# WASHINGTON TRUST BANCORP, INC.

*Parent Company Of The Washington Trust Company*




*"Washington Trust's third quarter results reflect our success at generating solid earnings during the most challenging of economic times. We had good performances across key business lines, led by strong mortgage banking activity, increases in wealth management assets under administration, and in-market deposit growth. As we move forward, we do so cautiously, but with confidence in our team, our business model and our strong financial foundation."*

***– Edward O. Handy III, Chairman & CEO***

## Q3 2020 Highlights

- Returns on average equity and average assets for the third quarter were 13.99% and 1.24%, respectively, compared to 16.51% and 1.46%, respectively, in the preceding quarter.
- The provision for credit losses was $1.3 million in the second quarter, compared to $2.2 million in the preceding quarter.
- Mortgage banking revenues totaled $12.4 million for the third quarter, up by $7.5 million, or 155%, from the preceding quarter.
- Residential mortgage loan origination activity amounted to an all-time quarterly high of $510 million in the third quarter of 2020, up by $83.6 million, or 20%, from the preceding quarter.
- Total loans amounted to $4.3 billion at September 30, 2020, essentially flat from the end of the preceding quarter. Total loans were up by $504 million, or 13%, from a year ago.
- Total in-market deposits (total deposits less out-of-market wholesale brokered deposits) amounted to $3.7 billion at September 30, 2020, up by $129 million, or 4%, from the end of the preceding quarter, and up by $546 million, or 17%, from a year ago.
- Cash dividend of $0.51 per share.

## Washington Trust in the Community




*Pictured left to right: Edward O. Handy III, Cedric Huntley and Mark K.W. Gim*

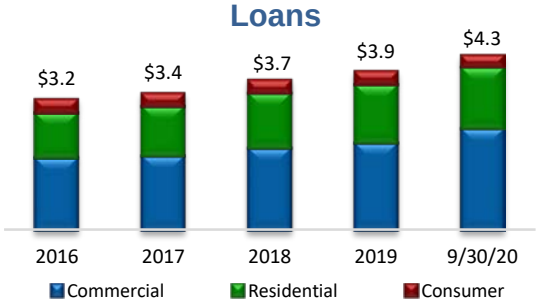
The Washington Trust Company's Charitable Foundation recently awarded The Nonviolence Institute with a $10,000 grant to support their Victim Services program.

"This no strings attached donation from Washington Trust helped us when we needed it most. Unfortunately, since the pandemic took hold, there has been a big increase in violence across the country and across our state. We were able to use these funds to support the work of our Victim Services team. Thank you, Washington Trust," said The Nonviolence Institute's Interim Executive Director, Cedric Huntley.

The Nonviolence Institute's Victim Services program is on the frontlines of responding to violence situations. The funds from the grant will help the Center provide victims with counseling resources, advocate for them in the court system, connect them with appropriate compensation, and provide healthy and safe housing and the mechanisms to help them sustain that housing. In addition, the funds will help the Victim Services team continue to build a peaceful community by consoling victims of violence, sustaining members of our community who need support when violent incidents have occurred, and educating professionals who deal directly with victims and their families.

| Market Summary | |
|---|---|
| Trading Symbol | WASH |
| Exchange | NASDAQ |
| Market Value ($M) | 529 |
| Stock Price | $30.66 |
| As of September 30, 2020 | |

### Loans




$ billions; at December 31st unless otherwise noted

### Deposits



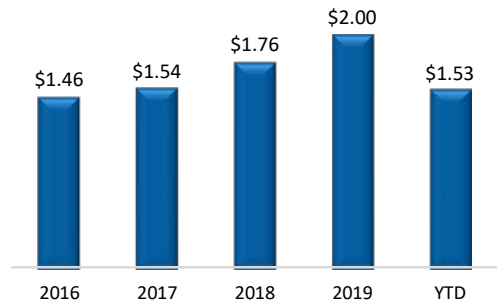

$ billions; at December 31st unless otherwise noted

### 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 9/30/2020 | 6/302020 | 3/31/20 | 12/31/19 |
|---|---|---|---|---|
| **Balance Sheet ($000)** | | | | |
| Total assets | $5,849,792 | $5,876,960 | $5,620,979 | $5,292,659 |
| Total loans | 4,282,047 | 4,287,641 | 4,090,396 | 3,892,999 |
| Total securities | 913,850 | 938,446 | 917,392 | 899,490 |
| Total deposits | 4,285,693 | 4,101,436 | 3,706,314 | 3,498,882 |
| Total shareholders' equity | 527,693 | 520,163 | 508,597 | 503,492 |
| **Income Statement ($000) and Profitability** | | | | |
| Net interest income | 31,654 | 30,945 | 32,602 | 31,994 |
| Provision for loan losses | 1,325 | 2,200 | 7,036 | 0 |
| Wealth management revenues | 8,954 | 8,605 | 8,689 | 8,894 |
| Mortgage banking revenues | 12,353 | 14,851 | 6,096 | 3,669 |
| Other noninterest income | 4,161 | 2,864 | 5,142 | 4,055 |
| Noninterest expenses | 32,344 | 28,478 | 30,453 | 28,755 |
| Net income | 18,322 | 21,040 | 11,901 | 15,536 |
| Return on average assets | 1.24% | 1.46% | 0.89% | 1.18% |
| Return on average equity | 13.99% | 16.51% | 9.49% | 12.24% |
| Net interest margin (taxable equivalent basis) | 2.31% | 2.31% | 2.61% | 2.61% |
| **Balance Sheet Ratios/Capital** | | | | |
| Total risk based capital | 13.09% | 12.78% | 12.42% | 12.94% |
| Tier 1 leverage ratio | 8.77% | 8.42% | 8.77% | 9.04% |
| Equity to assets | 9.02% | 8.85% | 9.05% | 9.51% |
| Tangible equity / tangible assets; non-GAAP (1) | 7.91% | 7.74% | 7.89% | 8.28% |
| **Asset Quality** | | | | |
| Total past due loans to total loans | 0.24% | 0.34% | 0.40% | 0.40% |
| Nonperforming assets to total assets | 0.25% | 0.27% | 0.32% | 0.35% |
| Nonaccrual loans to total loans | 0.34% | 0.37% | 0.44% | 0.45% |
| Allowance for loan losses to total loans | 1.00% | 0.97% | 0.97% | 0.69% |
| **Share Data:** | | | | |
| Diluted earnings per share | $1.06 | $1.21 | $0.68 | $0.89 |
| Dividends declared per share | $0.51 | $0.51 | $0.51 | $0.51 |
| Book value per share | $30.57 | $30.14 | $29.48 | $29.00 |
| Tangible book value per share; non-GAAP (2) | $26.49 | $26.04 | $25.37 | $24.90 |
| Market value per share | $30.66 | $32.75 | $36.56 | $53.79 |
| Shares outstanding at end of period | 17,260 | 17,260 | 17,252 | 17,363 |
| Weighted average shares outstanding – diluted | 17,317 | 17,292 | 17,441 | 17,436 |

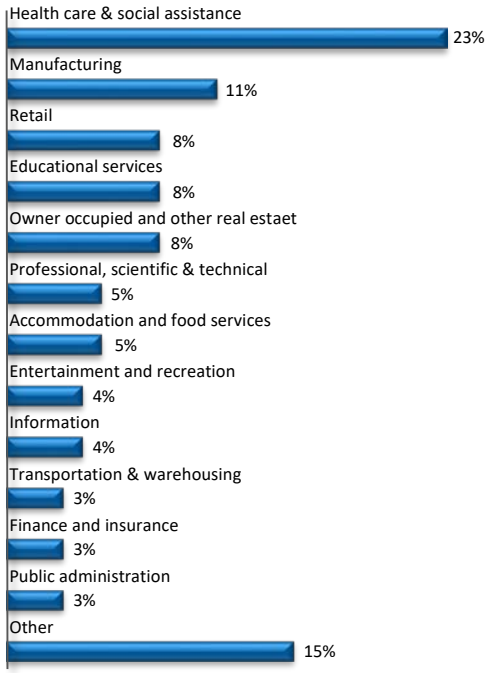
(1) GAAP shareholders' equity less goodwill & intangible assets divided by GAAP assets less goodwill & intangible assets

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

## C&I Loans By Industry

**At 09/30/20**

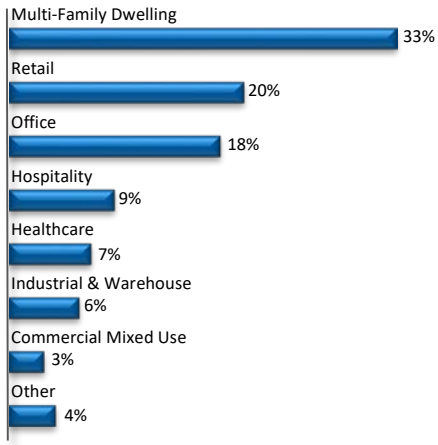
**Total portfolio: $822.3 million**
**Percent of total loans: 19%**




## Commercial Real Estate

**At 09/30/20**

**Total portfolio: $1.7 billion**
**Percent of total loans: 39%**




## About Washington Trust

**At 09/30/20**

- $5.8 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.