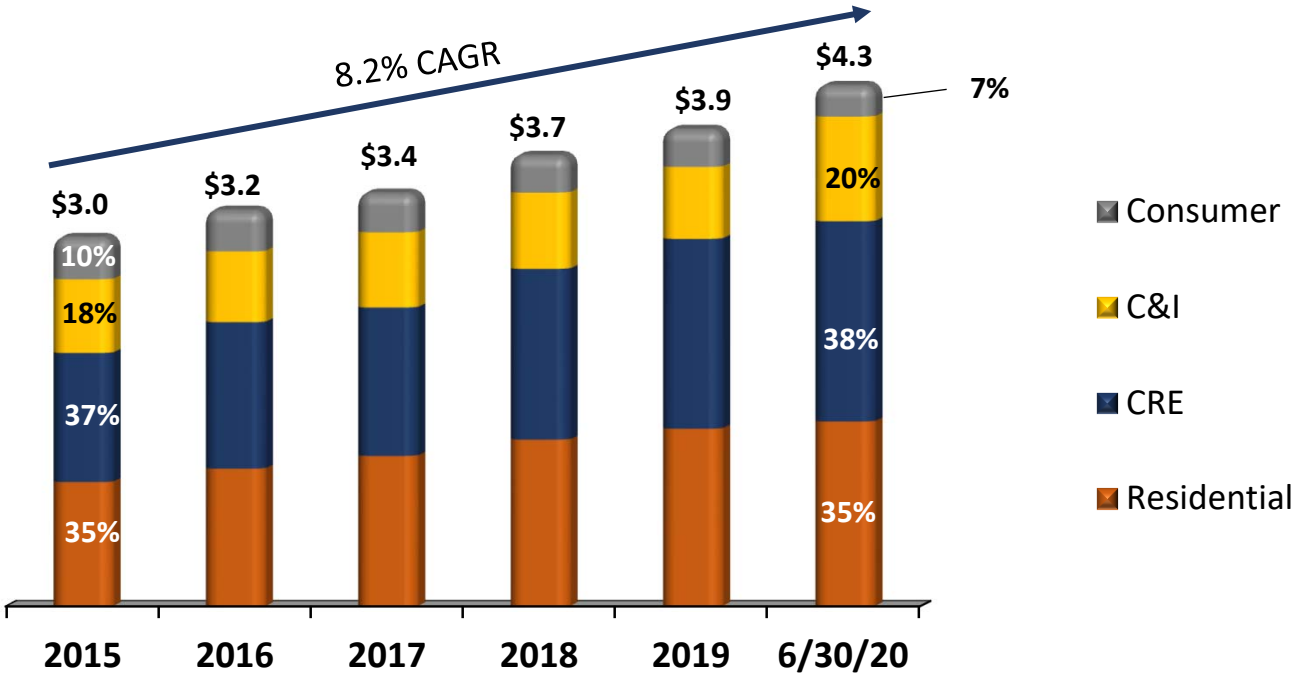
Revenues

($ millions)



At June 30, 2020

Loan Portfolio

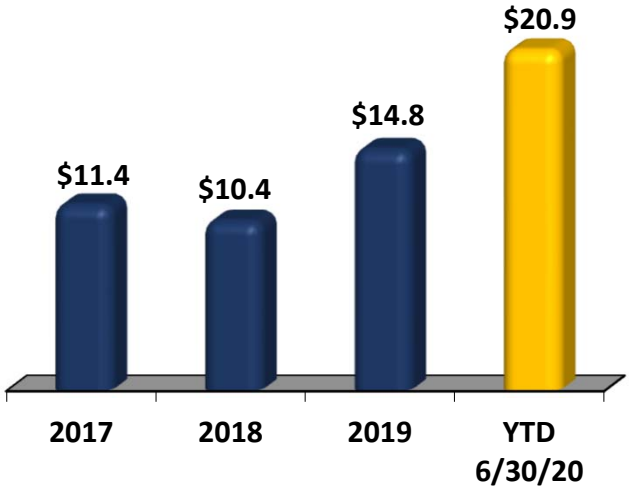


- Well-diversified portfolio
- 71% variable loans

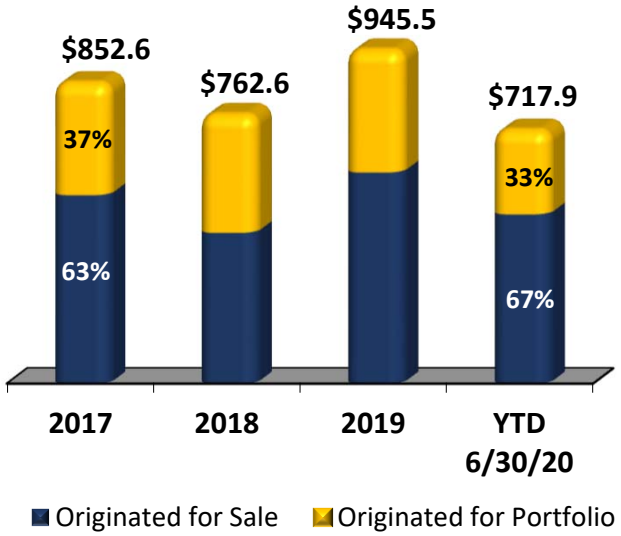
$ billions; at December 31st unless otherwise noted

Mortgage Banking

Mortgage Banking Revenues (1)



Mortgage Originations (2)



- Expense base is largely variable with volumes
- Current pipeline is healthy

$ millions; at December 31st unless otherwise noted
(1) Net gains on loan sales and commissions on loans originated for others
(2) Includes loans originated for portfolio or sale and as broker for other parties

Mortgage Distribution

As % of Total

Loan Amount Range	CT	MA	RI	NH	Other	Total
< $250,000	2%	7%	6%	0%	0%	15%
> $250,000 up to $484,350	2%	17%	6%	0%	0%	25%
> $484,350 (Jumbo) up to 1M	2%	29%	8%	1%	0%	40%
> 1 Million	2%	15%	3%	0%	0%	20%
Grand Total	9%	67%	23%	1%	0%	100%

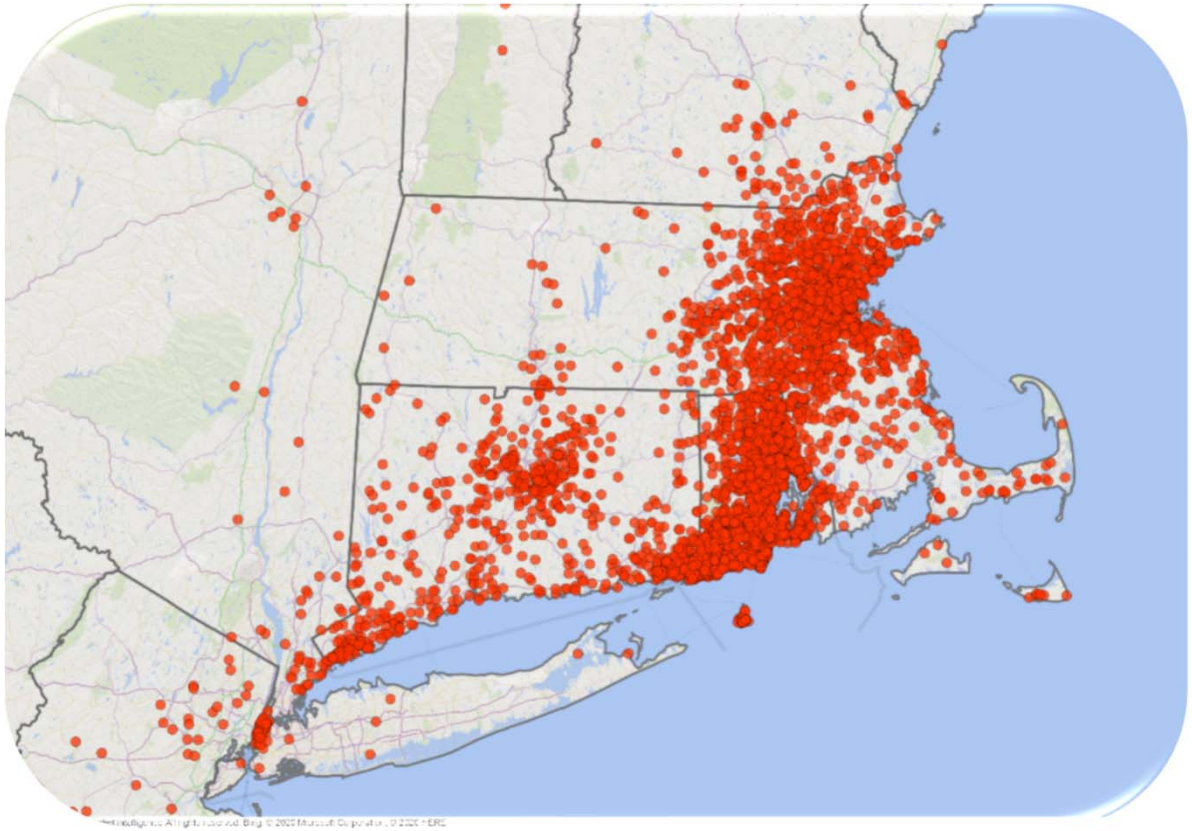
By State

Loan Amount Range	CT	MA	RI	NH	Other
< $250,000	23%	10%	27%	24%	23%
> $250,000 up to $484,350	25%	25%	26%	27%	77%
> $484,350 (Jumbo) up to 1M	28%	43%	33%	49%	0%
> 1 Million	24%	22%	13%	0%	0%
Grand Total	100%	100%	100%	100%	100%

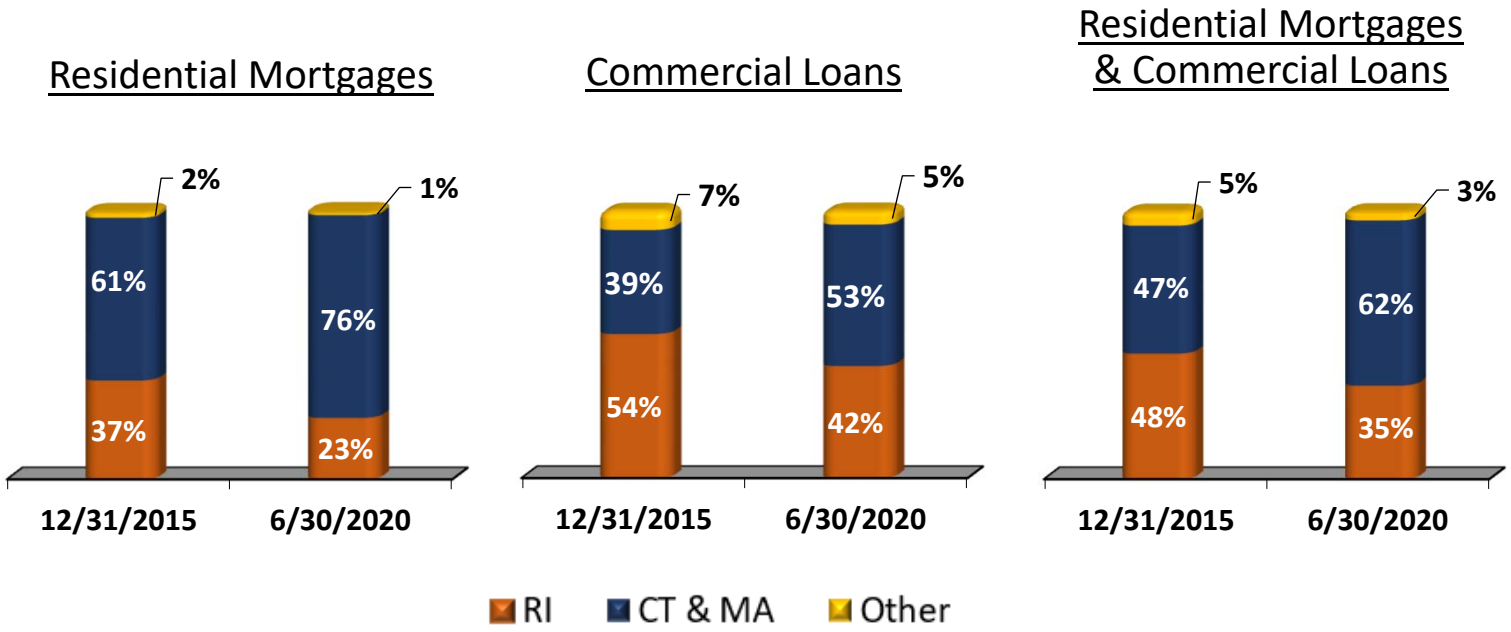
Portfolio distribution as of June 30, 2020

Mortgage Concentration

- Primarily in home territory
- 99% in RI, CT and MA



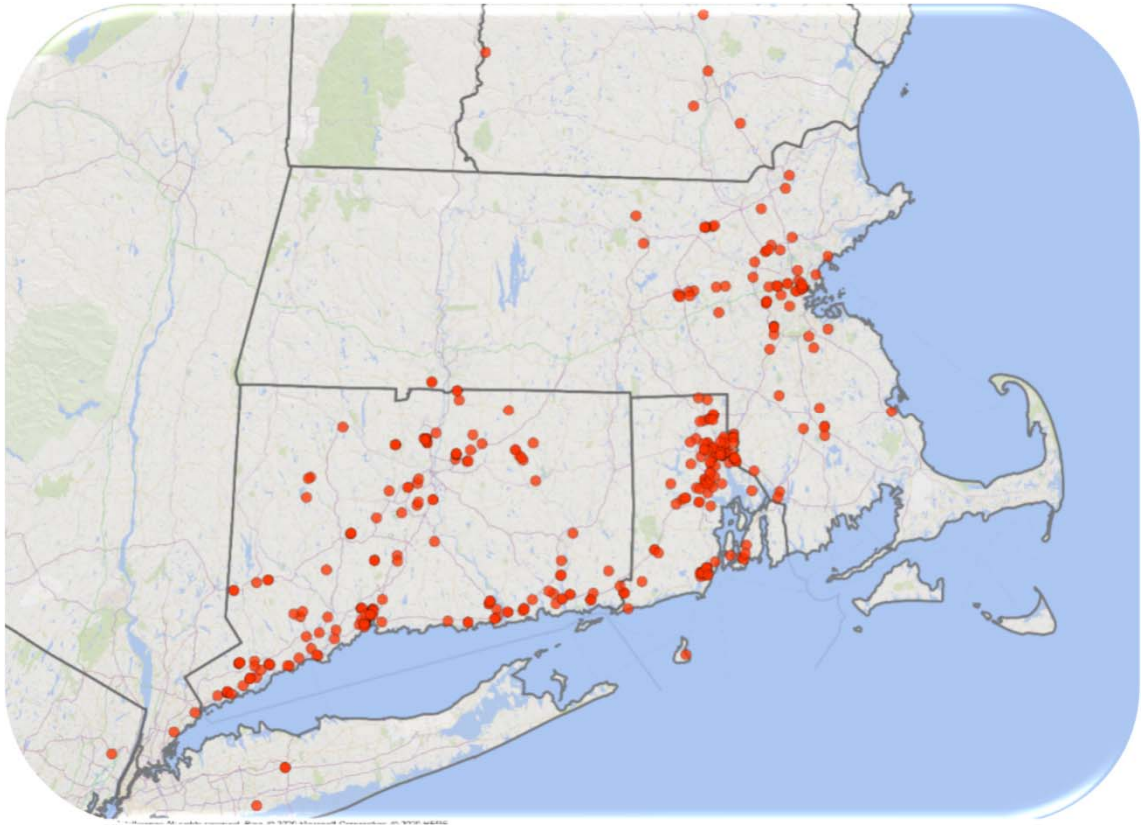
Regional Expansion



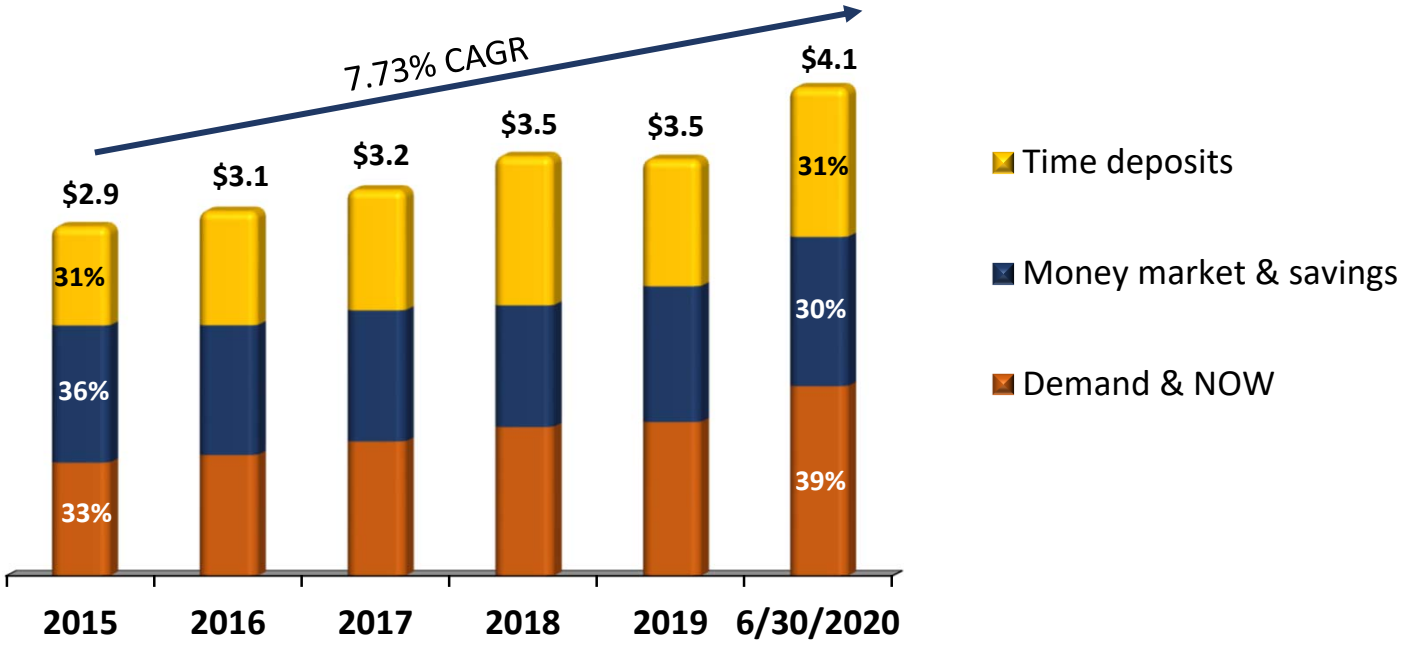
- Enhanced lending activity into adjacent New England states
- Reduced dependence on Rhode Island asset generation
- Greater presence in attractive markets

CRE Concentration

- Predominantly in RI, CT and MA
  - 39% in CT
  - 30% in MA
  - 26% in RI
- Concentration: ~329%



Deposit Portfolio



- 38% of deposits are commercial-based
- 11% market share in RI; rank 3rd

$ billions; at December 31st unless otherwise noted
(1) Excludes wholesale brokered CDs

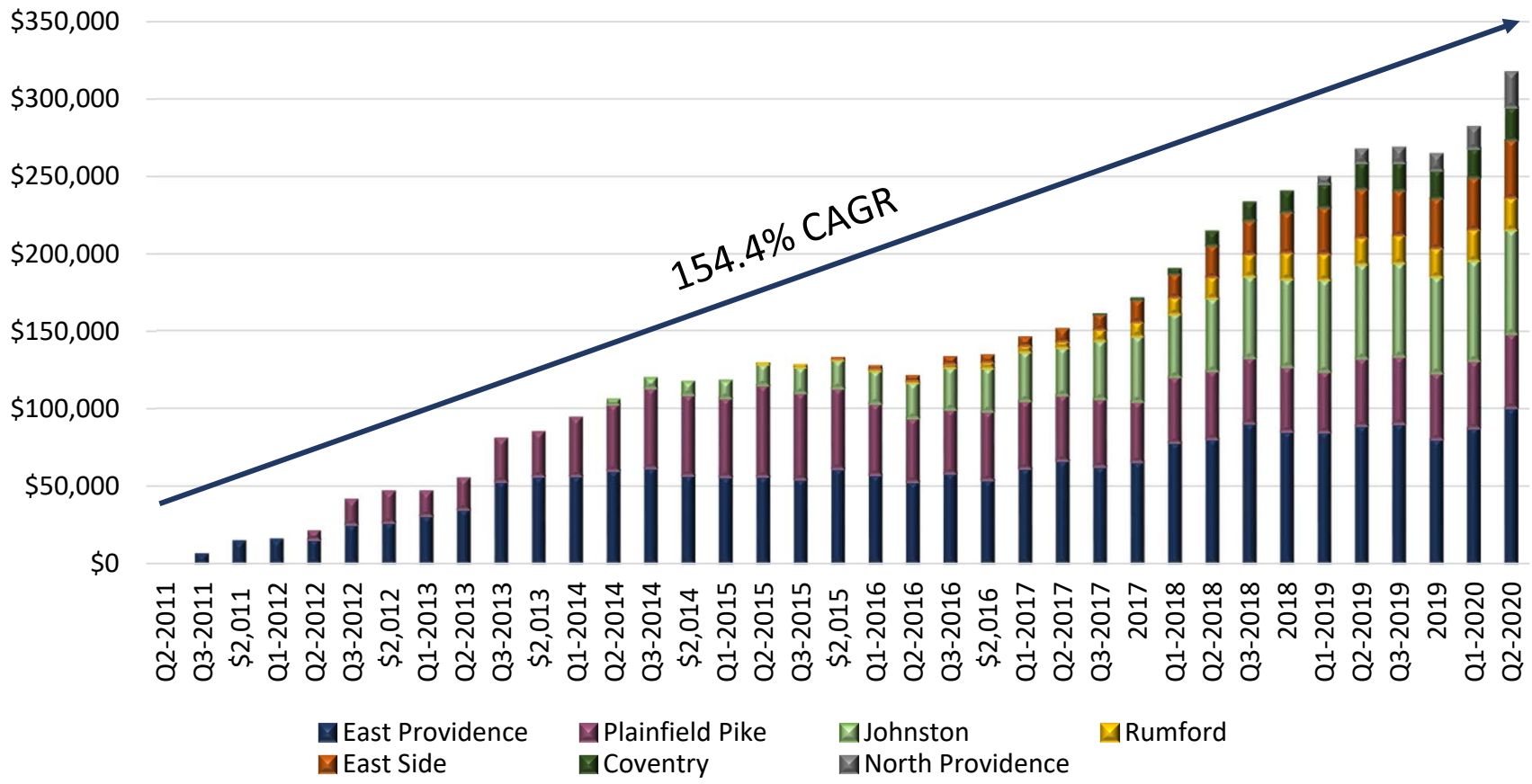
Deposit Market Share

Rank	Institution (ST)	Branch Count	Total Deposits in Market ($B)	Total Market Share
1	Citizens (RI)	**73**	**$10.6**	**34%**
2	Bank of America (NC)	**29**	**$7.0**	**23%**
3	**Washington Trust (RI)**	**22**	**$3.4**	**11%**
4	Santander	29	$2.3	7%
5	Bank Rhode Island (MA)	20	$1.8	6%
6	TD Bank	9	$1.6	5%
7	BankNewport (RI)	17	$1.4	4%
8	Centreville Bank (RI)	7	$.9	3%
9	Webster (CT)	9	$.5	2%
10	HarborOne (MA)	11	$.5	1%
	Total For Institutions In Market	**246**	**$31.1**	

- #1 State-chartered bank in RI
- $157 million average deposits per branch

Source: S&P Global Market Intelligence; Market Share is for U.S. Territories only and non-retail branches are not included.
FDIC deposits as of June 30, 2019; most recent data available

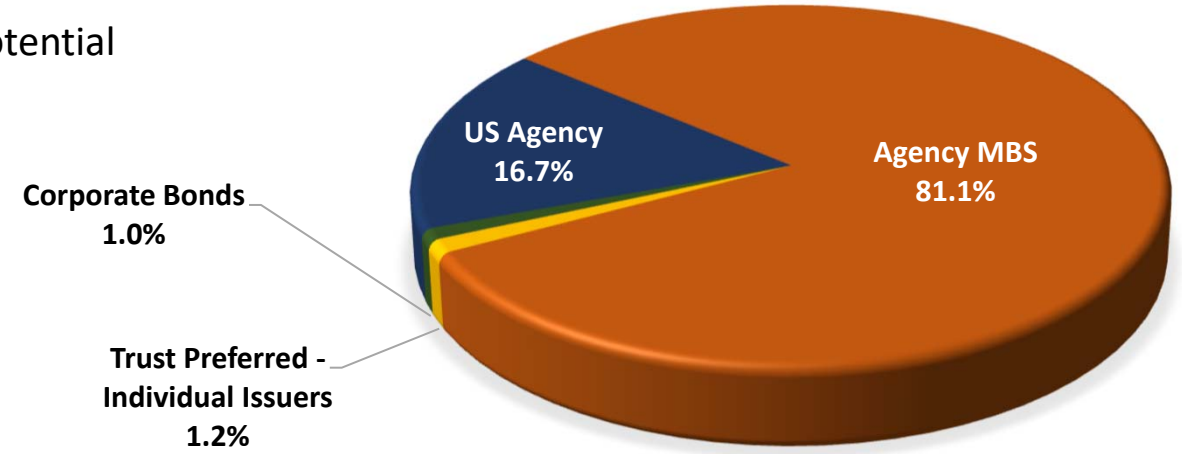
De Novo Branch Growth



Investment Securities

Largely Agency MBS

- Fair value: $938.4 million
- Amortized cost: $919.9 million
- Yield on securities: 2.44%
  (yield as of Q2-20)
- Duration of 1.14 years
- Limited extension potential



As of June 30, 2020
Excludes FHLB Boston capital stock

WHY WASHINGTON TRUST

Why Washington Trust

- Unique business model with diverse revenue streams
- Strong credit profile throughout all economic cycles
- Consistent top quartile returns and robust dividend payout
- Distinguished history with demonstrated track record
- Clear vision with proven growth strategy
- Committed to enhancing shareholder value

SUPPLEMENTAL INFORMATION

Income Statement

$s in thousands	For the Quarter Ended Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Interest and dividend income	$ 42,612	$ 47,116	$ 47,383	$ 49,527	$ 50,559
Interest expense	11,667	14,514	15,389	16,549	16,701
Net interest income	30,945	32,602	31,994	32,978	33,858
Provision for loan losses	2,200	7,036	-	400	525
Net interest income after provision for loan losses	28,745	25,566	31,994	32,578	33,333
Noninterest income:					
Net other than temporary impairment losses on securities	-	-	-	-	-
Other noninterest income	26,320	19,927	16,618	18,342	16,753
Total noninterest income	26,320	19,927	16,618	18,342	16,753
Noninterest expense	28,478	30,453	28,755	26,870	28,151
Income before income taxes	26,587	15,040	19,857	24,050	21,935
Income tax expense	5,547	3,139	4,321	5,236	4,662
Net income	$ 21,040	$ 11,901	$ 15,536	$ 18,814	$ 17,273

Balance Sheet

$s in thousands	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Assets:					
Cash and cash equivalents	$ 223,340	$ 185,269	$ 138,455	$ 146,104	$ 119,814
Mortgage loans held for sale	43,997	49,751	27,833	44,657	39,996
Total securities	938,446	917,392	899,490	887,020	969,168
FHLB stock	50,017	53,576	50,853	45,030	49,759
Total loans	4,287,641	4,090,396	3,892,999	3,778,106	3,730,339
Less allowance for loan losses	41,441	39,665	27,014	26,997	27,398
Net loans	4,246,200	4,050,731	3,865,985	3,751,109	3,702,941
Investment in bank-owned life insurance	83,056	83,053	82,490	81,920	81,351
Goodwill and identifiable intangible assets	70,668	70,897	71,127	71,357	71,593
Other assets	221,236	210,310	156,426	171,681	155,050
Total assets	$ 5,876,960	$ 5,620,979	$ 5,292,659	$ 5,198,878	$ 5,189,672
Liabilities and Shareholders' Equity:					
Total deposits	$ 4,101,436	$ 3,706,314	$ 3,498,882	$ 3,586,153	$ 3,504,622
FHLB advances	1,005,051	1,198,534	1,141,464	956,786	1,060,960
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Other liabilities	227,629	184,853	126,140	135,433	117,204
Total shareholders' equity	520,163	508,597	503,492	497,825	484,205
Total liabilities and shareholders' equity	$ 5,876,960	$ 5,620,979	$ 5,292,659	$ 5,198,878	$ 5,189,672

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Jun 30, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017
Calculation of tangible book value per share				
Total shareholders' equity at end of period	$520,163	$503,492	$448,184	$413,284
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	6,759	7,218	8,162	9,140
Total tangible shareholders' equity at end of period	$449,495	$432,365	$376,113	$340,235
Shares outstanding at end of period	17,260	17,363	17,302	17,227
Book value per share – GAAP	$30.14	$29.00	$25.90	$23.99
Tangible book value per share – Non-GAAP	$26.04	$24.90	$21.74	$19.75
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$449,495	$432,365	$376,113	$340,235
Total assets at end of period	$5,876,960	$5,292,659	$5,010,766	$4,529,850
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	6,759	7,218	8,162	9,140
Total tangible assets at end of period	$5,806,292	$5,221,532	$4,938,695	$4,456,801
Equity to assets - GAAP	8.85%	9.51%	8.94%	9.12%
Tangible equity to tangible assets – Non-GAAP	7.74%	8.28%	7.62%	7.63%

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.