WASHINGTON TRUST BANCORP, INC.

Parent Company Of The Washington Trust Company



"Washington Trust reported strong second quarter earnings; a testament to our success at executing a business continuity plan that allowed our employees to safely provide banking services and maintain a high level of personal customer service during the COVID-19 pandemic. We assisted thousands of borrowers, depositors and wealth clients with their financial needs during these uncertain times and our second quarter performance demonstrated how our diversified business model enables us to generate earnings in a challenging environment. While there is still uncertainty regarding the severity and duration of the COVID-19 pandemic and its related economic effects, we believe that Washington Trust is well-positioned with a strong capital position and ample sources of liquidity to handle these challenges as we move forward during this unprecedented time."

– Edward O. Handy III, Chairman & CEO

Q2 2020 Highlights

- Returns on average equity and average assets for the second quarter were 16.51% and 1.46%, respectively, compared to 9.49% and 0.89%, respectively, in the preceding quarter.
- The provision for credit losses was $2.2 million in the second quarter, compared $7.0 million in the preceding quarter.
- Mortgage banking revenues hit an all-time quarterly high, totaling $14.9 million for the second quarter, up by $8.8 million, or 144%, from the preceding quarter.
- Residential mortgage loan originations for portfolio or sale amounted to a quarterly record of $426 million in the second quarter of 2020, up by $134 million, or 46%, from the preceding quarter.
- Total loans amounted to $4.3 billion at June 30, 2020, up by $197 million, or 5%, from the end of the preceding quarter. Total loans were up by $557 million, or 15%, from a year ago.
- Total in-market deposits (total deposits less out-of-market wholesale brokered deposits) amounted to $3.6 billion, up by $299 million, or 9%, from the end of the preceding quarter, and up by $551 million, or 18%, from a year ago.
- Cash dividend of $0.51 per share.

Washington Trust Honored by Forbes



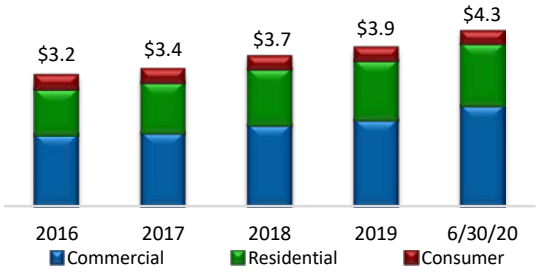
In June, Forbes named Washington Trust as the "Best In-State Bank" in Rhode Island as part of its annual listing/ranking of the best banks in each of the 50 states. Washington Trust was the only bank in the Rhode Island to receive this award and it was the second year in a row the Bank received this recognition.

"We're extremely honored to be recognized by Forbes as the Best In-State Bank," said Edward O. "Ned" Handy, Washington Trust Chairman and CEO. "This national recognition acknowledges what our customers have known for years: Washington Trust is the premier bank in our area because of the dedication and commitment of our employees, who strive to exceed customer expectations in every interaction."

Forbes and market research firm Statista Inc. identified America's Best-In-State Banks 2020 based on an independent survey of more than 25,000 US consumers who were asked to rate banks at which they currently or previously had relationships. Participants made recommendations regarding overall satisfaction and assessed banks in the following areas: 'Trust,' 'Terms & Conditions,' 'Branch Services,' 'Digital Services,' and 'Financial Advice.' Of the 5,117 banks in America, just 2.6% made the Forbes' list.

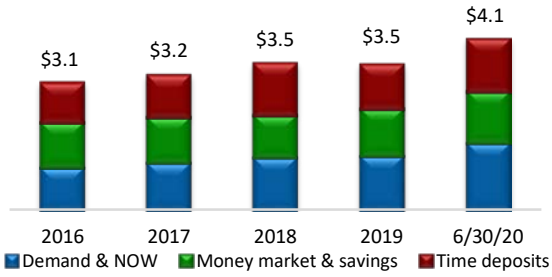
Market Summary	
Trading Symbol	WASH
Exchange	NASDAQ
Market Value ($M)	565
Stock Price	$32.75
As of June 30, 2020	

Loans



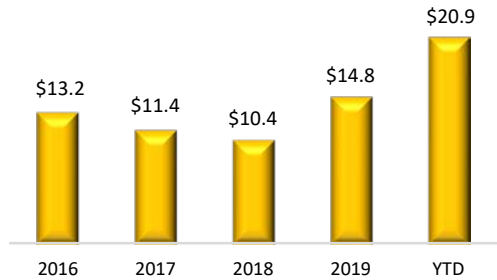
$ billions; at December 31st unless otherwise noted

Deposits



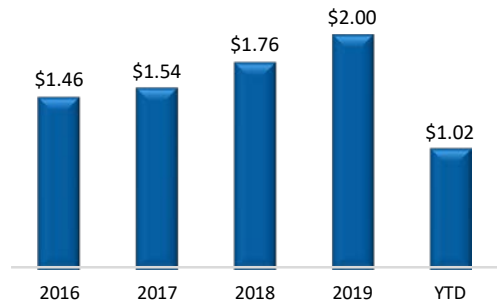
$ billions; at December 31st unless otherwise noted

Mortgage Banking Revenues



$ millions

Cash Dividends



Declared per share

WASHINGTON TRUST BANCORP, INC.

Nasdaq: WASH

Financial Highlights

($ and shares in thousands, except per share amounts)	At or for the Quarters Ended 6/30/20	3/31/20	12/31/19	9/30/19
Balance Sheet ($000)				
Total assets	$5,876,960	$5,620,979	$5,292,659	$5,198,878
Total loans	4,287,641	4,090,396	3,892,999	3,778,106
Total securities	938,446	917,392	899,490	887,020
Total deposits	4,101,436	3,706,314	3,498,882	3,586,153
Total shareholders' equity	520,163	508,597	503,492	497,825
Income Statement ($000) and Profitability				
Net interest income	30,945	32,602	31,994	32,978
Provision for loan losses	2,200	7,036	0	400
Wealth management revenues	8,605	8,689	8,894	9,153
Mortgage banking revenues	14,851	6,096	3,669	4,840
Other noninterest income	2,864	5,142	4,055	4,349
Noninterest expenses	28,478	30,453	28,755	26,870
Net income	21,040	11,901	15,536	18,814
Return on average assets	1.46%	0.89%	1.18%	1.44%
Return on average equity	16.51%	9.49%	12.24%	15.20%
Net interest margin (taxable equivalent basis)	2.31%	2.61%	2.61%	2.72%
Balance Sheet Ratios/Capital				
Total risk based capital	12.78%	12.42%	12.94%	12.94%
Tier 1 leverage ratio	8.42%	8.77%	9.04%	8.97%
Equity to assets	8.85%	9.05%	9.51%	9.58%
Tangible equity / tangible assets; non-GAAP [1]	7.74%	7.89%	8.28%	8.32%
Asset Quality				
Total past due loans to total loans	0.34%	0.40%	0.40%	0.38%
Nonperforming assets to total assets	0.27%	0.32%	0.35%	0.37%
Nonaccrual loans to total loans	0.37%	0.44%	0.45%	0.39%
Allowance for loan losses to total loans	0.97%	0.97%	0.69%	0.71%
Share Data:				
Diluted earnings per share	$1.21	$0.68	$0.89	$1.08
Dividends declared per share	$0.51	$0.51	$0.51	$0.51
Book value per share	$30.14	$29.48	$29.00	$28.71
Tangible book value per share; non-GAAP [2]	$26.04	$25.37	$24.90	$24.60
Market value per share	$32.75	$36.56	$53.79	$48.31
Shares outstanding at end of period	17,260	17,252	17,363	17,338
Weighted average shares outstanding – diluted	17,292	17,441	17,436	17,414

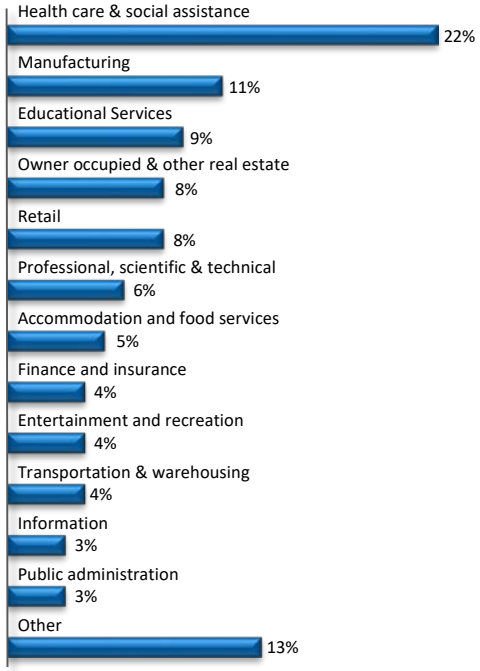
(1) GAAP shareholders' equity less goodwill & intangible assets divided by GAAP assets less goodwill & intangible assets

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

C&I Loans By Industry

At 06/30/20

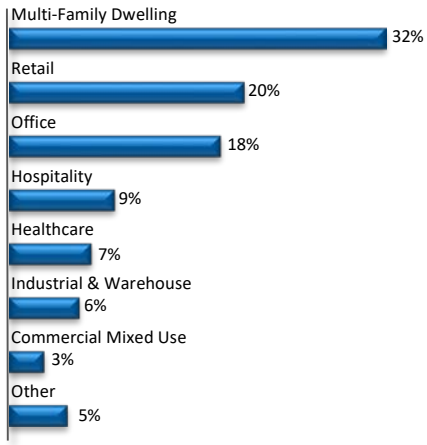
Total portfolio: $852.4 million
Percent of total loans: 20%



Commercial Real Estate

At 06/30/20

Total portfolio: $1.6 billion
Percent of total loans: 38%



About Washington Trust

At 06/30/20

- $5.9 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
  - 23 branches
  - 5 wealth management offices
  - 7 residential mortgage loan offices
  - 3 commercial lending offices

Analyst Coverage

- American Capital Partners, LLC
  Nicole Gulino
- Boenning & Scattergood, Inc.
  Erik Zwick
- 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, 2019, as filed with the Securities and Exchange Commission and as updated by its Quarterly Reports on Form 10-Q.