

Piper Sandler East Coast Financial Services Conference

November 9-10, 2020

WASHINGTON TRUST BANCORP, INC.

Table of Contents

	Page
Executive Team	3
Who We Are	4
Strategic Priorities	8
Earnings Capacity	15
Credit Quality	21
Capital Management	29
Financial Highlights	36
Why Washington Trust	50
Supplemental Information	52

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; Founded in 1800
- High-performing regional bank
- Largest state-chartered bank in RI
  - $5.8 B assets
  - $4.3 B loans
  - $4.3 B deposits
- Diversified financial services company
- Premier regional wealth management firm
  - $6.4 B assets under administration
- Market capitalization[(1)]: $592 M



At September 30, 2020
(1) At November 2, 2020

Prestigious Recognition



- American Banker “Best Banks to Work For”
  2nd consecutive year
- 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”

Proven Growth Model

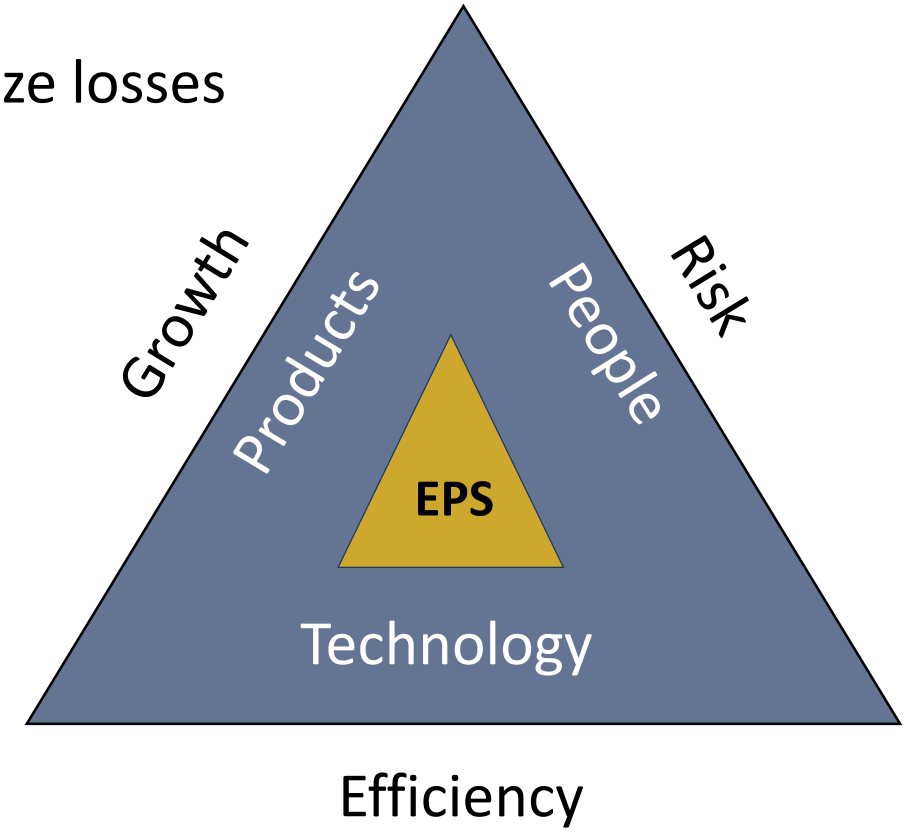


* Moved from 180 Washington Street, Providence

STRATEGIC PRIORITIES

Achieve Shareholder Value

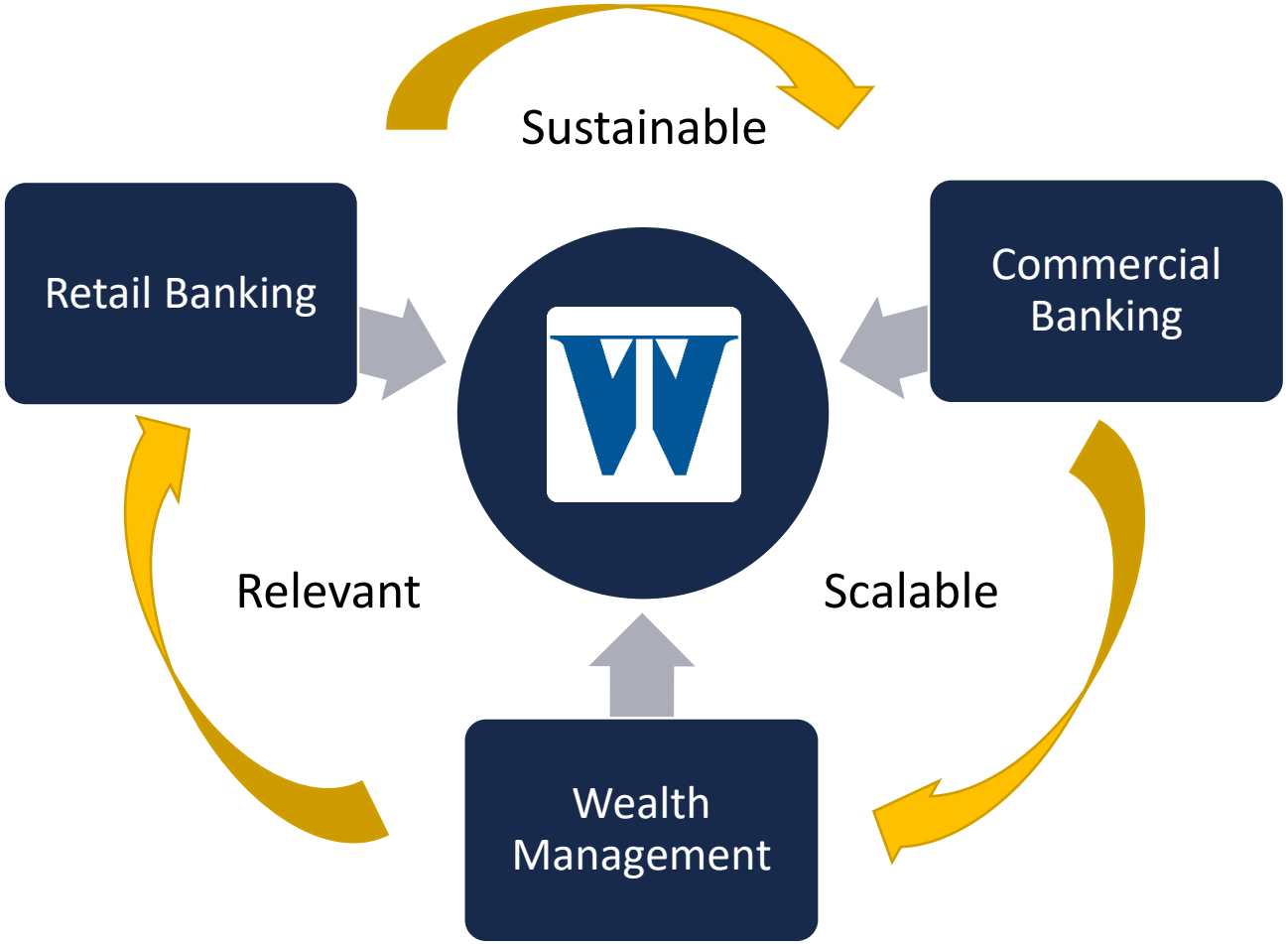
- Sustain top-quartile performance
- Emphasize pristine asset quality
- Manage credit quality to minimize losses
- Maintain consistent profitability



Value Creation

- Preserve strong capital position
- Maintain strong credit quality
- Focus on key growth priorities
- Evaluate and consider growth through M&A

Capitalize on Unique Business Model



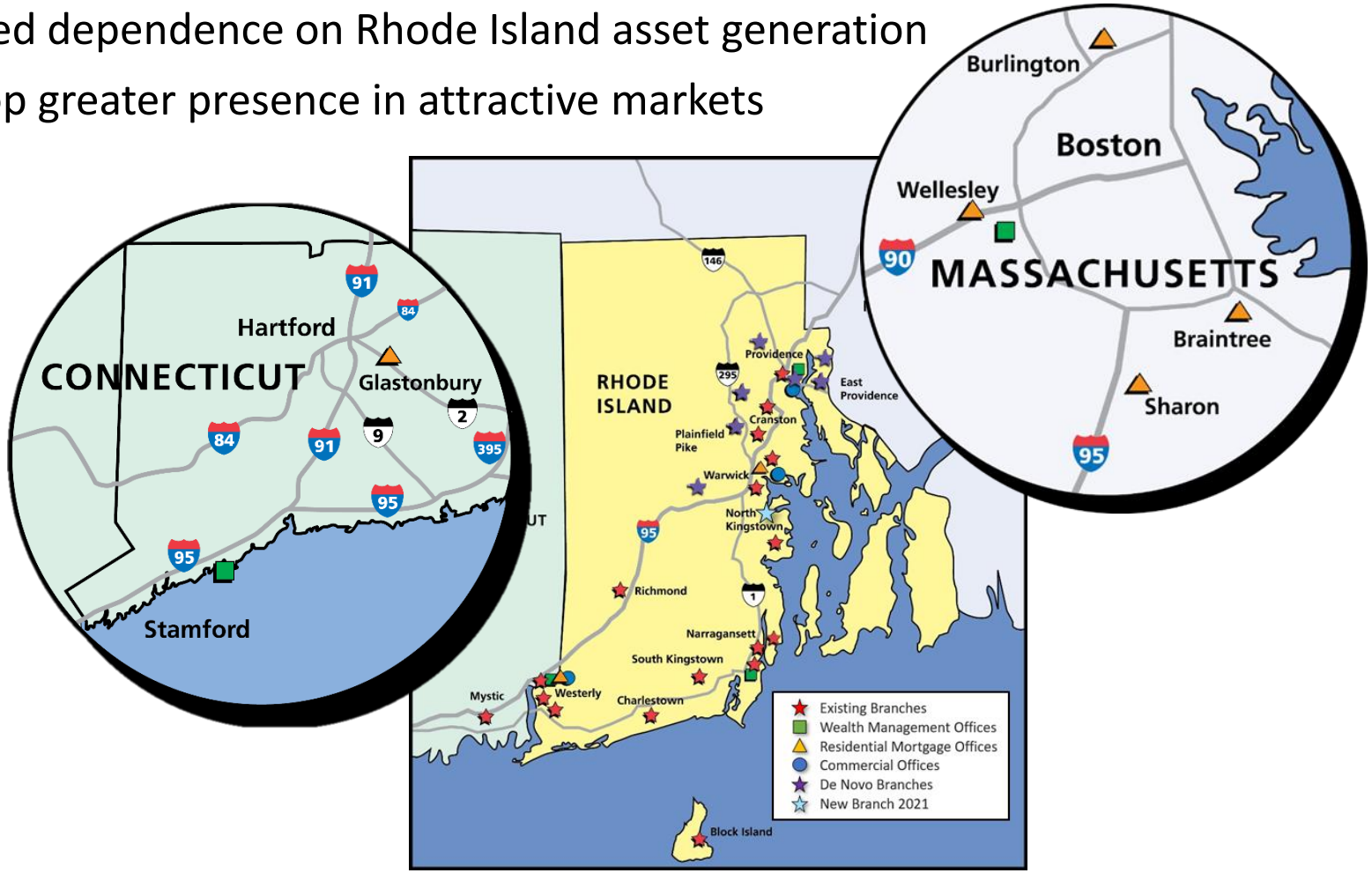
Exploit Opportunities in Core Market

- 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



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



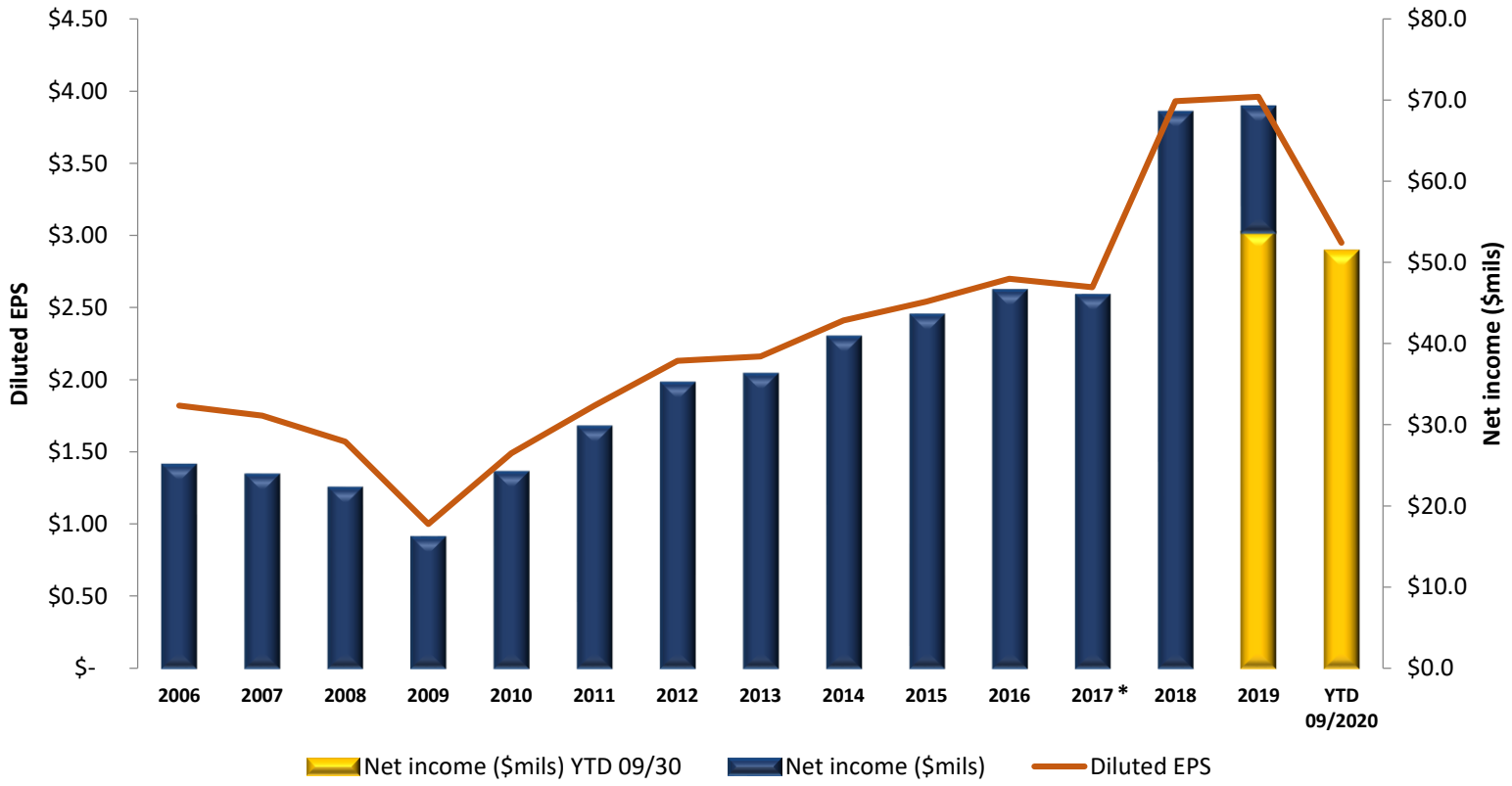
Enhance Client Experience

- Balance “high touch” personal service with “high tech” digital solutions
- Create seamless client experiences across all channels
- Deepen client relationships
- Optimize branch delivery
- Invest in key technology

EARNINGS CAPACITY

Profitability Trend

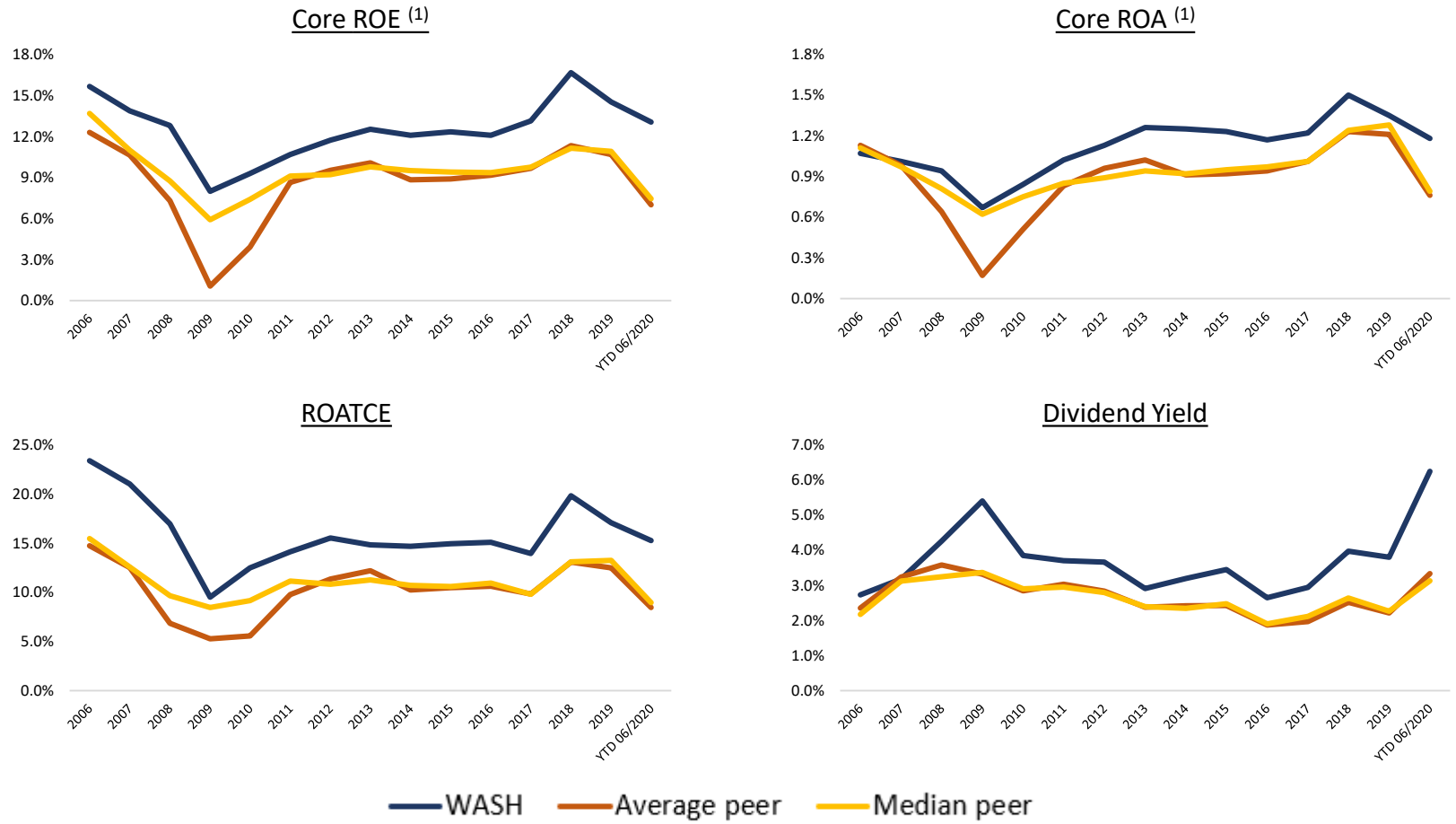
Proven track record of earnings growth



At December 31st unless otherwise noted

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

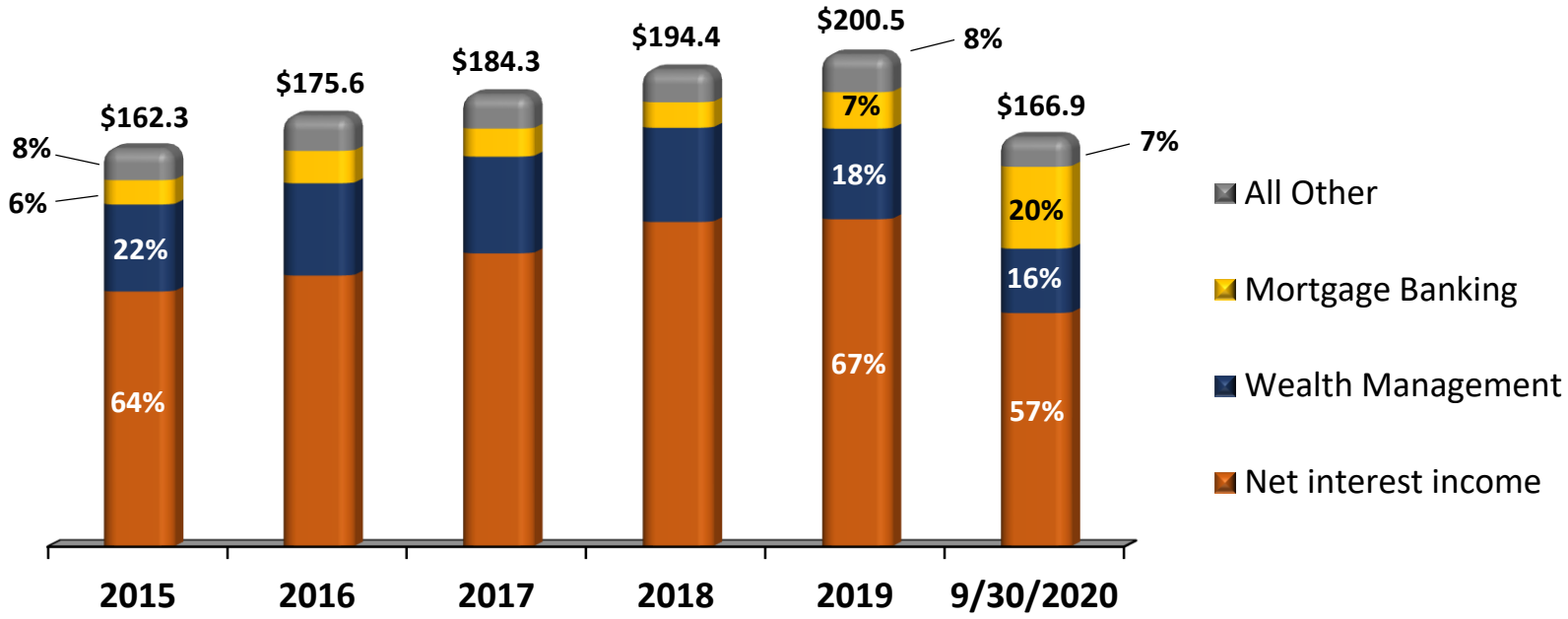
Profitability Metrics



For the six months ended 6/30/2020;
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

Top Line Revenue Trend

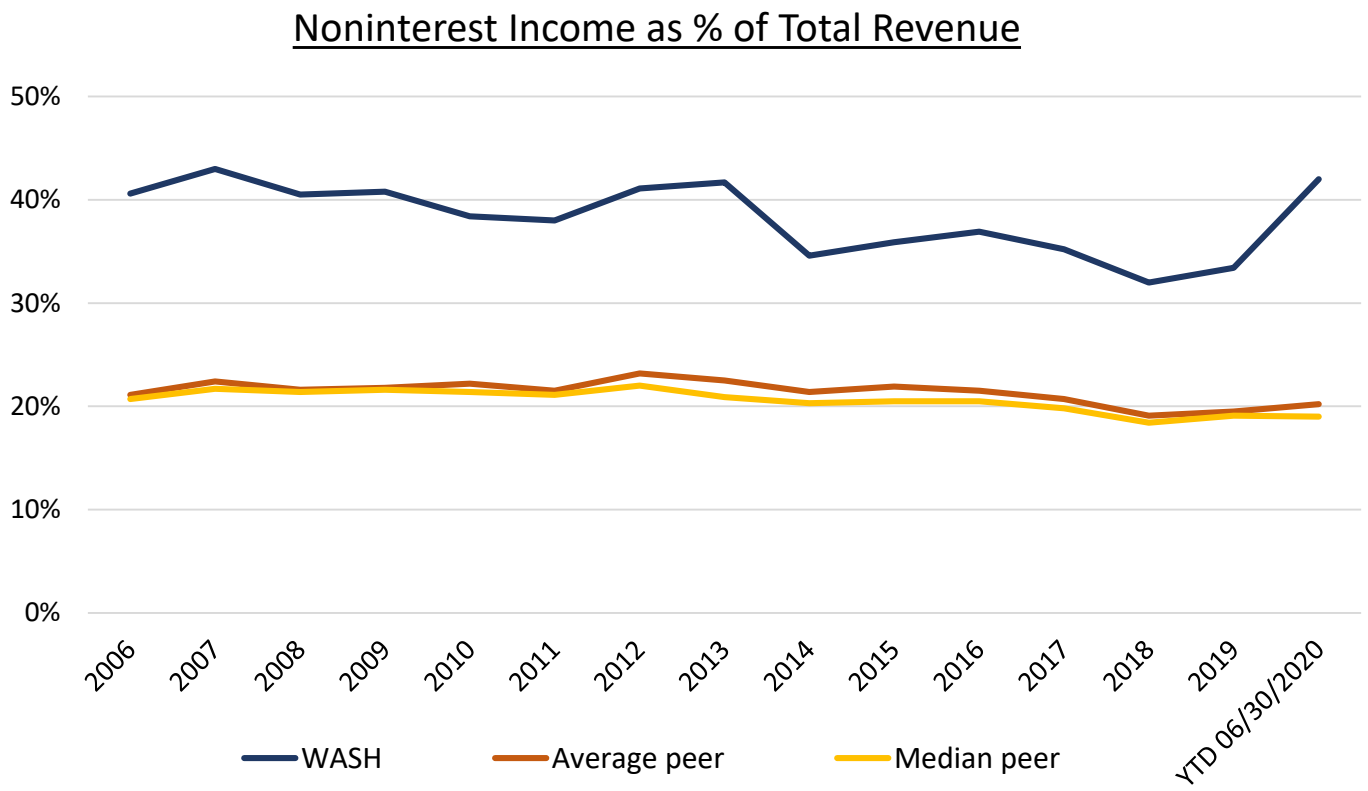
Contributions from all major business lines



$ millions

Noninterest Income Trend

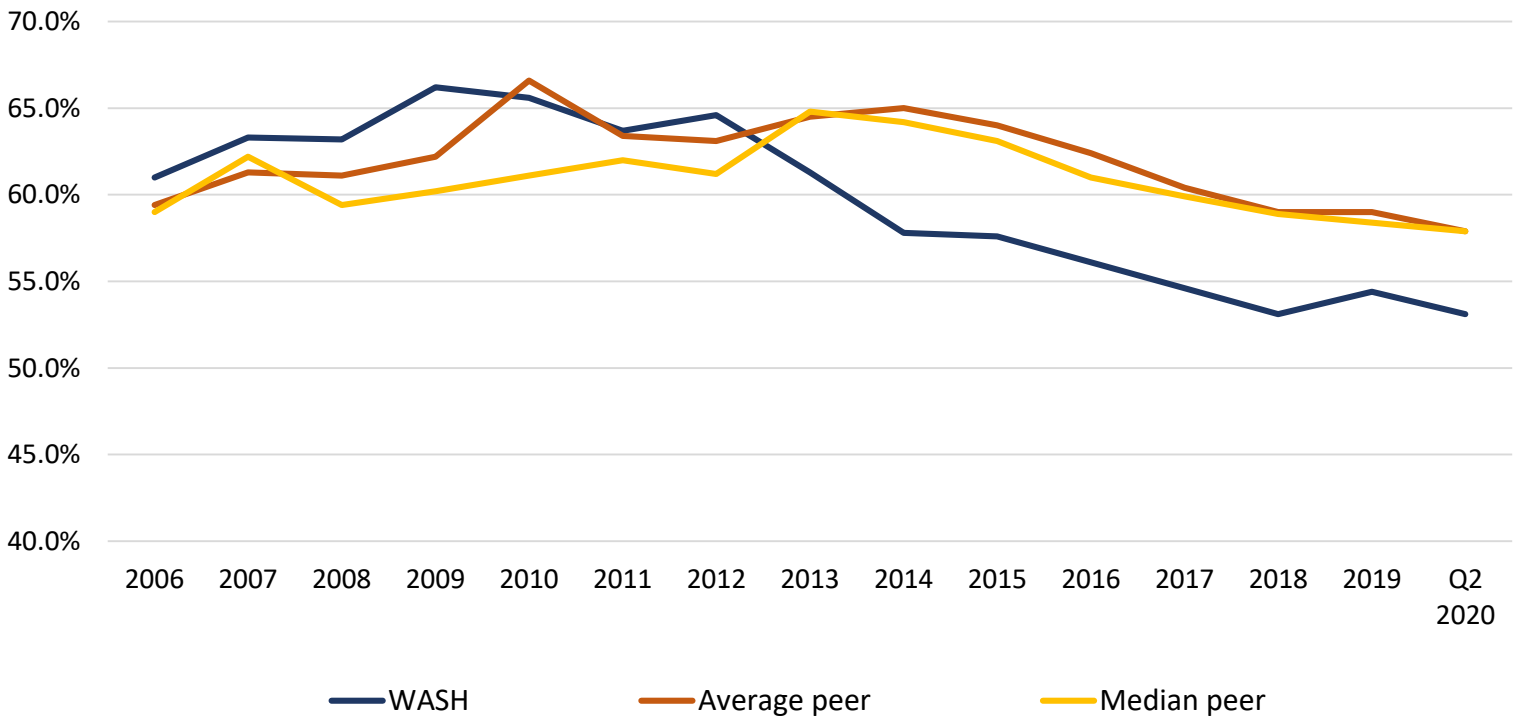
Better than 96% of peer group (1)



(1) Percentile ranking for the six months ended June 30, 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 75% of peer group (1)

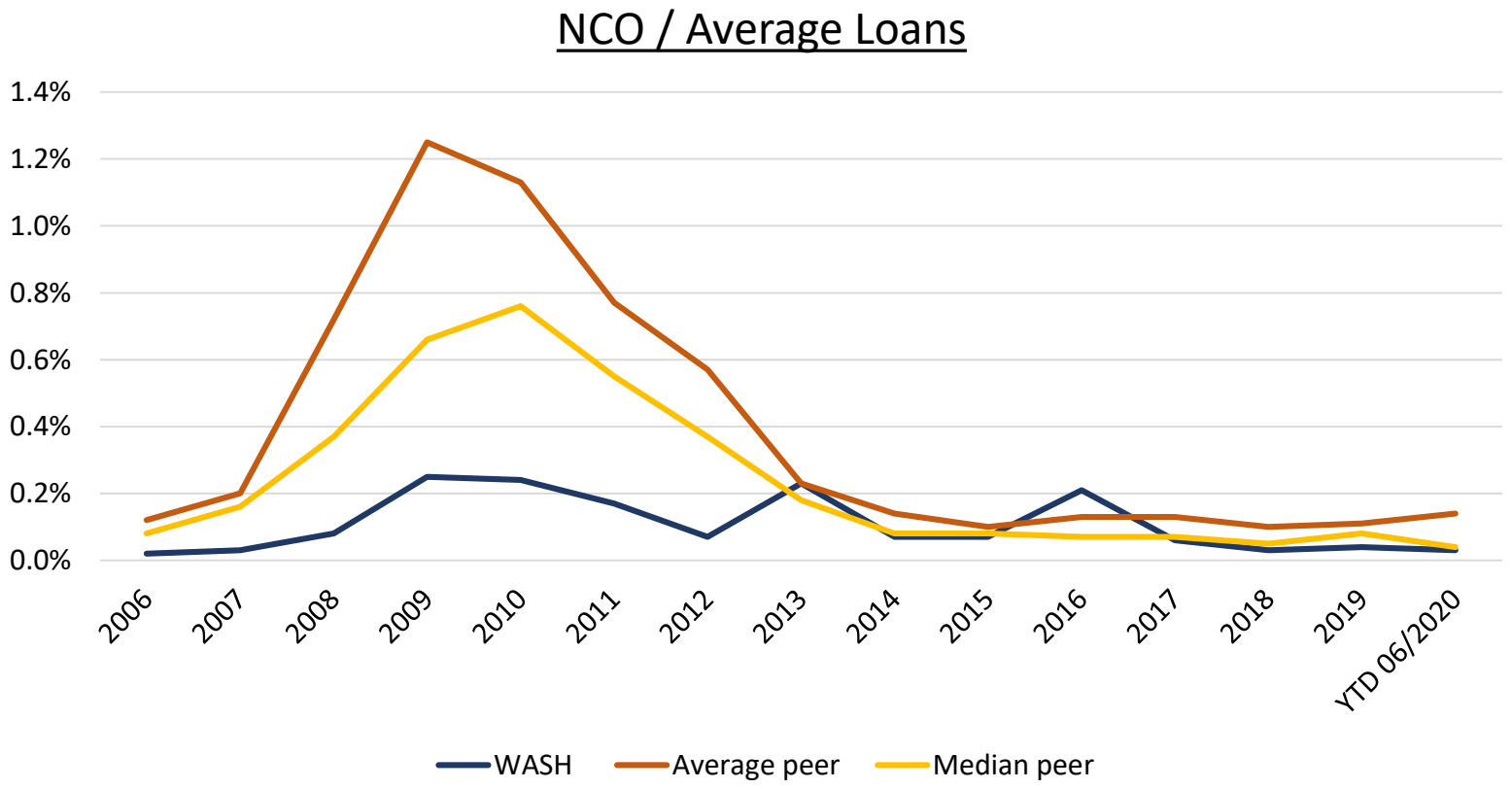


(1) Percentile ranking for the six months ended June 30, 2020 unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

CREDIT QUALITY

Asset Quality

Historical differentiator

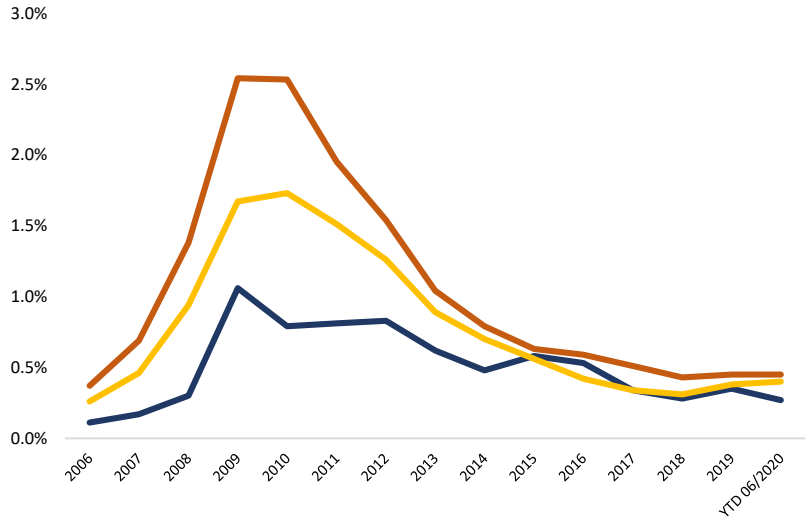


Percentile ranking for the year ended December 31st unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

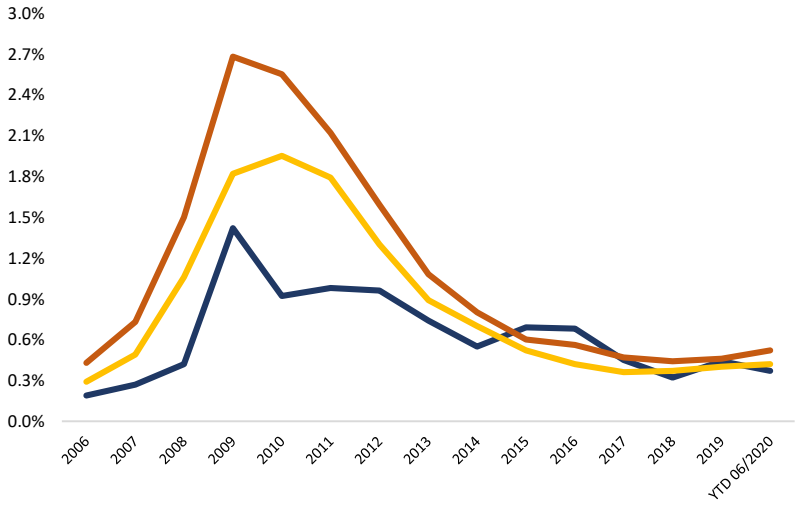
Credit Quality

Consistently low loss experience

Nonperforming Assets / Total Assets



Non-accrual Loans / Total Loans

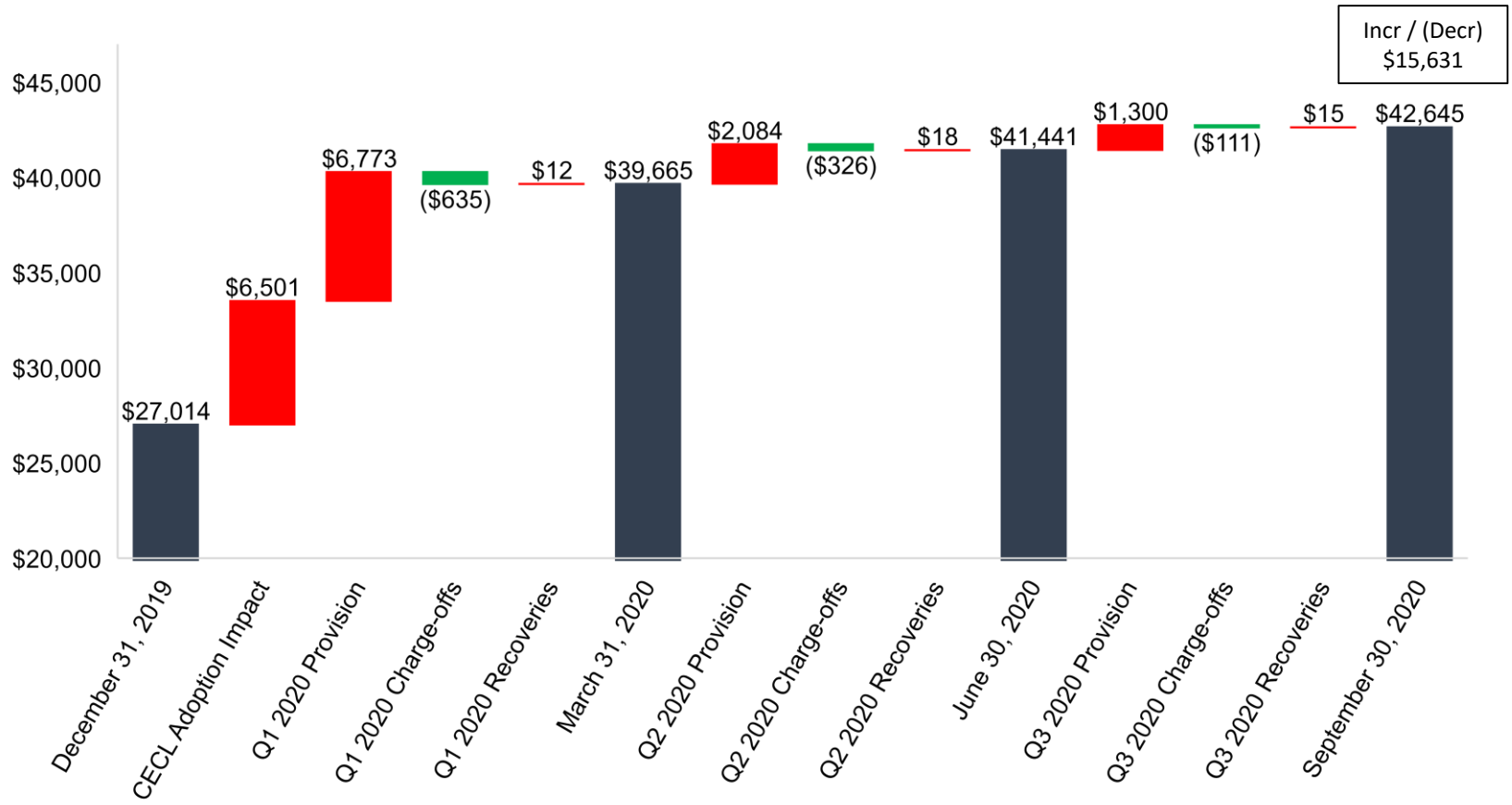


WASH Average peer Median peer

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

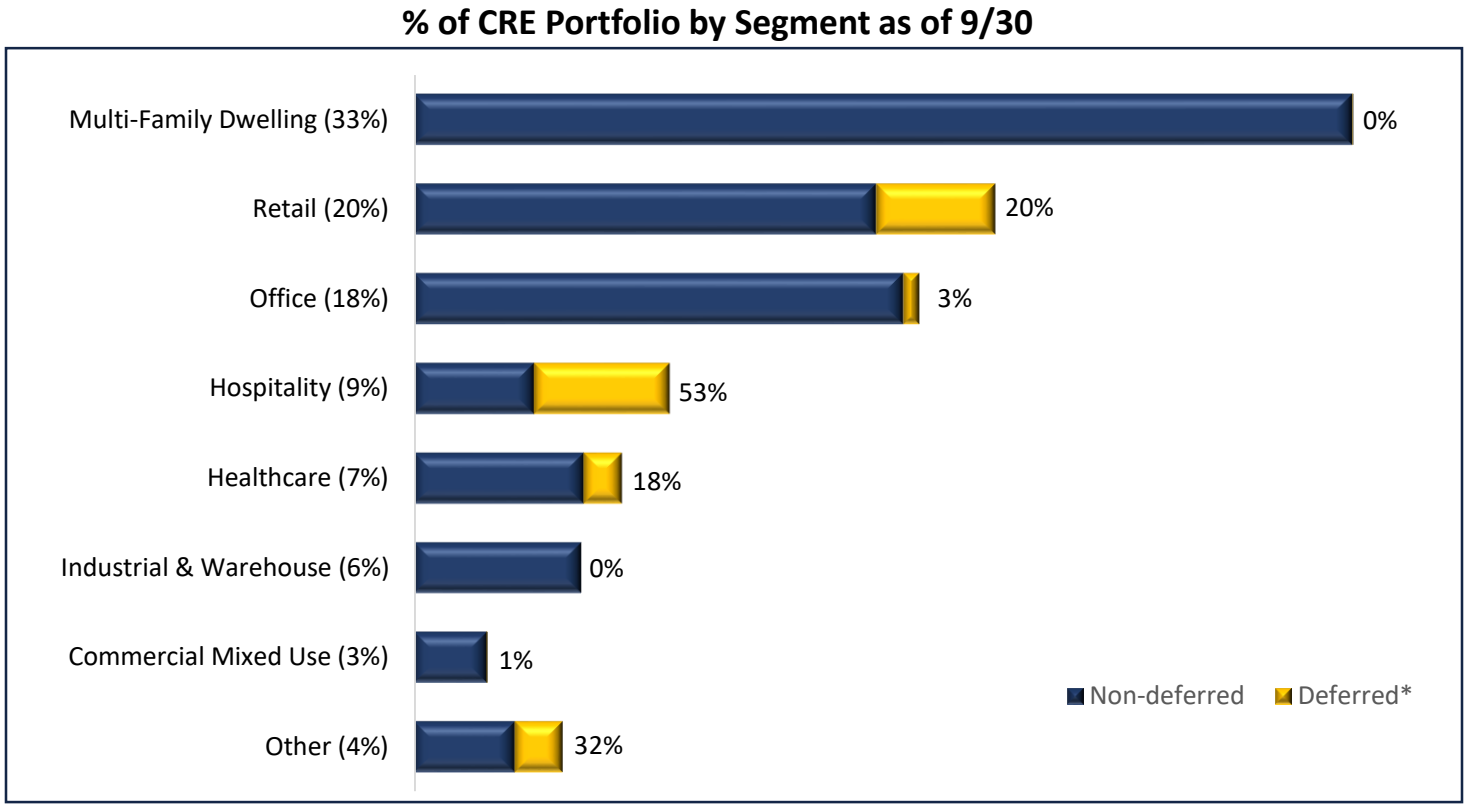
Allowance for Credit Loss (ACL) Assumptions

- Used the Current Expected Credit Loss (CECL) methodology.
- Relied on FactSet's 9/29 baseline forecast which has decreased since the prior quarter. This showed the national unemployment rate of 8.3% in Q4 20, 7.8% in Q1 21 and 6.9% for the balance of 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.
- Full effect of COVID-19 on our loan portfolio may not be felt until 2021.

Commercial Real Estate Lending

Portfolio Overview as of September 30, 2020 (outstandings) and November 2, 2020 (deferments)

- Total portfolio: $1.7 billion; $208.0 million (12%) deferred



* Executed deferments as of 11/02/20 as a percentage of 9/30/20 outstanding balances.

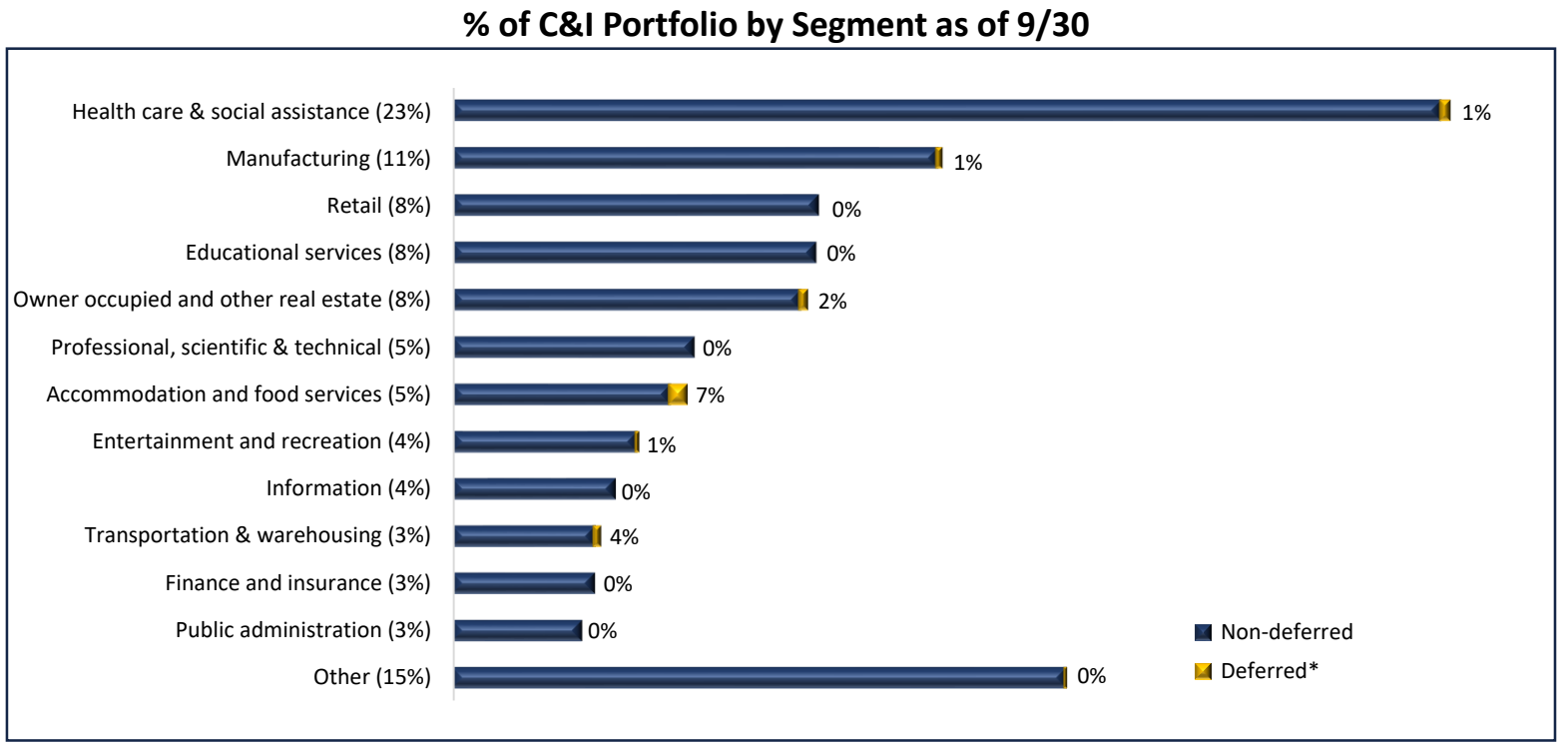
Commercial & Industrial (C&I)

Portfolio Overview as of September 30, 2020 (outstandings) and November 2, 2020 (deferments)

- Total portfolio: $822 million; $8.8 million (1%) deferred

Paycheck Protect Program (PPP)

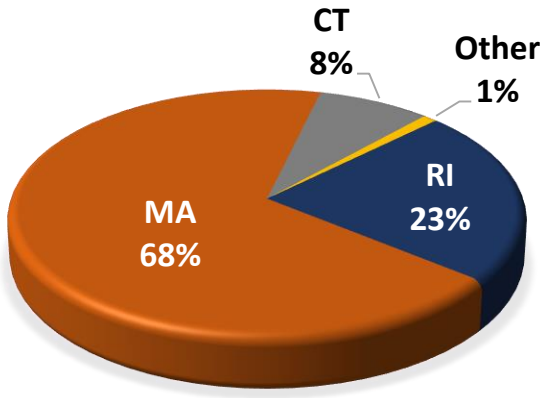
- 1,769 SBA approved loans totaling $217 million



* Executed deferments as of 11/2/20 as a percentage of 9/30/20 outstanding balances.

Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$1,506.7	$268.6
FICO score*	749	757
Total delinquencies	0.5%	0.7%
Nonperforming	0.8%	0.5%
Net charge-offs to average loans	0.01%	0.08%
LTV (1)	58.3%	63.2%



- Home Equity deferments: 12 loans for $1.1 million
- Residential deferments (2): 2.3% of portfolio

Residential deferments(2) by FICO		
FICO Bands	#	$ millions
>750	26	11.4
>660 - <750	25	12.3
<660	15	9.4
No FICO score	3	2.0
Total w/ FICO	69	35.1

At or for the nine months ended September 30, 2020

* Weighted average; refreshed May 31, 2020

(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.

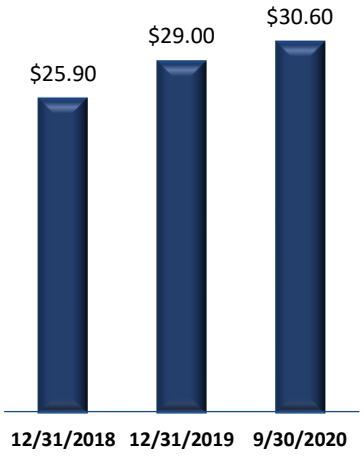
(2) Executed deferments as of 11/2/20 as a percentage of 9/30/20 outstanding balances.

CAPITAL MANAGEMENT

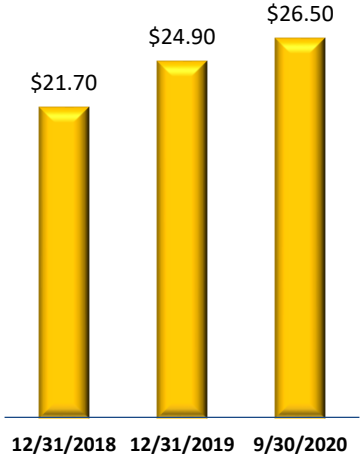
Capital Position

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

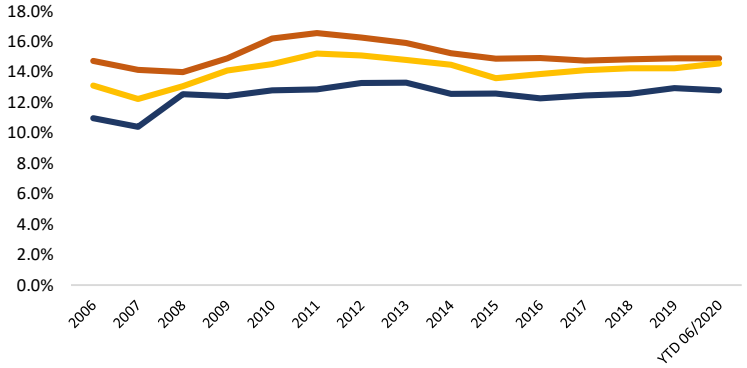
Book Value per Share



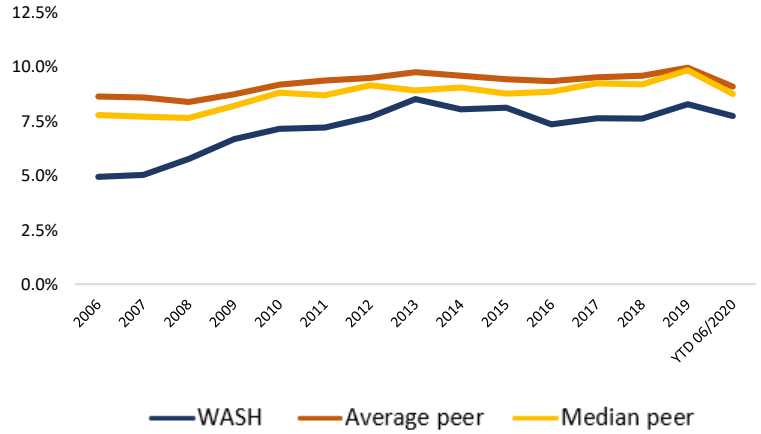
Tangible Book Value per Share (1)



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

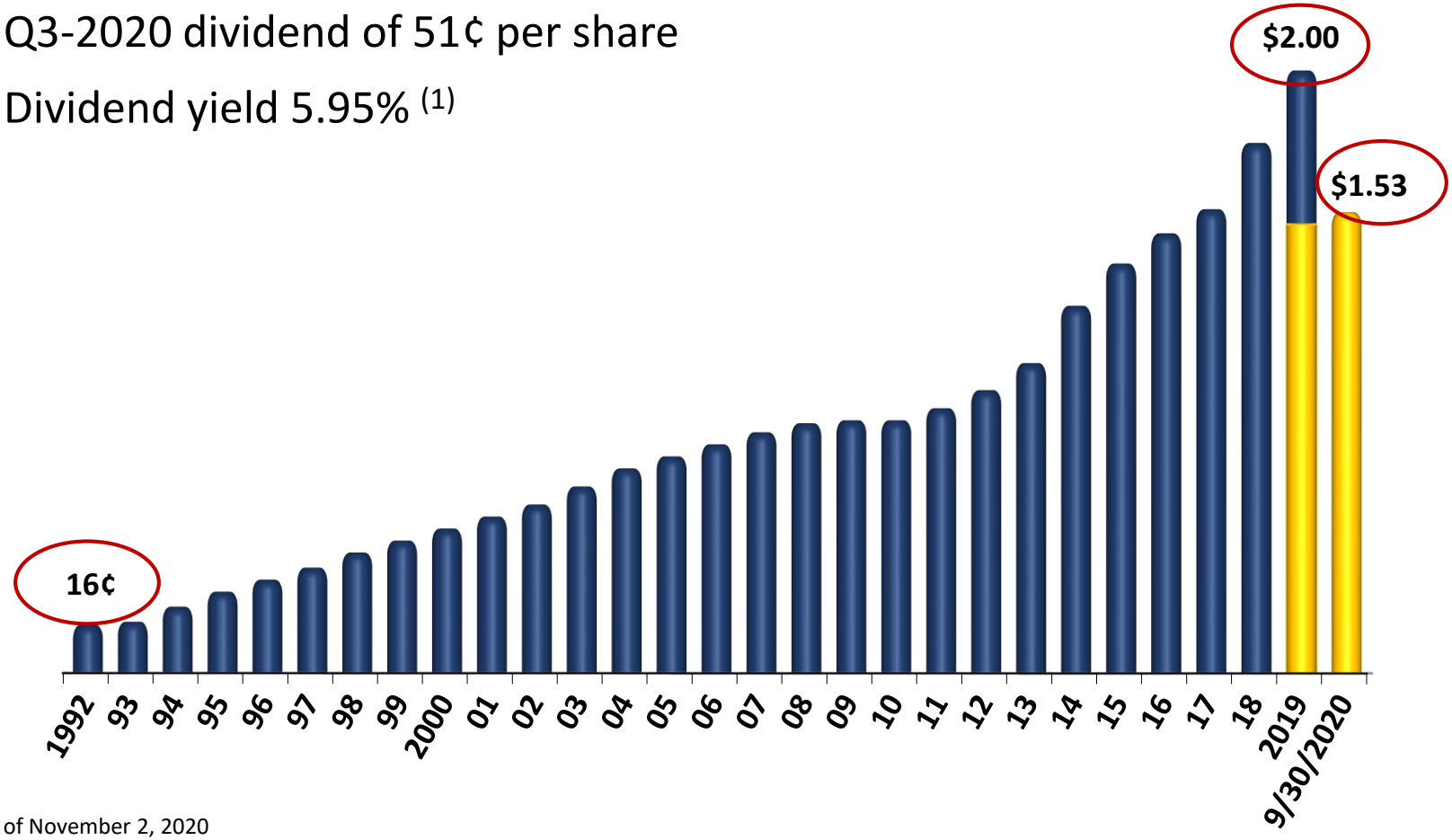
Capital Ratio	Standards for "well-capitalized"	Internal thresholds	Actual Q2/20	Scenario Minimums	
				Baseline	Sev Adv
Common equity tier 1	6.50%	7.00%	11.40%	11.11%	10.20%
Tier 1 risk-based capital	8.00%	8.50%	11.95%	11.55%	10.72%
Total risk-based capital	10.00%	10.50%	12.78%	12.80%	11.97%
Excess capital - Total cap				$ 147,217	$ 84,256

* 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

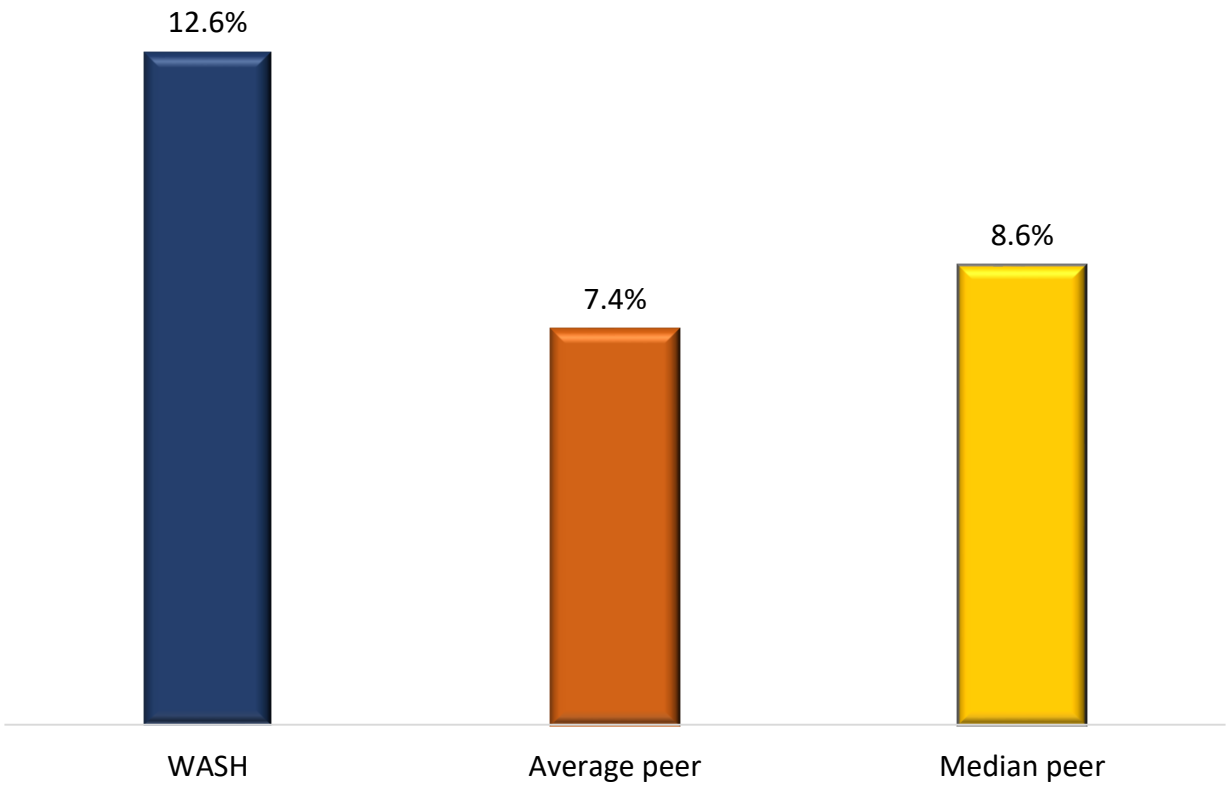
- Important contributor to shareholder value
- Q3-2020 dividend of 51¢ per share
- Dividend yield 5.95% (1)



(1) As of November 2, 2020

Capital Deployment

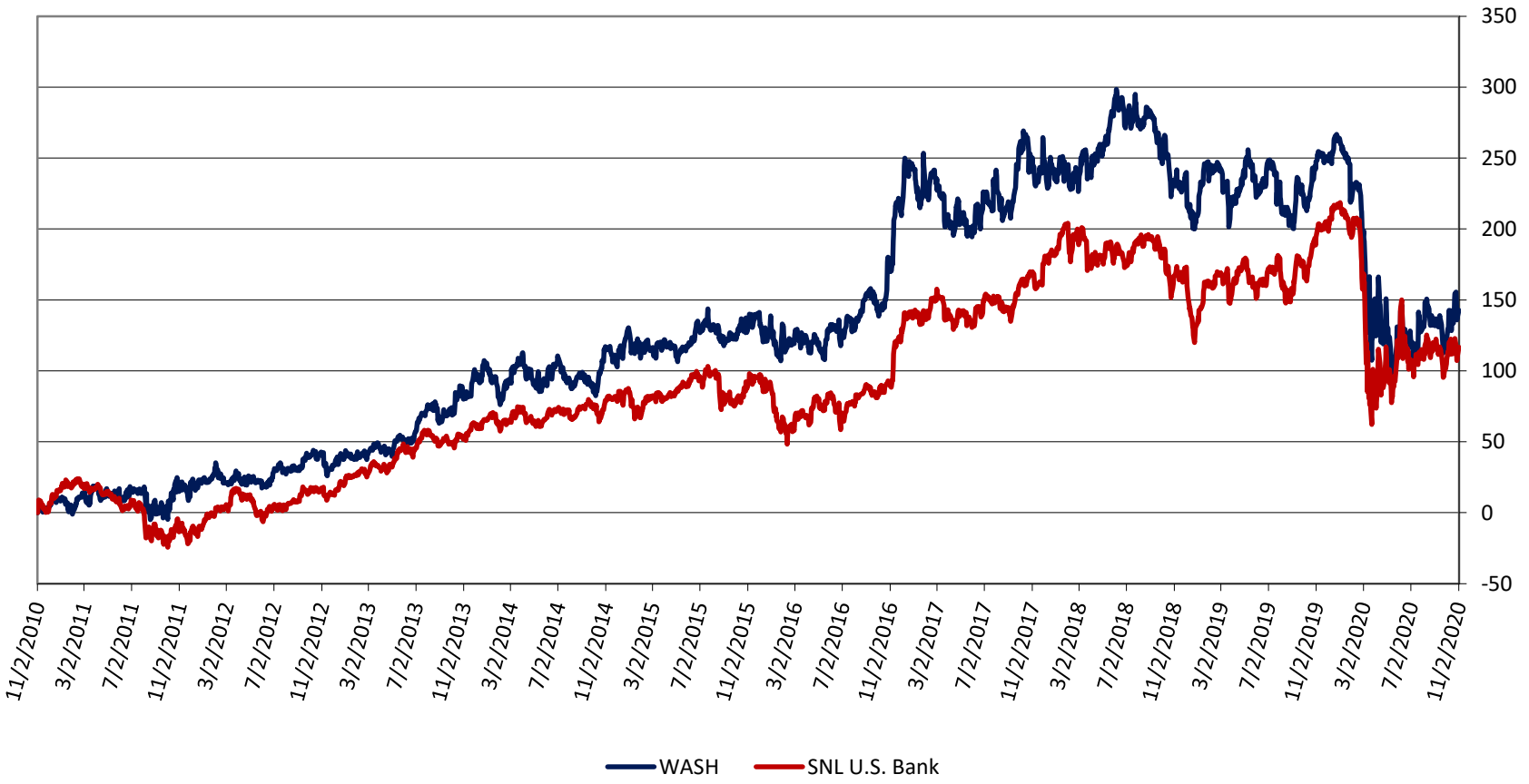
Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR
12/31/2006 to 6/30/2020



As of June 30, 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

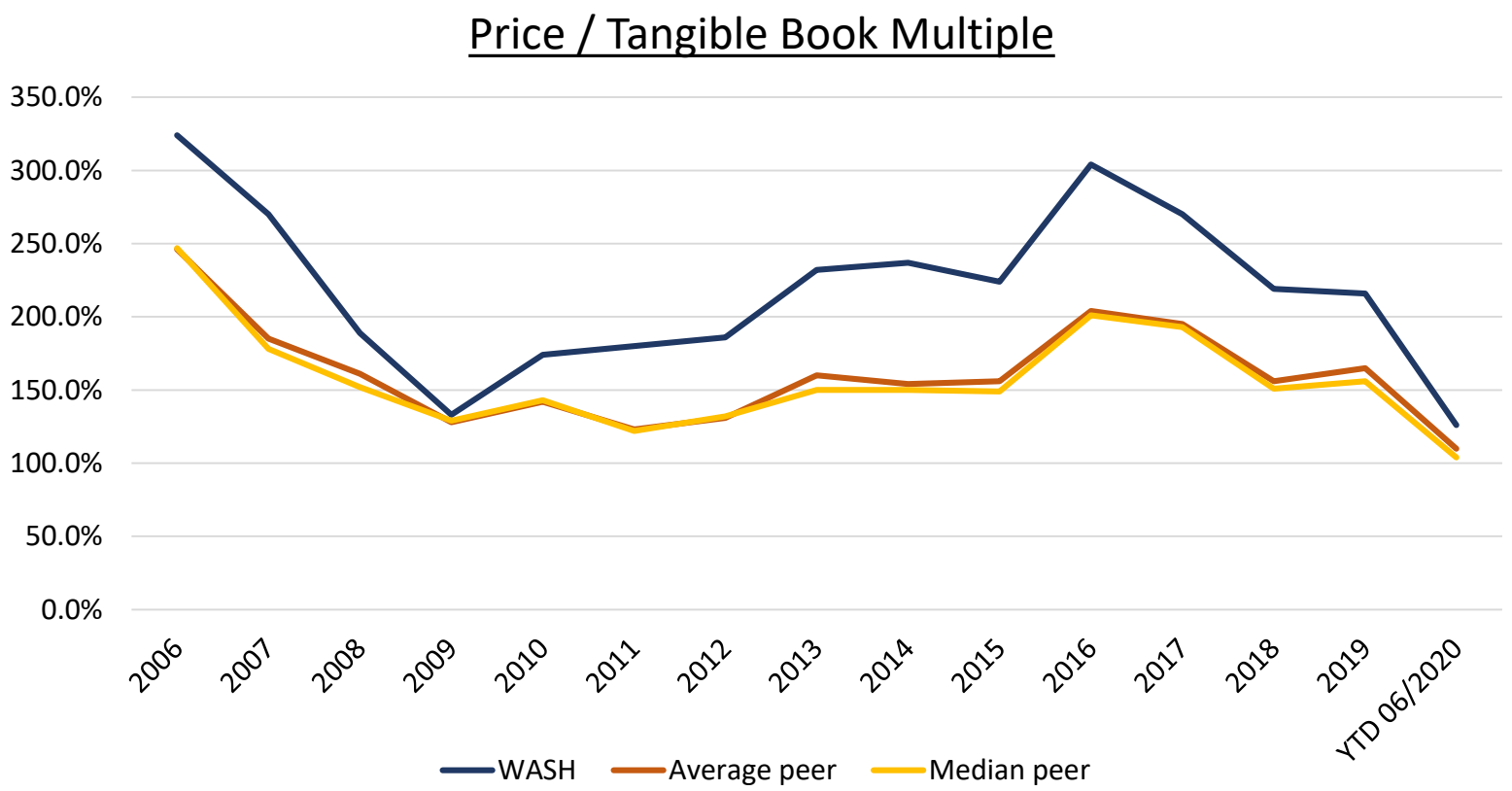
WASH Total Return (%) versus SNL U.S. Bank



Source: S&P Global Market Intelligence as of November 2, 2020

Price / Tangible Book Trend

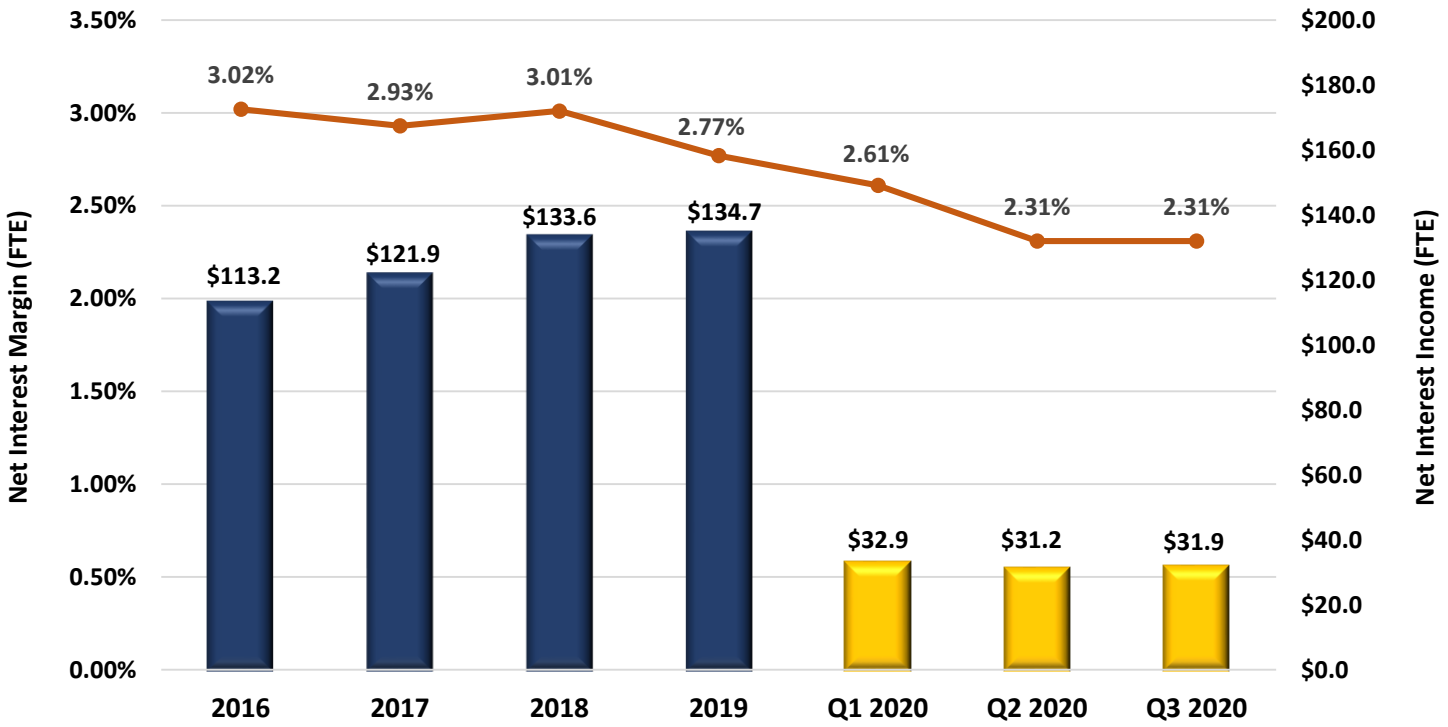
Attractive entry point given historical pricing



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

FINANCIAL HIGHLIGHTS

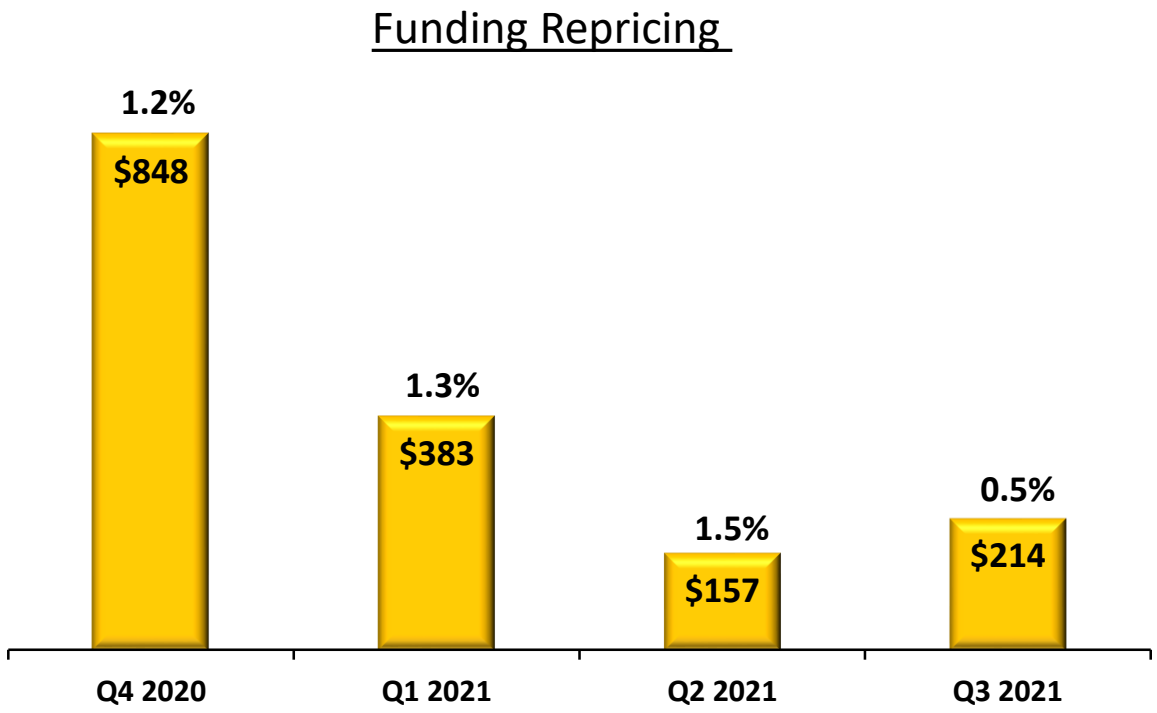
Net Interest Margin



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

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)



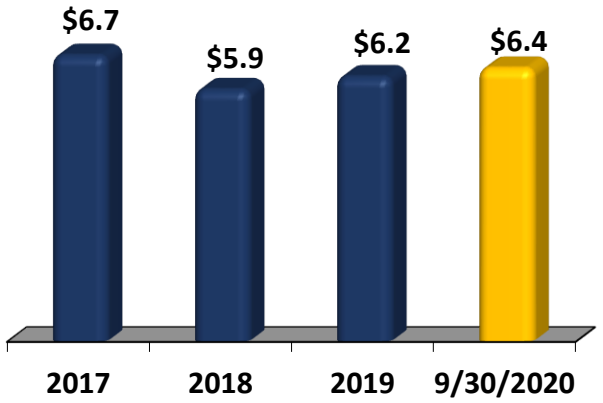
$ millions

Wealth Management

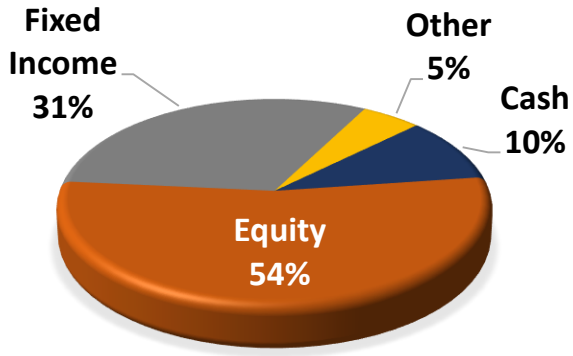
- Key contributor to pre-tax income
- Average client size: $2.3 million
- 79% high net worth individuals
- Average fee: 56 basis points

Assets Under Administration (AUA)

($ billions)

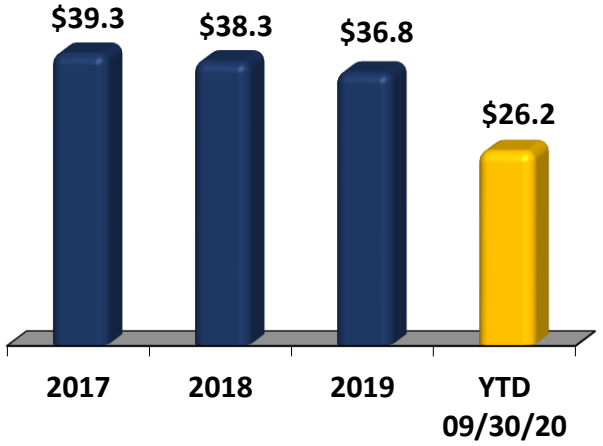


Asset Mix



Revenues

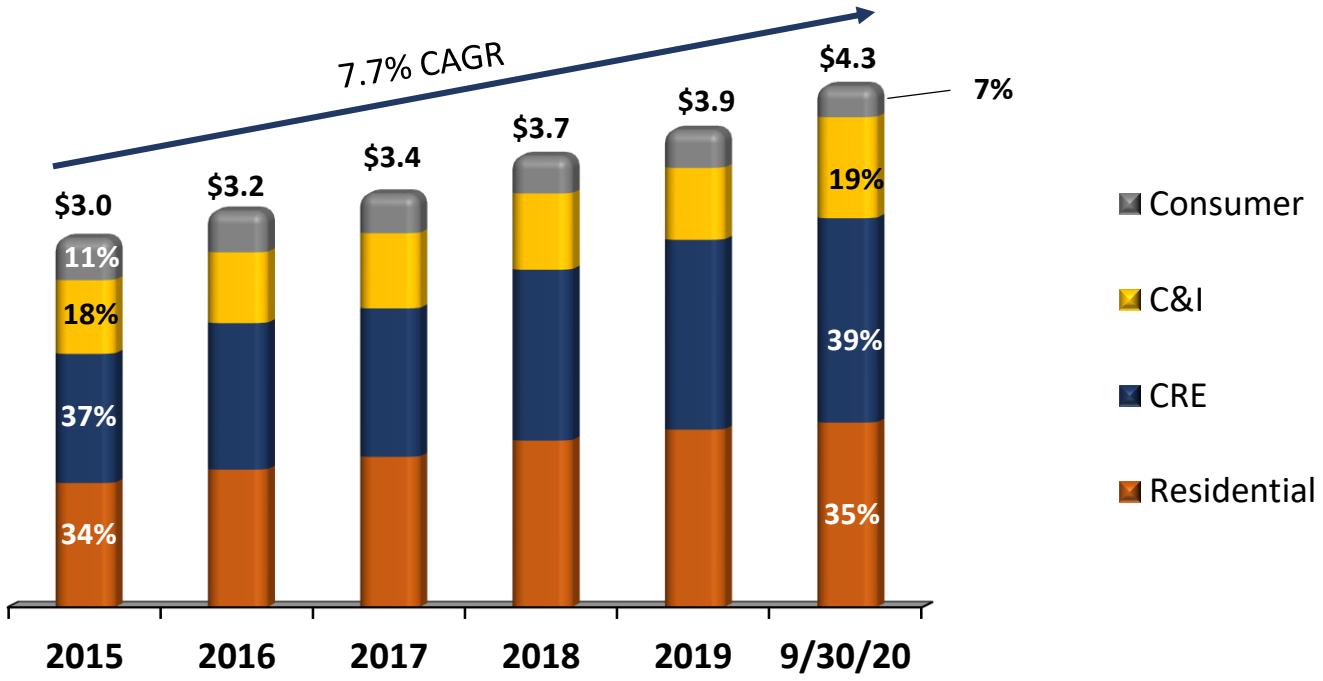
($ millions)



At September 30, 2020

Loan Portfolio

- Well-diversified portfolio
- 71% variable loans

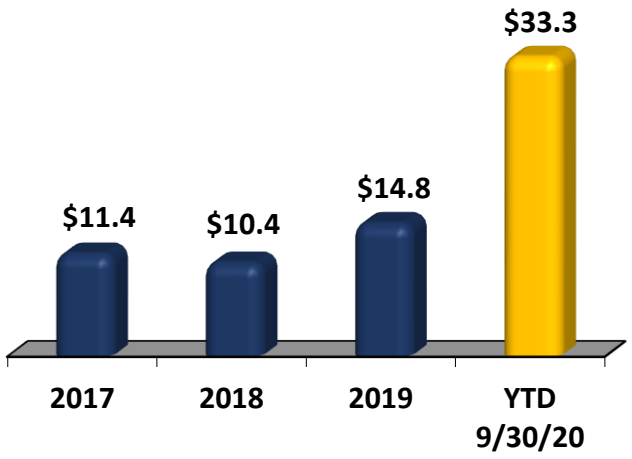


$ billions; at December 31st unless otherwise noted

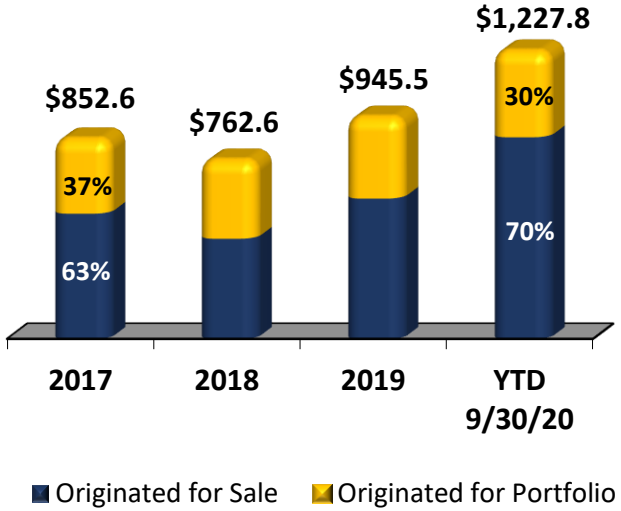
Mortgage Banking

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

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
(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%	6%	6%	0%	0%	15%
> $250,000 up to $484,350	2%	16%	6%	0%	0%	24%
> $484,350 (Jumbo) up to 1M	2%	30%	8%	1%	0%	41%
> 1 Million	2%	15%	4%	0%	0%	21%
Grand Total	8%	68%	23%	1%	0%	100%

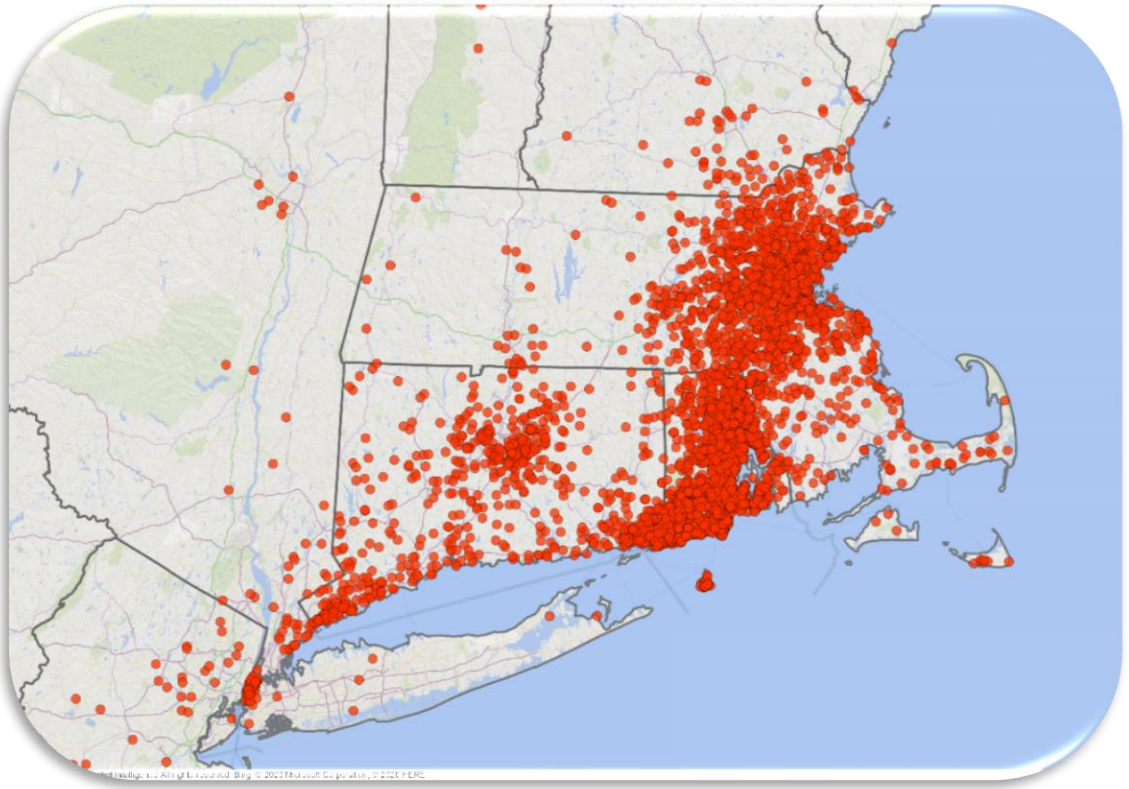
By State

Loan Amount Range	CT	MA	RI	NH	Other
< $250,000	23%	9%	26%	21%	26%
> $250,000 up to $484,350	27%	23%	24%	25%	74%
> $484,350 (Jumbo) up to 1M	28%	45%	34%	54%	0%
> 1 Million	22%	23%	16%	0%	0%
Grand Total	100%	100%	100%	100%	100%

Portfolio distribution as of September 30, 2020

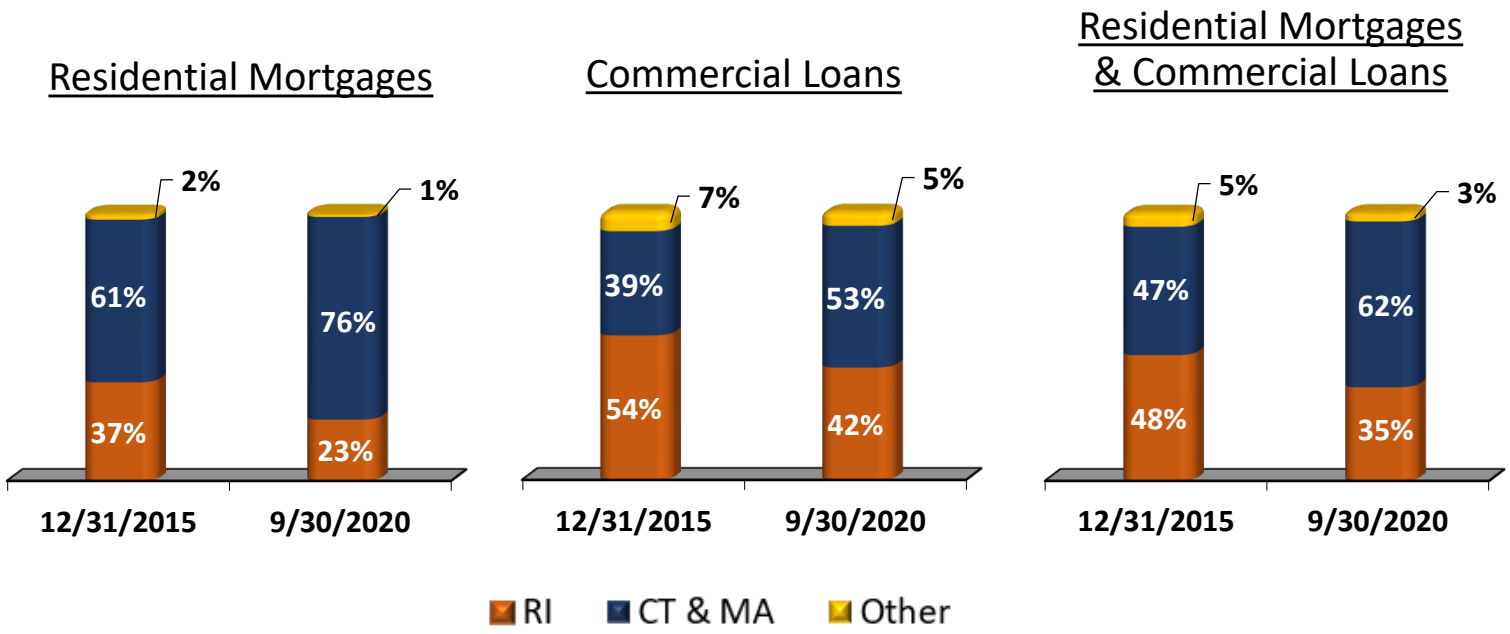
Mortgage Concentration

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



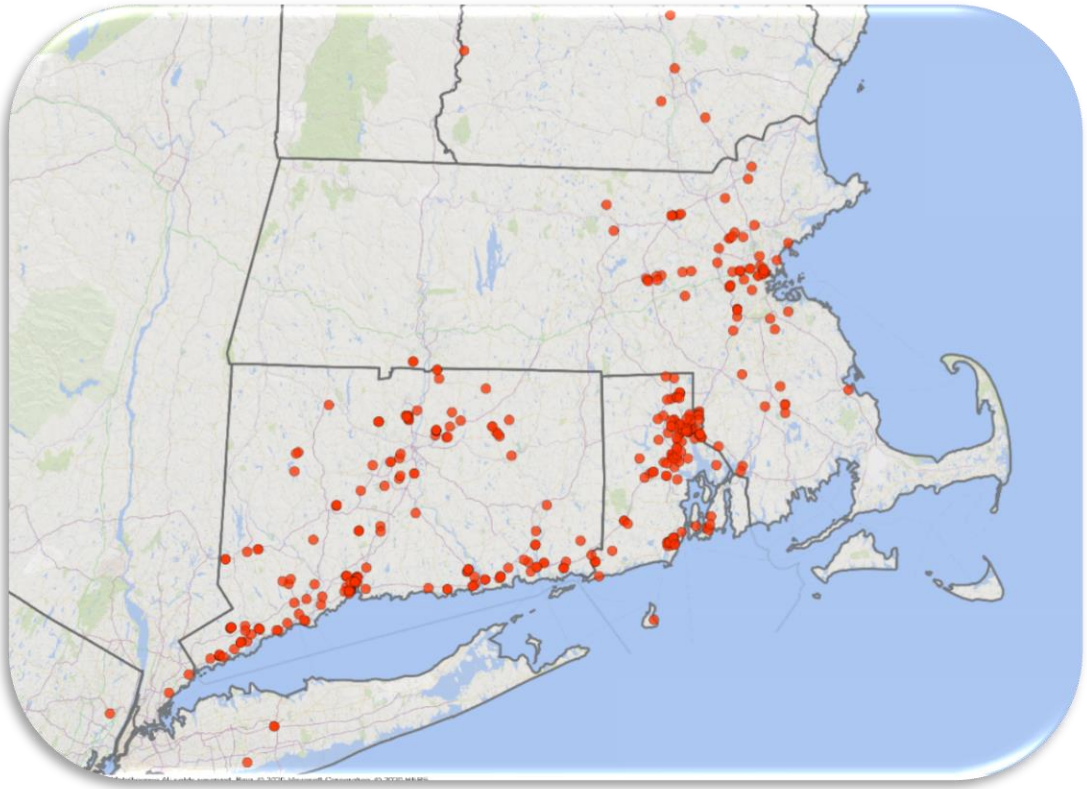
Regional Expansion

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



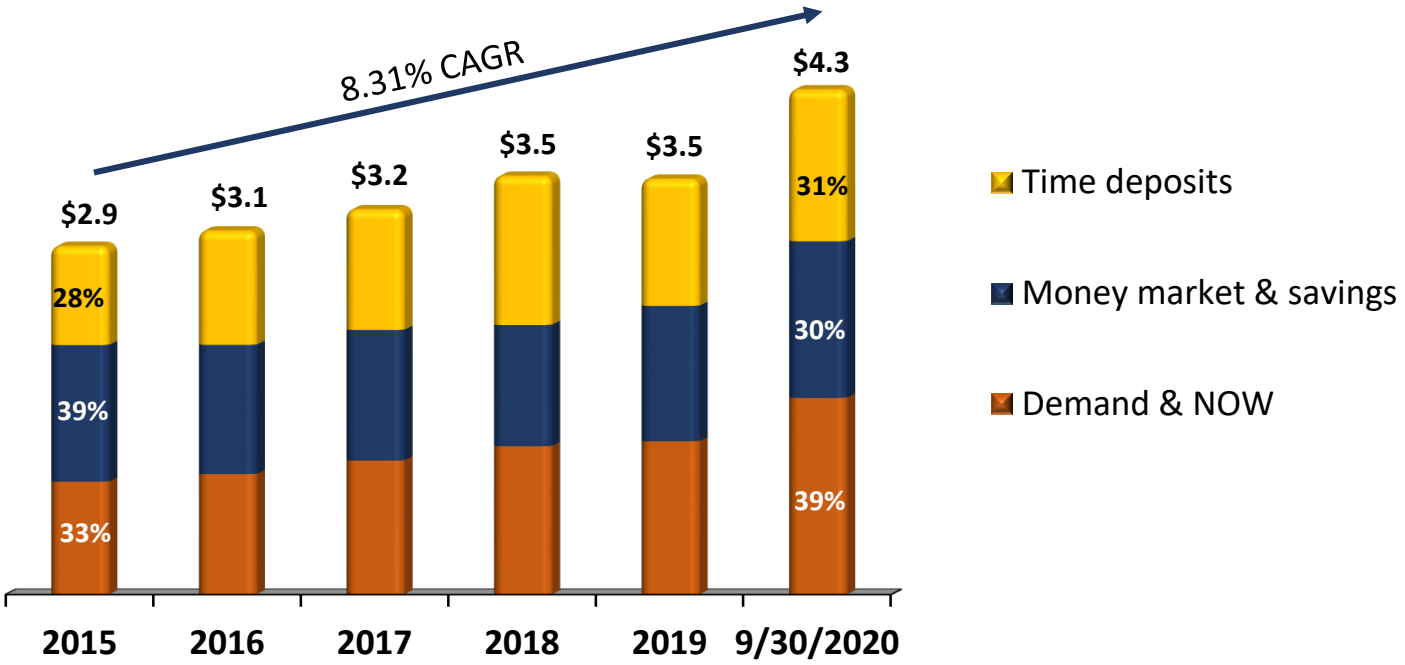
CRE Concentration

- Predominantly in RI, CT and MA
  - 39% in CT
  - 30% in MA
  - 26% in RI
- Concentration: ~325%



Deposit Portfolio

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



$ billions; at December 31st unless otherwise noted

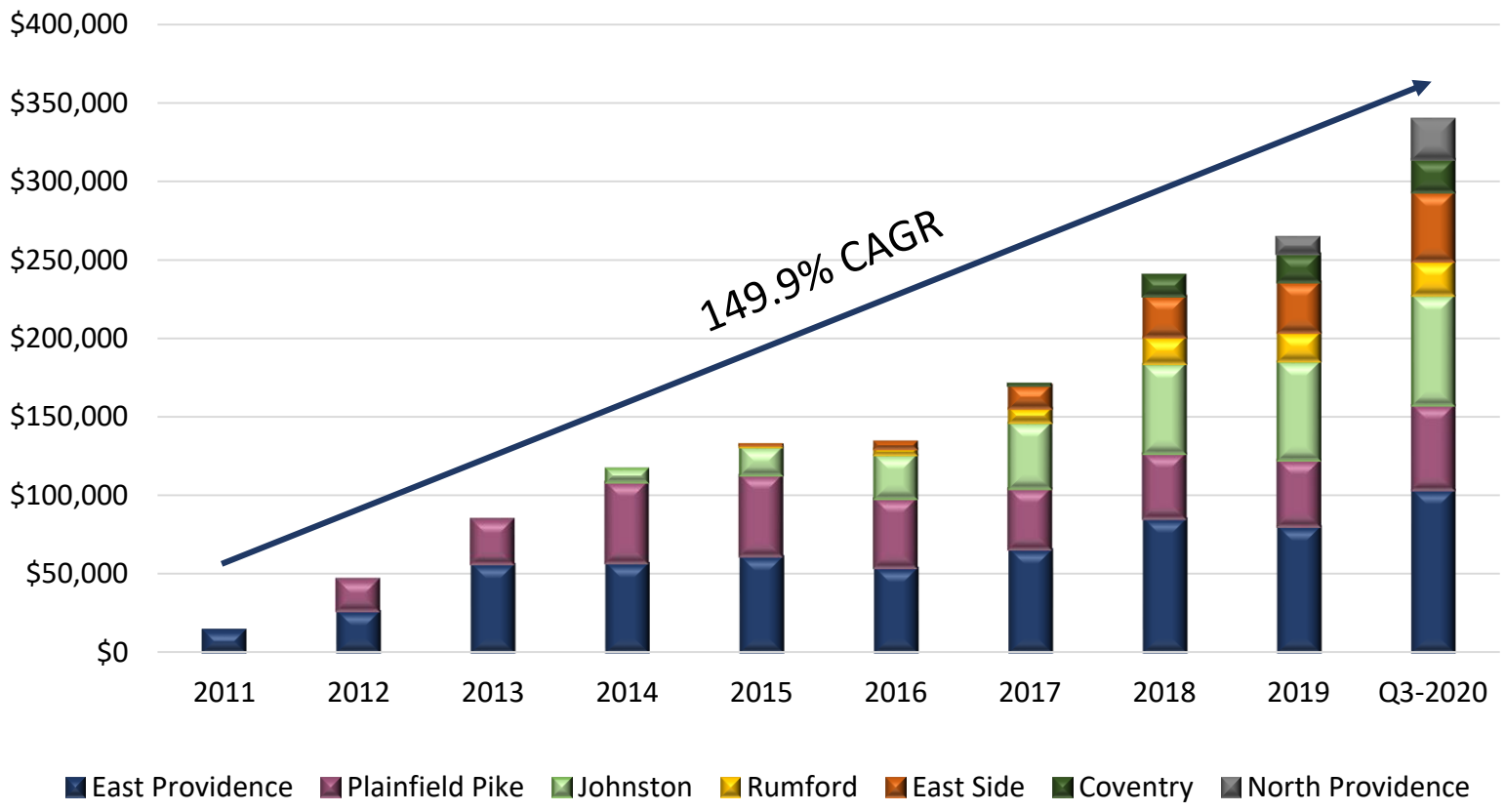
Deposit Market Share

- #1 State-chartered bank in RI
- $186 million average deposits per branch

Rank	Institution (ST)	Branch Count	Total Deposits in Market ($B)	Total Market Share
1	Citizens (RI)	**72**	**$14.1**	**38%**
2	Bank of America (NC)	**28**	**$8.6**	**23%**
3	**Washington Trust (RI)**	**22**	**$4.1**	**11%**
4	Santander	29	$2.6	7%
5	Bank Rhode Island (MA)	20	$2.3	6%
6	BankNewport (RI)	18	$1.6	4%
7	Centreville Bank (RI)	8	$1.0	3%
8	TD Bank	9	$.7	2%
9	HarborOne (MA)	11	$.6	2%
10	Webster Bank (CT)	9	$.5	1%
	Total For Institutions In Market	**247**	**$37.3**	

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, 2020; most recent data available

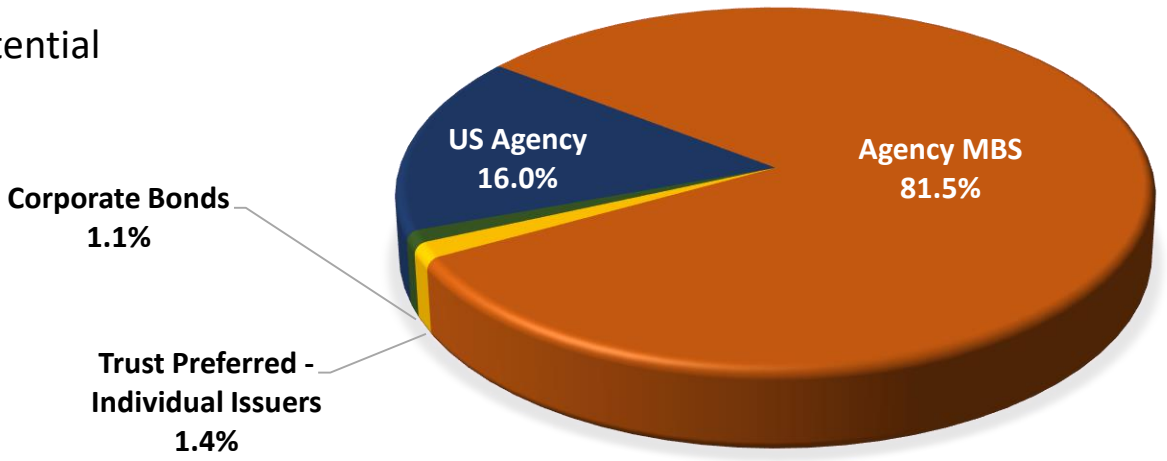
De Novo Branch Growth



Investment Securities

Largely Agency MBS

- Fair value: $913.9 million
- Amortized cost: $899.8 million
- Yield on securities: 2.14%
  (yield as of Q3-20)
- Duration of 1.55 years
- Limited extension potential



As of September 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

COVID 19 Operational Update

Employees

- Approximately 91% of non-retail employees are working from home
- Provided special compensation to branch staff and onsite employees
- Increased cleaning and protective precautions including providing protective masks, installed protective shielding in branches and set occupancy restrictions
- Suspended non-essential business travel
- Leveraged employee wellness networks to maintain culture, morale and productivity

Customers

- Branch lobbies open to foot traffic with new safety measures in place
- Communicated availability of alternative delivery channels, including digital and telephone banking services, for added convenience
- Provided a secure online portal to simplify the PPP forgiveness application process for borrowers

Communities

- Maintain regular communications with State and local government leaders, health officials, and the community.
- Made a financial contribution to the United Way of Rhode Island's COVID-19 Response Fund and increased donations to food pantries
- Awarded grants to minority and women-owned small businesses to purchase PPE equipment
- Developed media campaign to showcase local businesses affected by COVID-19

Income Statement

$s in thousands	For the Quarter Ended Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Interest and dividend income	$ 40,834	$ 42,612	$ 47,116	$ 47,383	$ 49,527
Interest expense	9,180	11,667	14,514	15,389	16,549
Net interest income	31,654	30,945	32,602	31,994	32,978
Provision for loan losses	1,325	2,200	7,036	-	400
Net interest income after provision for loan losses	30,329	28,745	25,566	31,994	32,578
Noninterest income:					
Net other than temporary impairment losses on securities	-	-	-	-	-
Other noninterest income	25,468	26,320	19,927	16,618	18,342
Total noninterest income	25,468	26,320	19,927	16,618	18,342
Noninterest expense	32,344	28,478	30,453	28,755	26,870
Income before income taxes	23,453	26,587	15,040	19,857	24,050
Income tax expense	5,131	5,547	3,139	4,321	5,236
Net income	$ 18,322	$ 21,040	$ 11,901	$ 15,536	$ 18,814

Balance Sheet

$s in thousands	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Assets:					
Cash and cash equivalents	$ 212,015	$ 223,340	$ 185,269	$ 138,455	$ 146,104
Mortgage loans held for sale	68,095	43,997	49,751	27,833	44,657
Total securities	913,850	938,446	917,392	899,490	887,020
FHLB stock	37,469	50,017	53,576	50,853	45,030
Total loans	4,282,047	4,287,641	4,090,396	3,892,999	3,778,106
Less allowance for loan losses	42,645	41,441	39,665	27,014	26,997
Net loans	4,239,402	4,246,200	4,050,731	3,865,985	3,751,109
Investment in bank-owned life insurance	83,623	83,056	83,053	82,490	81,920
Goodwill and identifiable intangible assets	70,439	70,668	70,897	71,127	71,357
Other assets	224,899	221,236	210,310	156,426	171,681
Total assets	$ 5,849,792	$ 5,876,960	$ 5,620,979	$ 5,292,659	$ 5,198,878
Liabilities and Shareholders' Equity:					
Total deposits	$ 4,285,693	$ 4,101,436	$ 3,706,314	$ 3,498,882	$ 3,586,153
FHLB advances	713,868	1,005,051	1,198,534	1,141,464	956,786
PPPLF	105,746	38,900			
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Other liabilities	194,111	188,729	184,853	126,140	135,433
Total shareholders' equity	527,693	520,163	508,597	503,492	497,825
Total liabilities and shareholders' equity	$ 5,849,792	$ 5,876,960	$ 5,620,979	$ 5,292,659	$ 5,198,878

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Sep 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	$527,693	$503,492	$448,184	$413,284
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	6,530	7,218	8,162	9,140
Total tangible shareholders' equity at end of period	$457,254	$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	$30.57	$29.00	$25.90	$23.99
Tangible book value per share – Non-GAAP	$26.49	$24.90	$21.74	$19.75
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$457,254	$432,365	$376,113	$340,235
Total assets at end of period	$5,849,792	$5,292,659	$5,010,766	$4,529,850
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	6,530	7,218	8,162	9,140
Total tangible assets at end of period	$5,779,353	$5,221,532	$4,938,695	$4,456,801
Equity to assets - GAAP	9.02%	9.51%	8.94%	9.12%
Tangible equity to tangible assets – Non-GAAP	7.91%	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.