WASHINGTON TRUST BANCORP, INC.

Investor Presentation

Q2 - 2022

Table of Contents

	Page
Executive Team	3
Who We Are	4
Strategic Priorities	8
Earnings Capacity	15
Credit Quality	20
Capital Management	27
Financial Highlights	33
Why Washington Trust	48
Supplemental Information	50

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, 2021, 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

Ned Handy
Chairman and Chief Executive Officer

Mark Gim
President and Chief Operating Officer

Ron Ohsberg
Senior EVP, Chief Financial Officer and Treasurer



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

Investor Information

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

401-348-1309, ebeckel@washtrust.com

Who We Are

Corporate profile

Founded in 1800

Oldest community bank in the U.S.

High-performing regional bank

Largest state-chartered bank in Rhode Island

- $6.0B assets
- $4.5B loans
- $5.0B deposits

Diversified financial services company

Premier regional wealth management firm

$6.7B assets under administration

Market capitalization

$943 M*

At June 30, 2022, unless otherwise noted
* At August 19, 2022

Prestigious Recognition

Named one of the nation's Best Banks to Work For by American Banker® magazine for the 3rd consecutive year.

Named as one of the Healthiest Employers in Rhode Island for the second consecutive year.

Named by Newsweek as Best Small Bank in Rhode Island



Named as one of Rhode Island's Best Places to Work by Providence Business News for the twelfth year in a row.

Proven Growth Model

Rhode Island

Organic Branch Expansion

2022 Cumberland**
2021 East Greenwich
2019 North Providence
2017 Coventry
2016 Providence
2015 Rumford
2014 Johnston
2012 Cranston
2011 East Providence
2009 Warwick
2008 Providence*
2007 Cranston
2003 Warwick

CT & MA

Mortgage Market Expansion

2016 Wellesley, MA
2014 Braintree, MA
2011 Burlington, MA
2011 Glastonbury, CT
2009 Sharon, MA

RI, CT & MA

Bank & Wealth Management Acquisitions

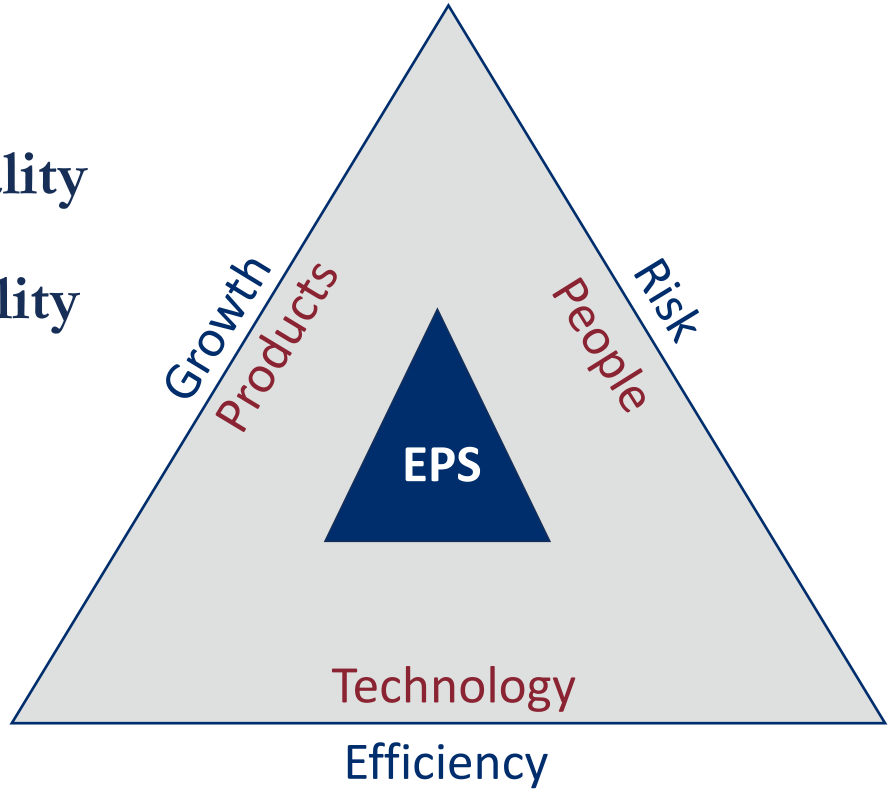
2015 Halsey Associates
2005 Weston Financial
2002 First Financial
2000 Phoenix Investment
1999 PierBank

* Moved from 180 Washington Street, Providence
** New branch opened August 2022

Strategic Priorities

Achieve Shareholder Value

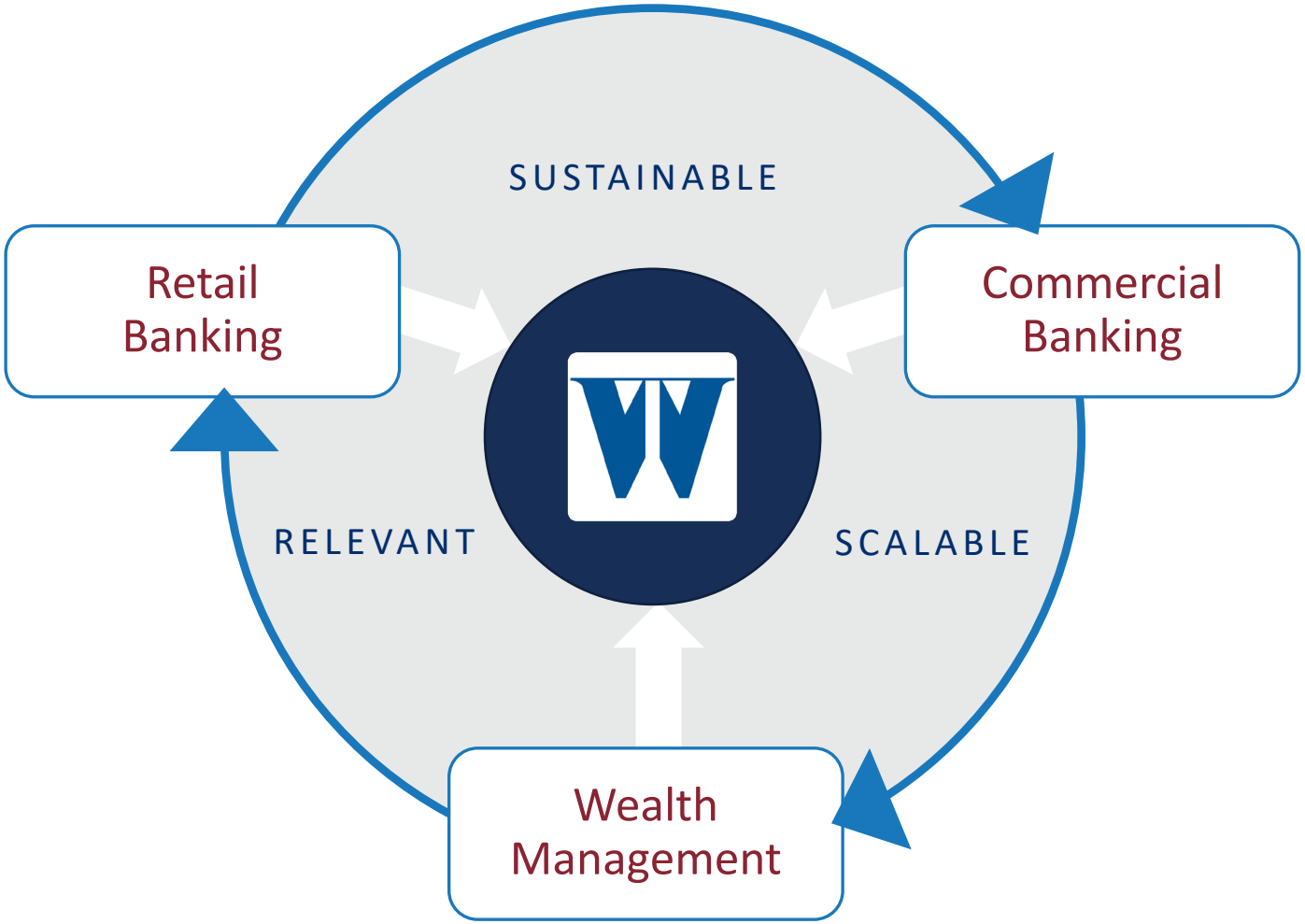
- **Sustain strong financial performance**
  - ROA: 1.26%
  - ROE: 13.98%
  - ROTCE: 16.10%
- **Emphasize pristine asset quality**
- **Maintain consistent profitability**



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



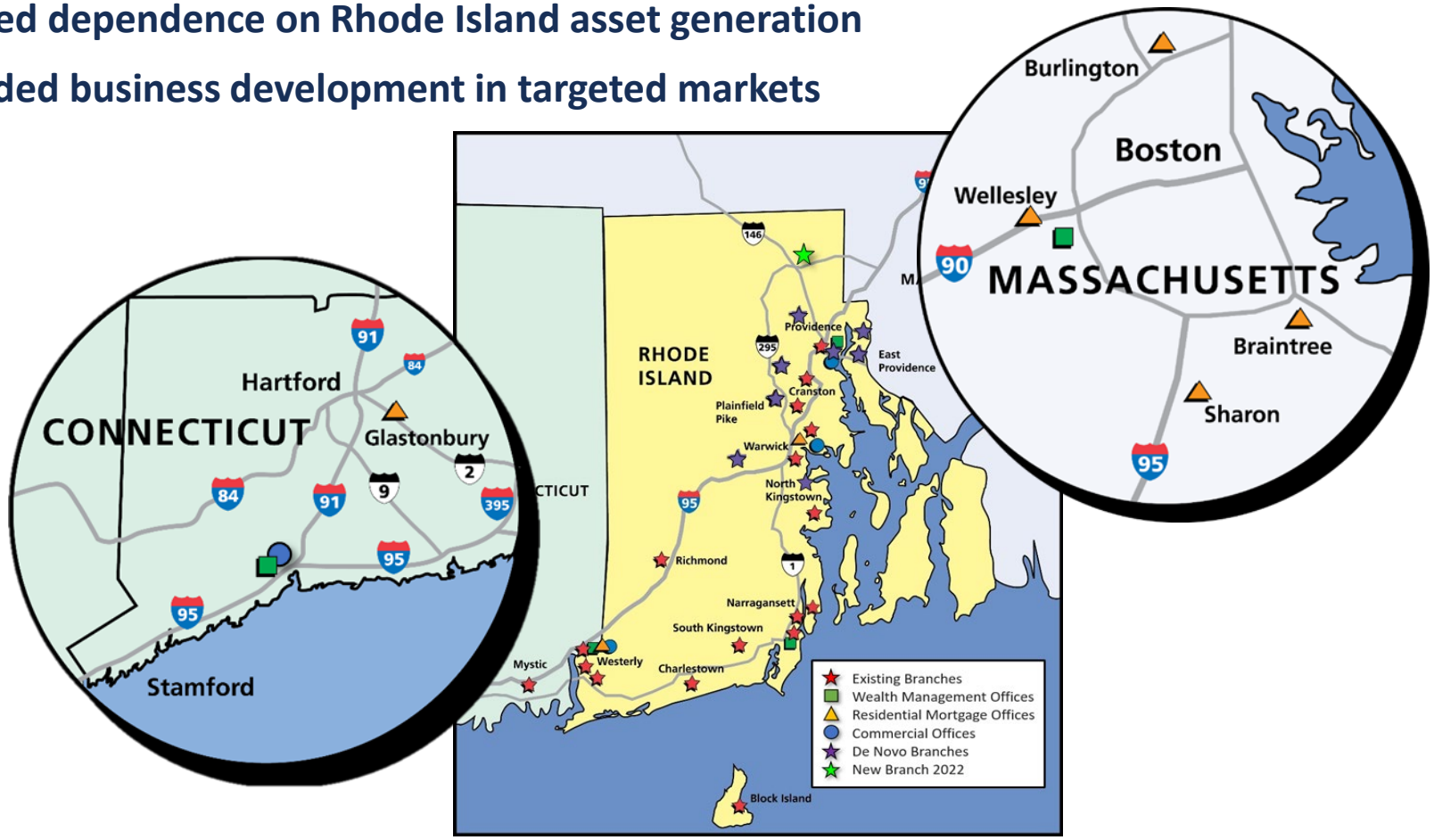
Exploit Opportunities in Core Market

- **Expand into new markets**
- **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**
- **Expanded business development in targeted markets**



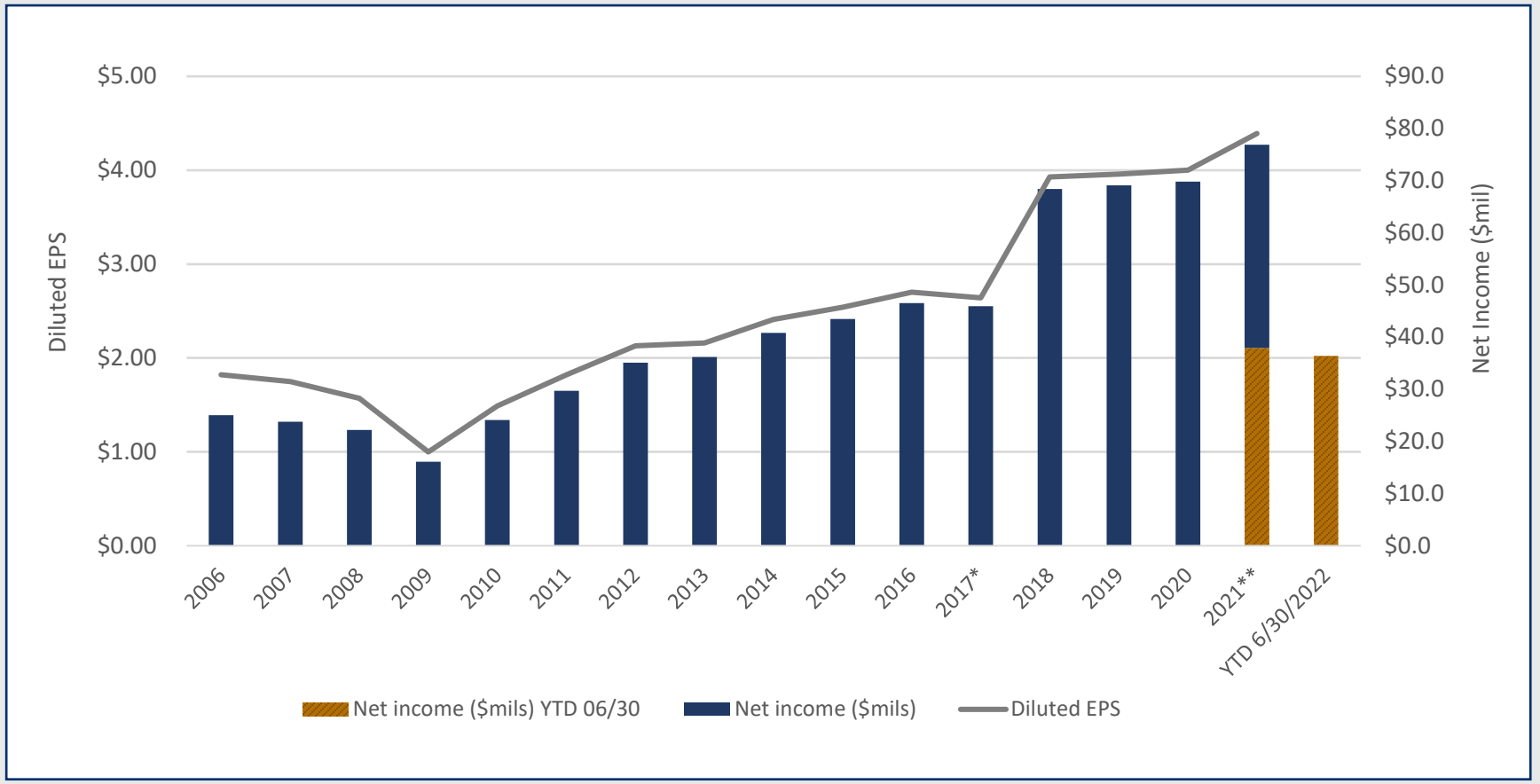
Enhance Client Experience

- **Balance “high touch” personal service with “high tech” digital solutions**
- **Ensure positive client experiences across and between all channels**
- **Deepen client relationships by understanding the entire customer journey**
- **Optimize branch delivery**
- **Invest in key technology**

Earnings Capacity

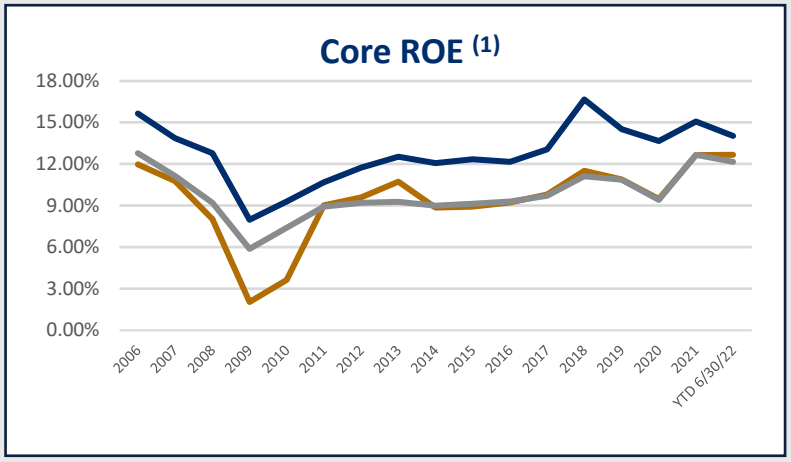
Profitability Trend

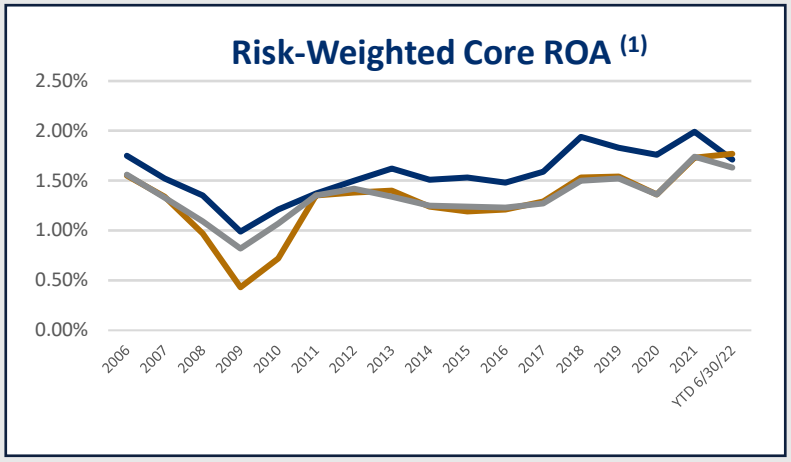
Proven track record of earnings growth

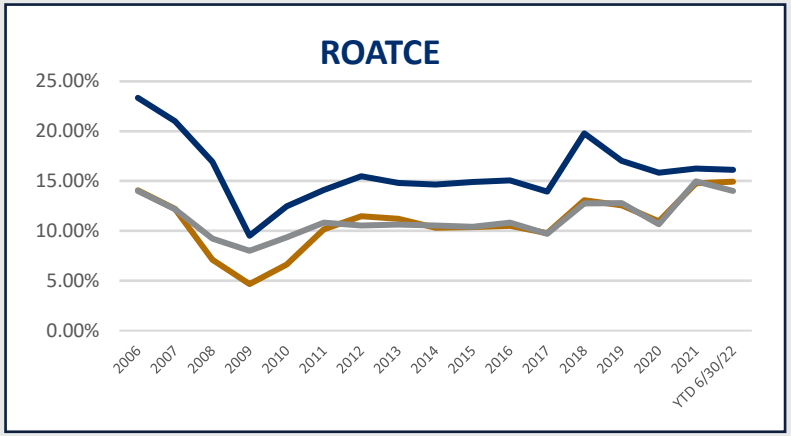


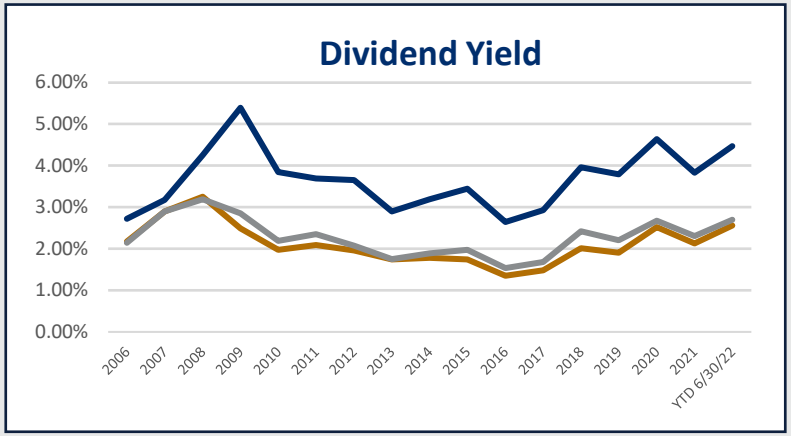
At December 31st unless otherwise noted
** Includes $6.2 million deferred tax asset write-down resulting from Tax Reform Act*
*** Includes $5.4 million after tax net non-operating expense (FHLB prepayment fees)*

Profitability Metrics







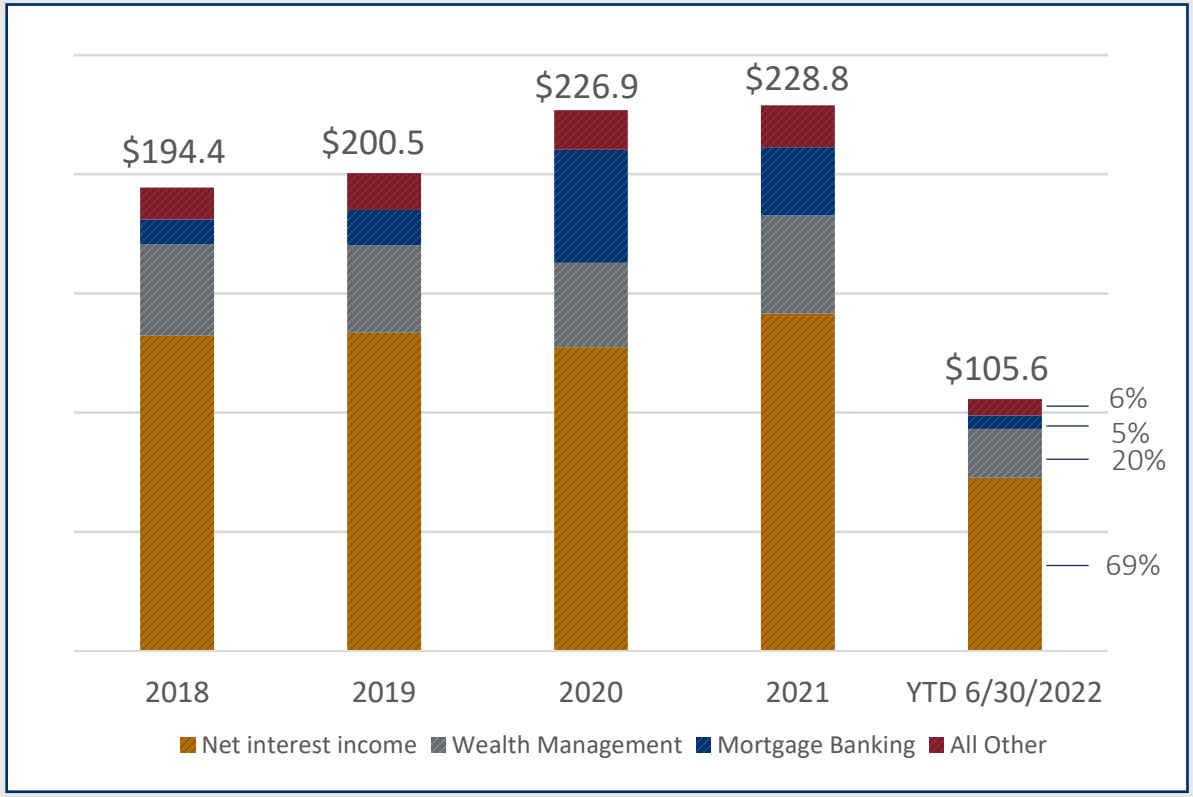


WASH — Average peer — Median peer

Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 6/30/22.
(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

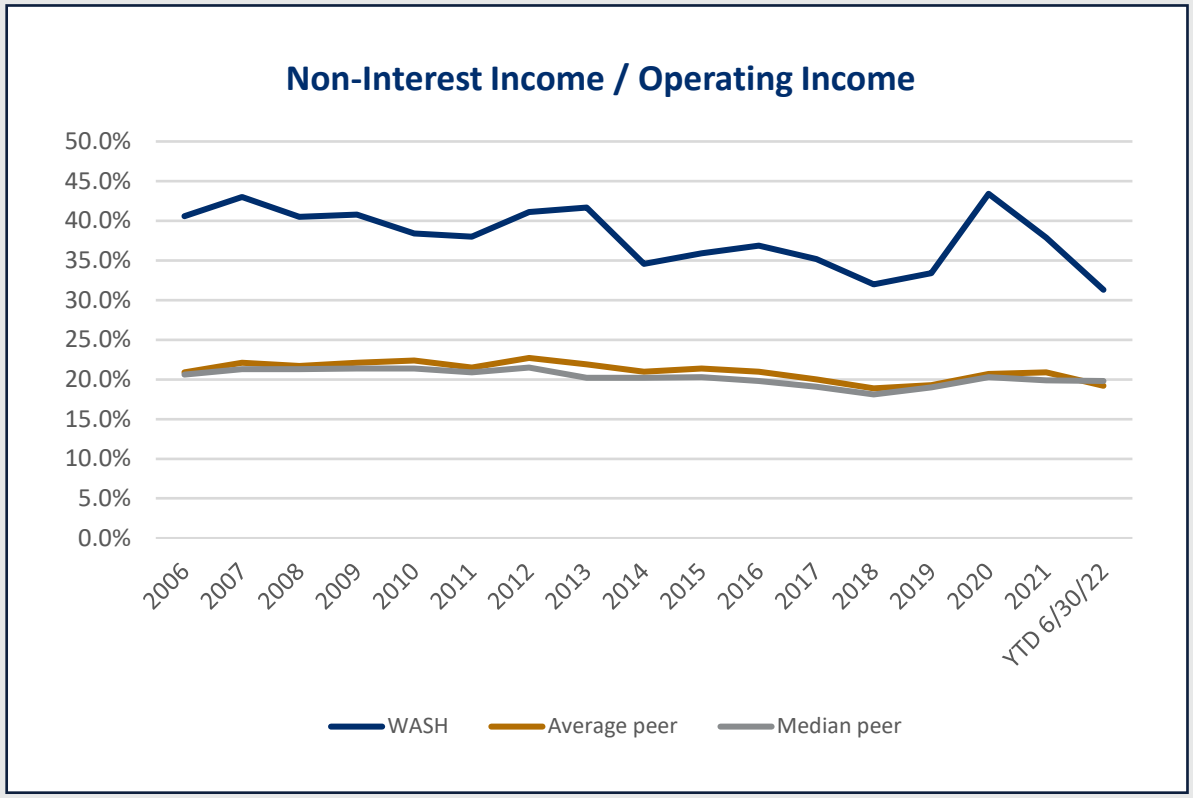
Contributions from all major business lines



$ millions

Noninterest Income Trend

Better than 90% of peer group (1)



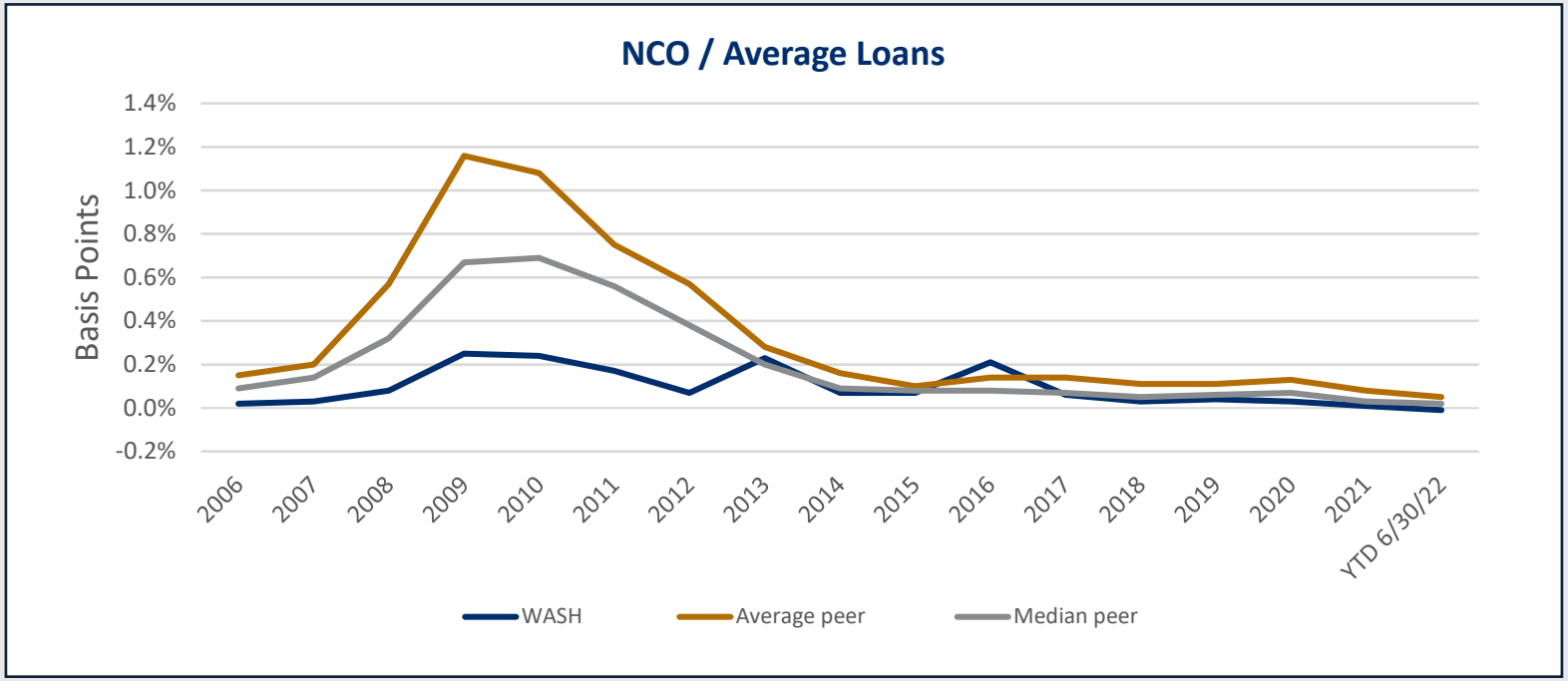
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 6/30/22.
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain 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

Credit Quality

Asset Quality

Historical differentiator

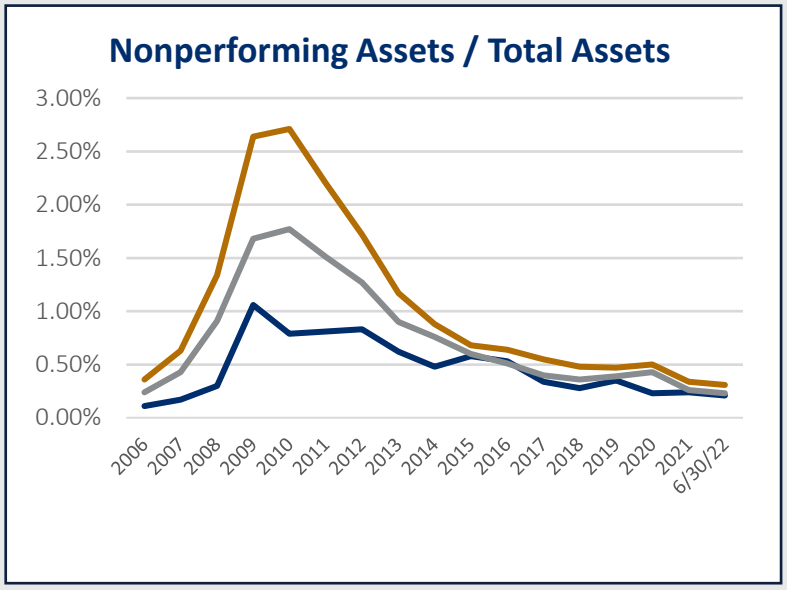
Cumulative losses 2006-YTD 06/2022 (bps)	
WASH	161
Average peer	577
Median peer	361

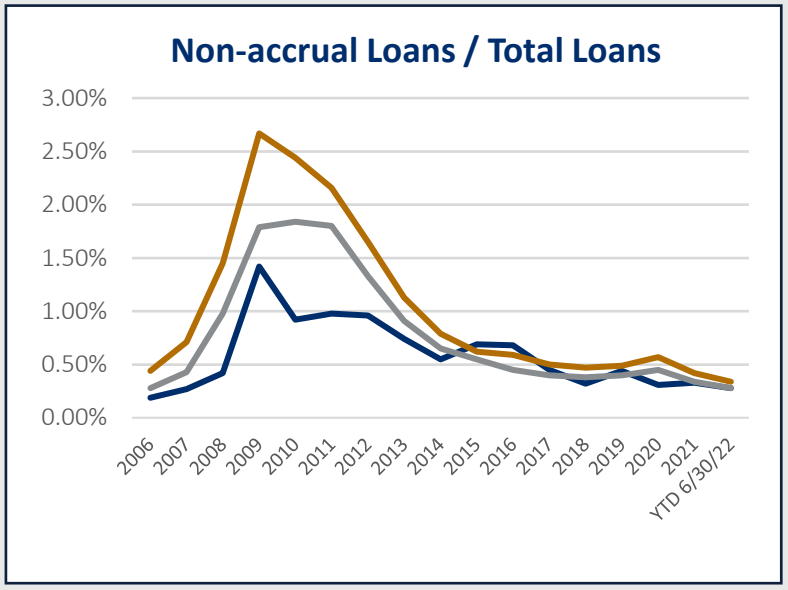


Most recent complete peer data as of 6/30/22
Percentile ranking for the year ended December 31st unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

Credit Quality

Consistently strong asset quality ratios



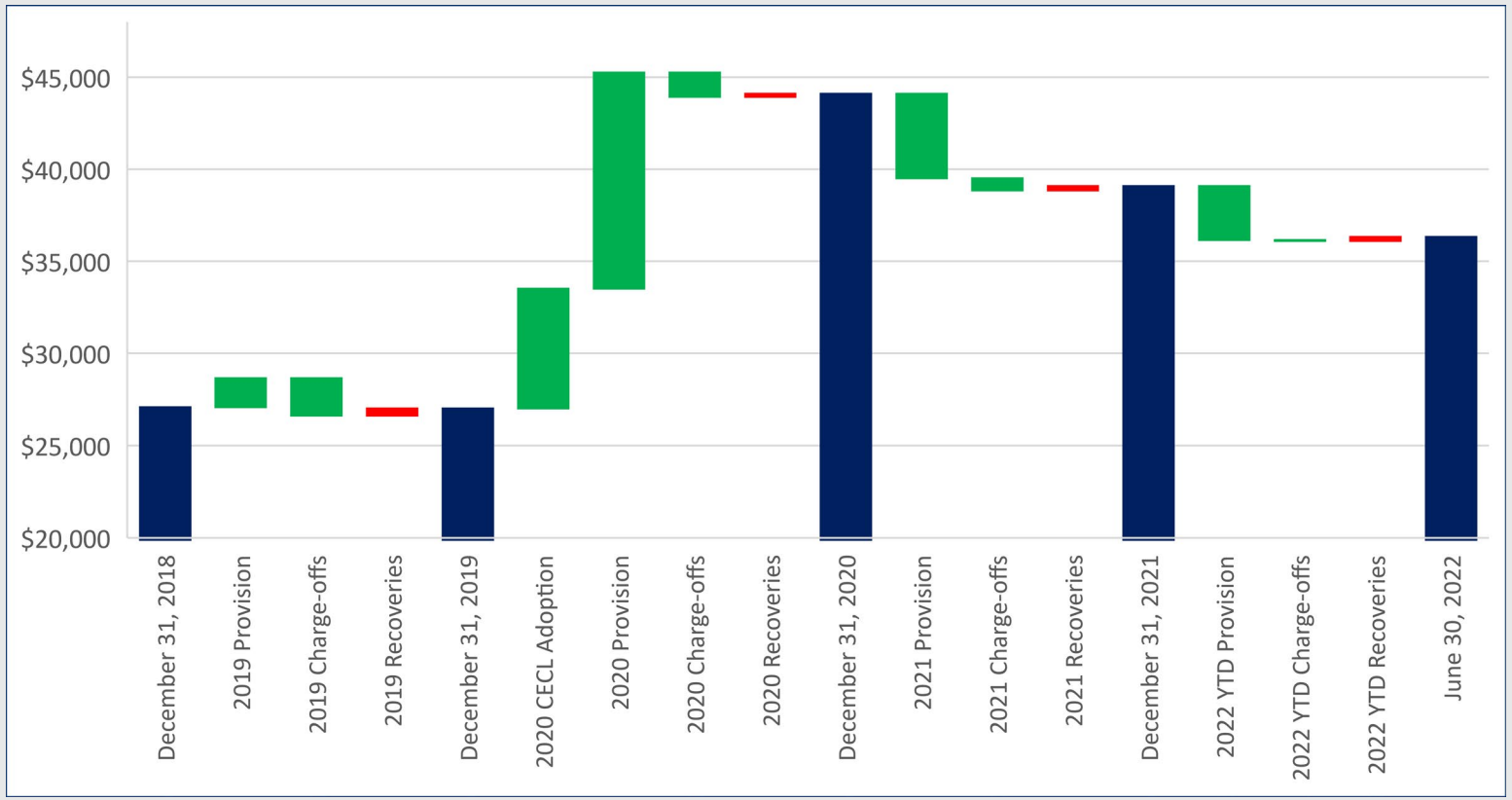


WASH Average peer Median peer

Most recent complete peer data as of 6/30/22
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

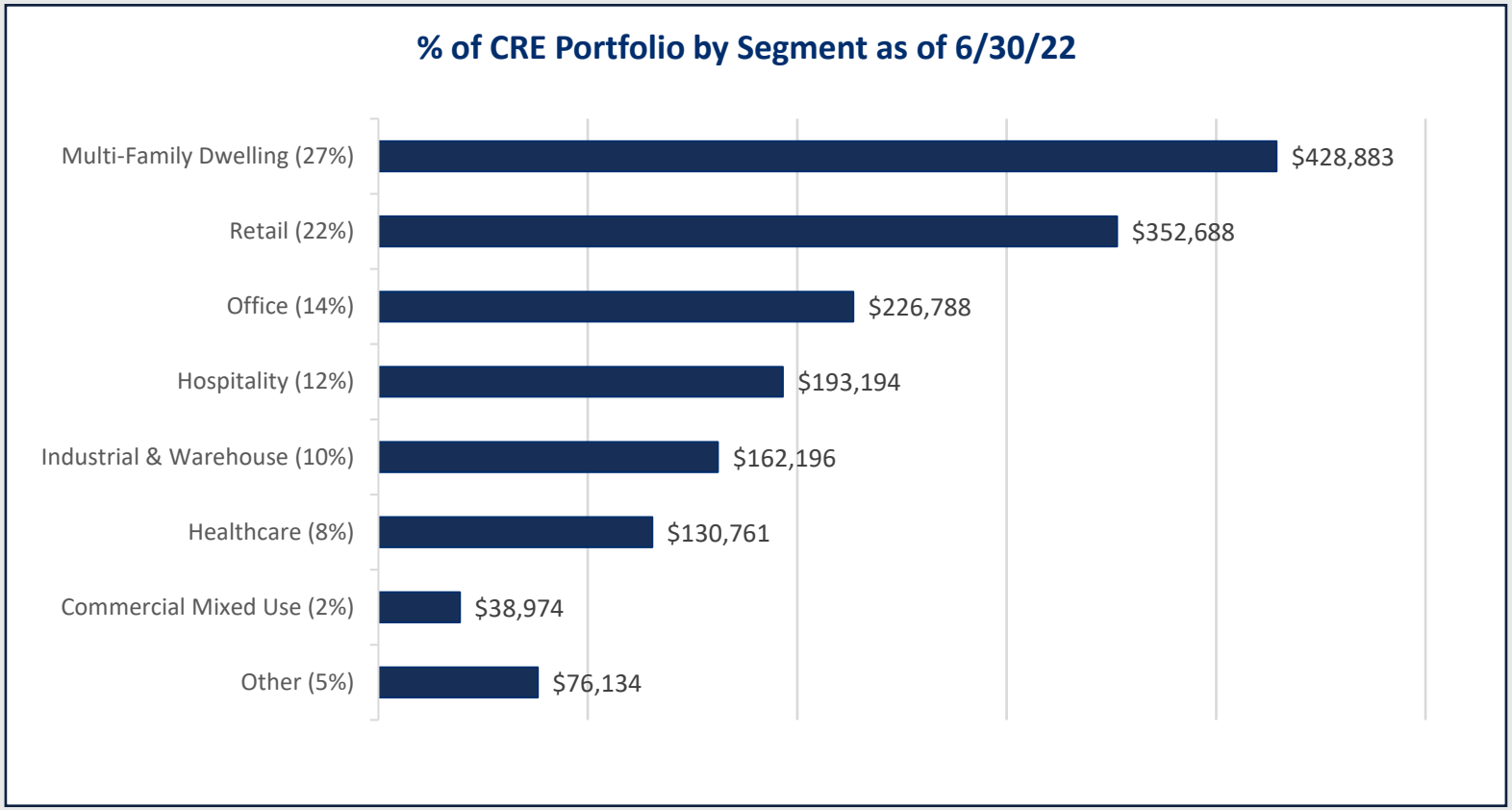
Incr / (Decr)
$9,245



$ thousands

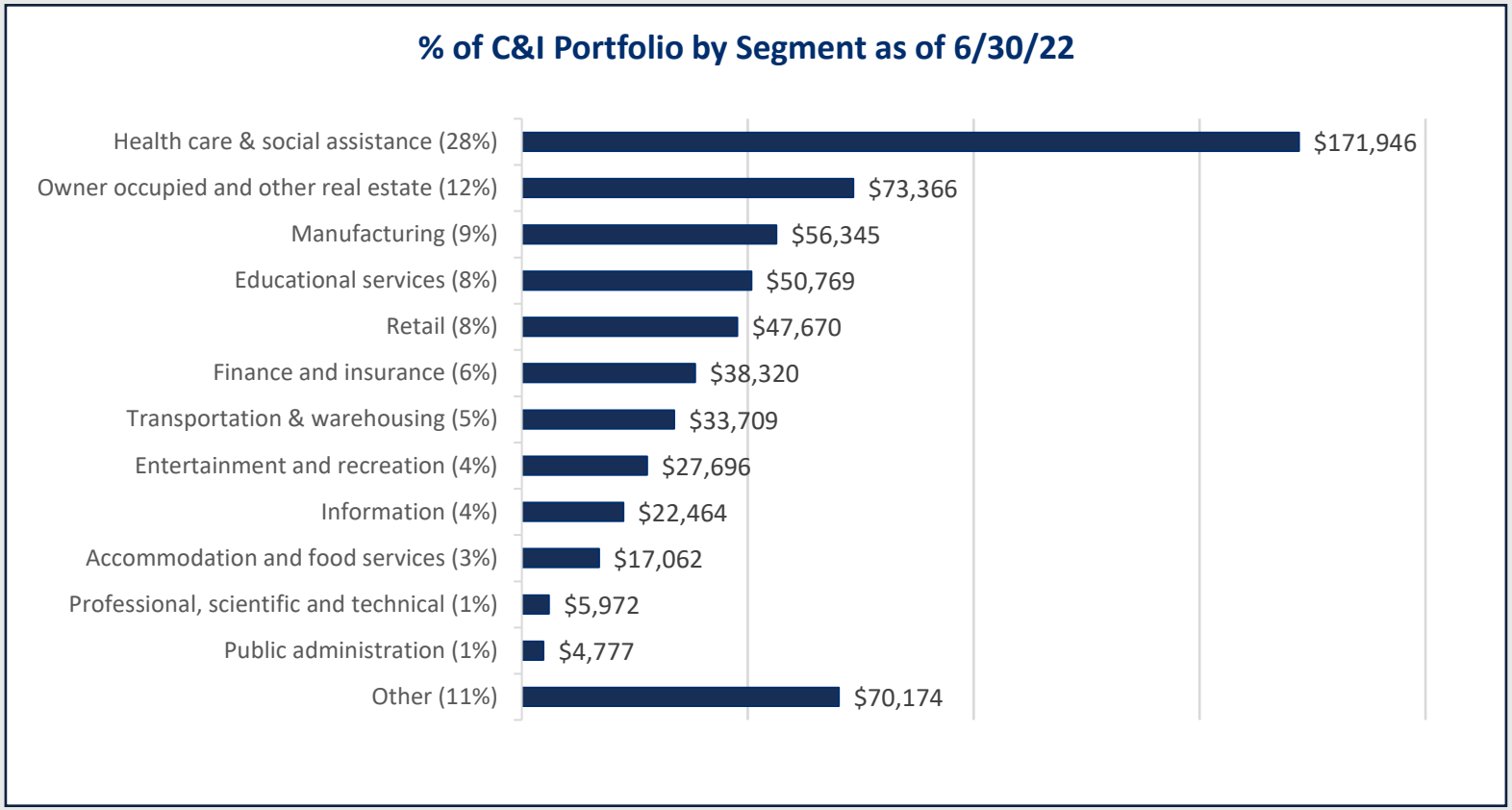
Commercial Real Estate Lending

Total portfolio: $1.6 billion



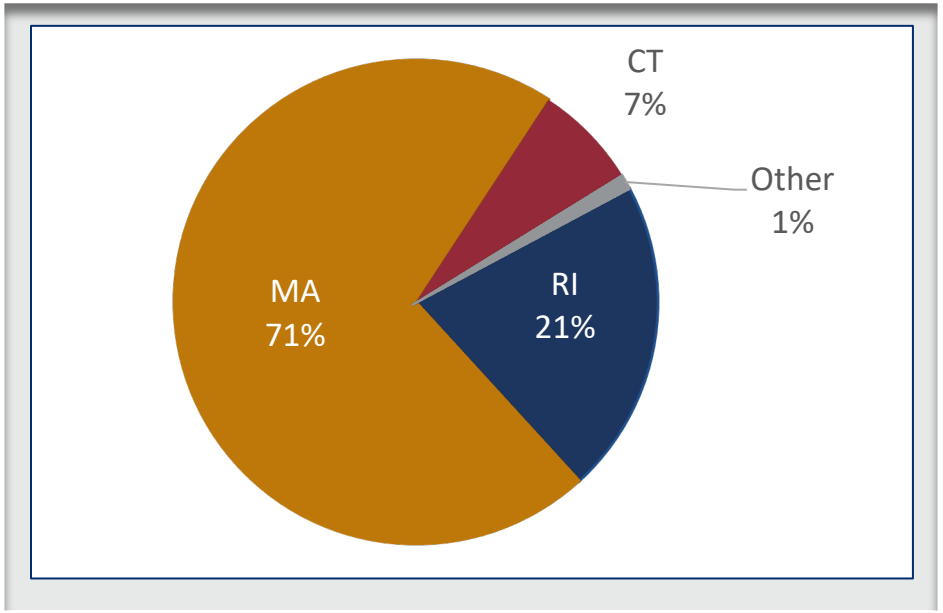
Commercial & Industrial (C&I)

Total portfolio: $620 million



Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$1,966.3	$267.8
FICO score*	759	762
Total delinquencies	0.40%	0.27%
Nonperforming	0.60%	0.22%
Net charge-offs to average loans	0.00%	0.00%
LTV (1)	56.9%	64.1%

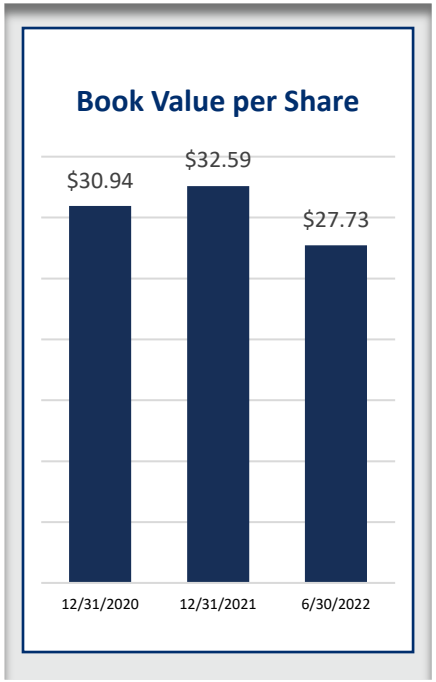


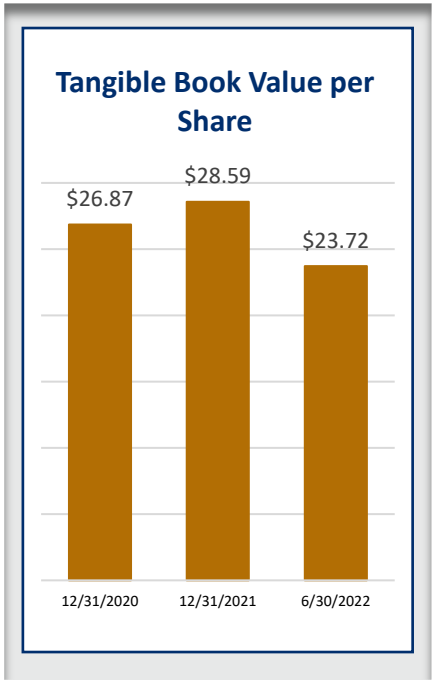
At or for the six months ended June 30, 2022
** Weighted average; refreshed April 2022*
Weighted average LTV for residential loans is based on updated collateral values and current loan balances. LTV for home equity represent the LTV at origination.

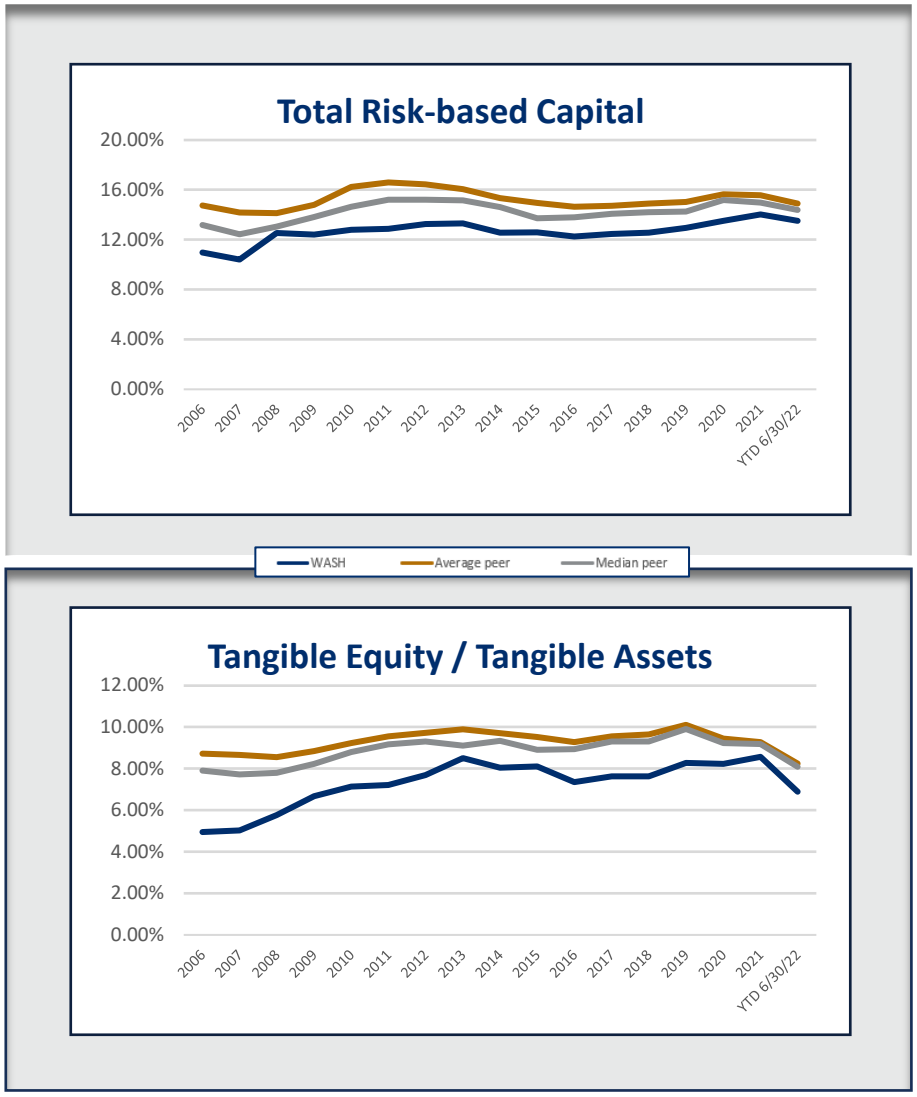
Capital Management

Capital Position

- **Solid balance sheet, fee-intensive business model**
- **Supports dividend & future growth**
- **Temporary decline due to AFS securities**



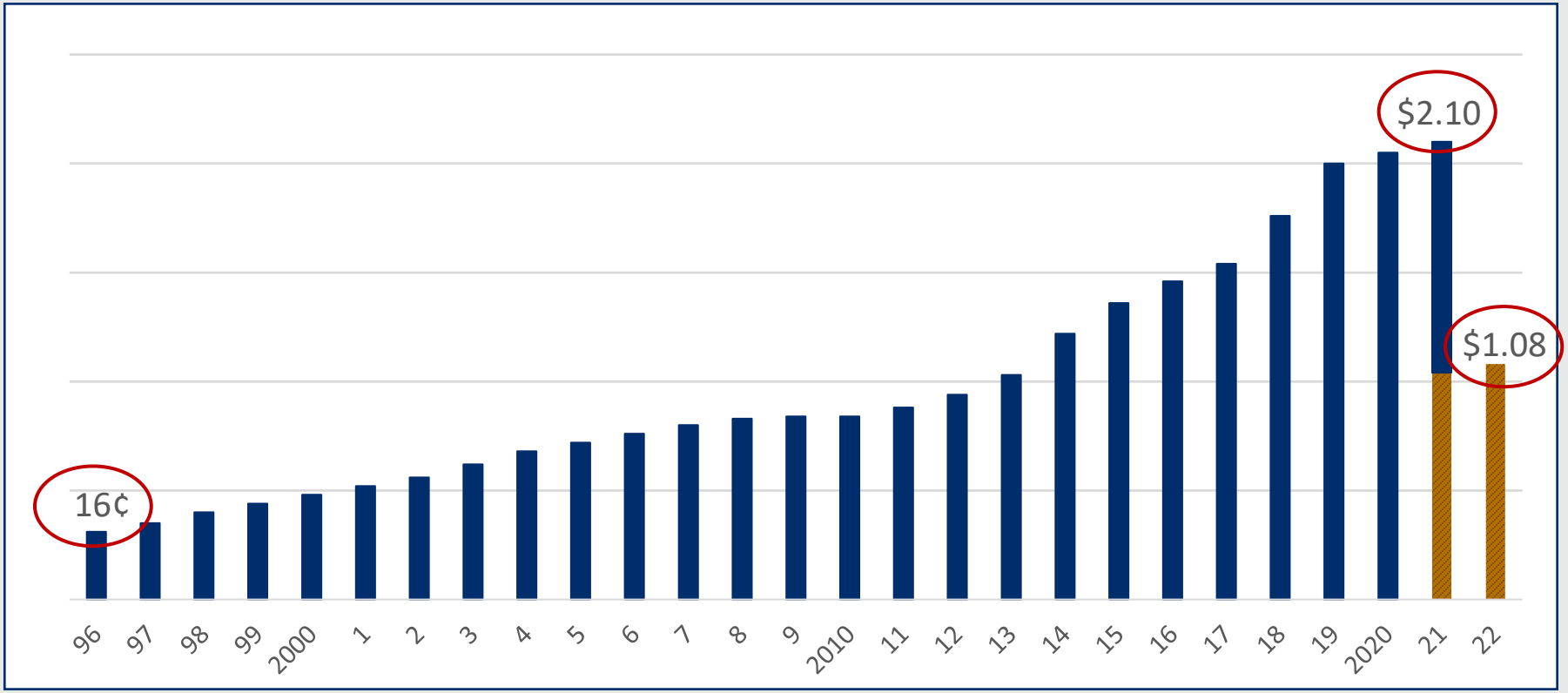




Most recent complete peer data as of 6/30/22
(1) Non-GAAP; see "Non-GAAP Financial Measures"
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

Cash Dividend Declared

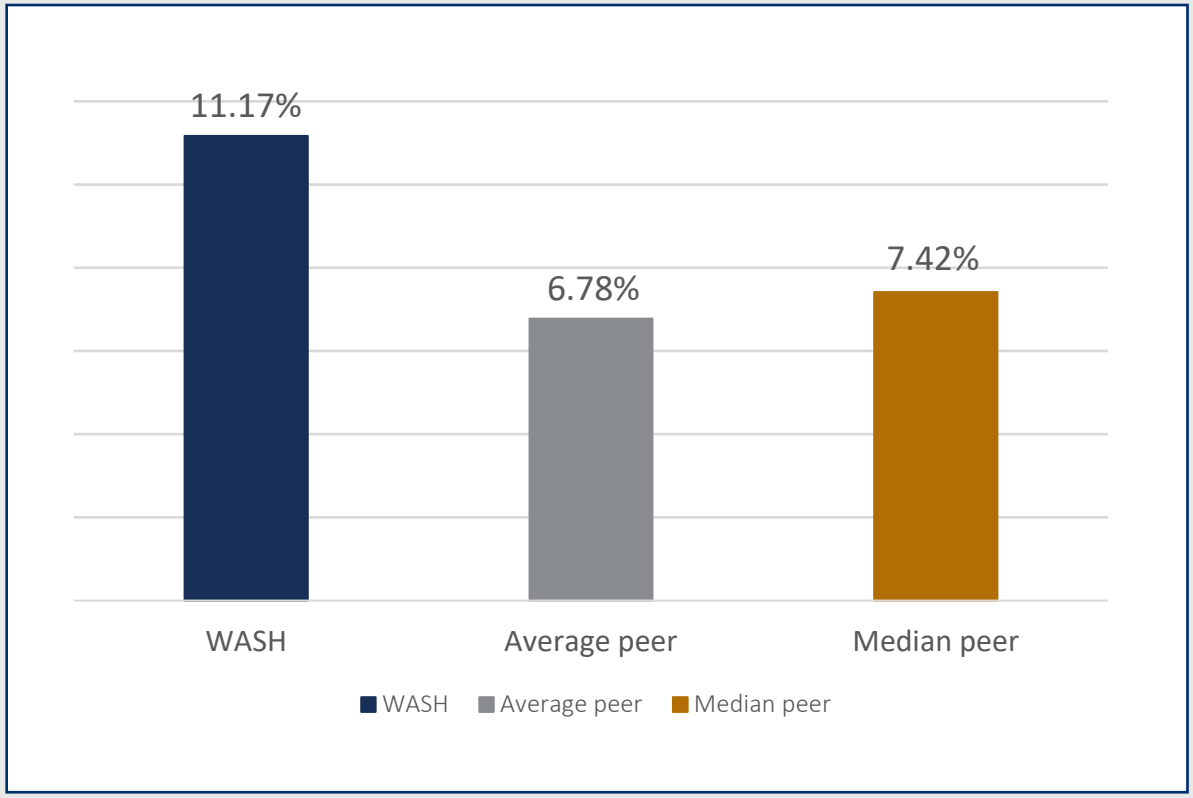
- **Important contributor to shareholder value**
- **Q2-2022 dividend of 54¢ per share**
- **Dividend yield 3.94% (1)**



(1) As of August 19, 2022

Capital Deployment

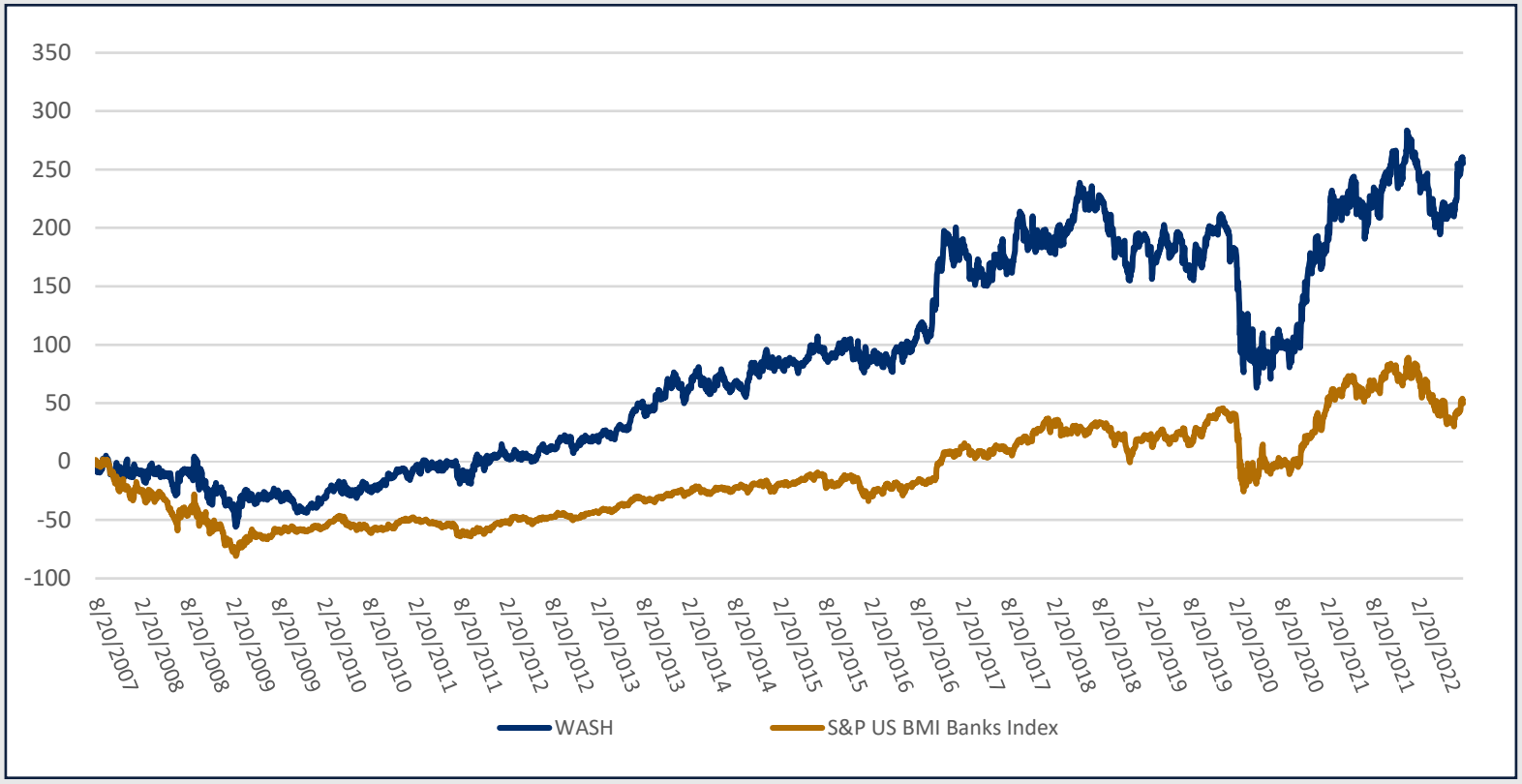
Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR
12/31/2006 to 6/30/2022



Most recent complete peer data as of 6/30/22
Public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

15 Year Total Stock Returns

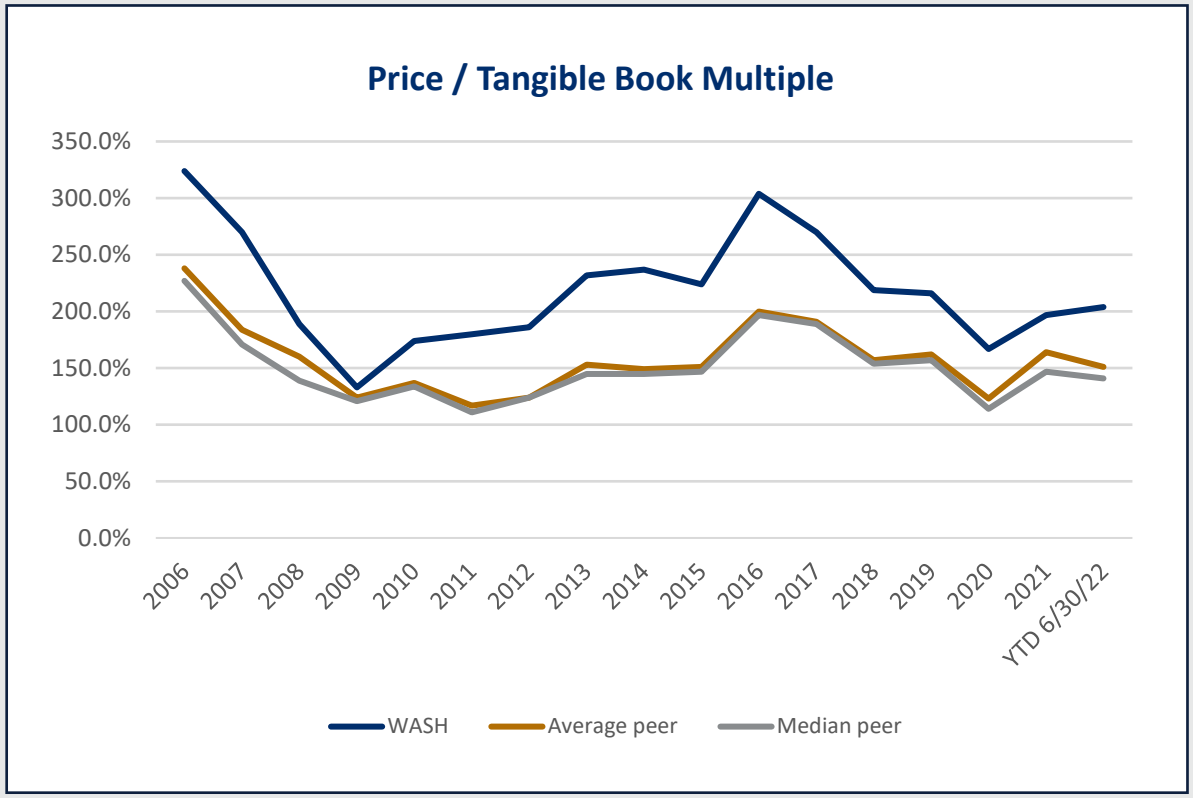
WASH Total Return (%) versus S&P US BMI Banks Index



Source: S&P Global Market Intelligence as of August 1, 2022

Price / Tangible Book Trend

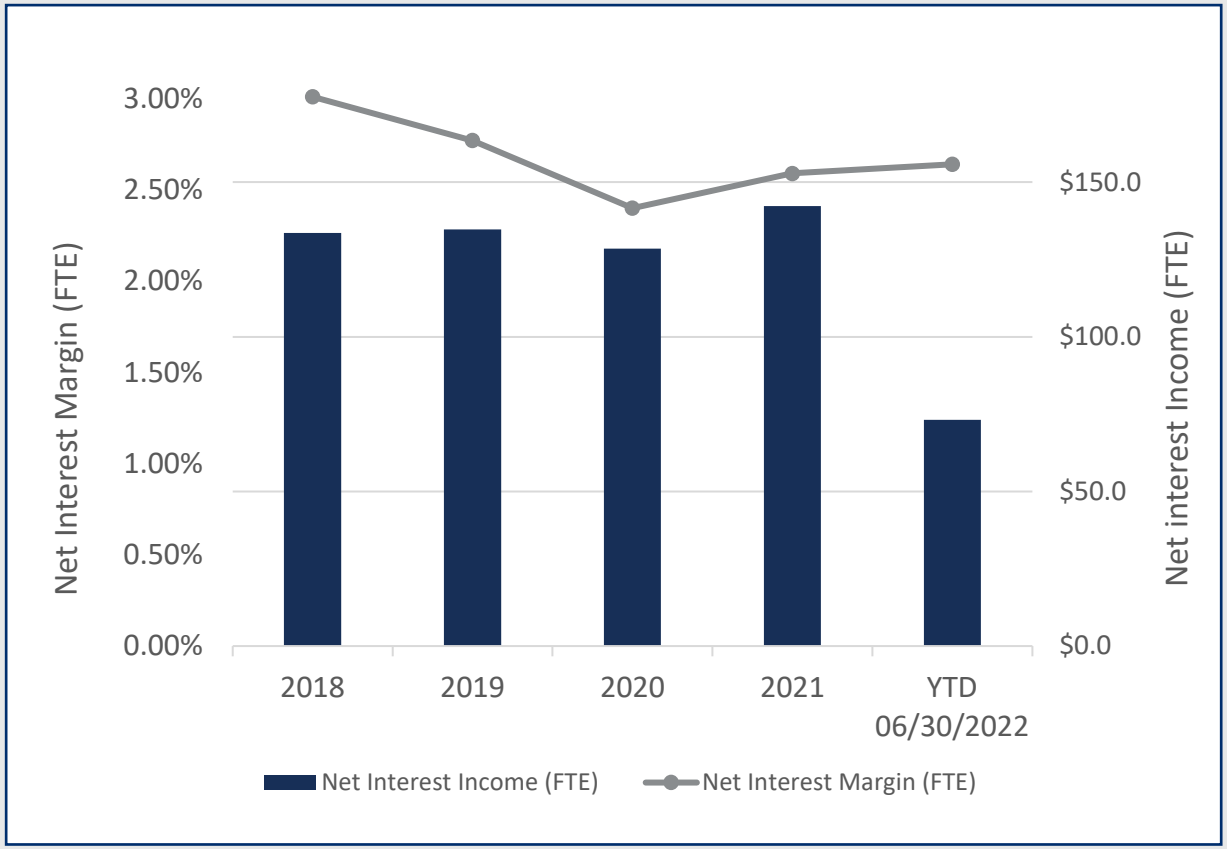
Attractive entry point given historical pricing



Most recent complete peer data as of 6/30/22
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

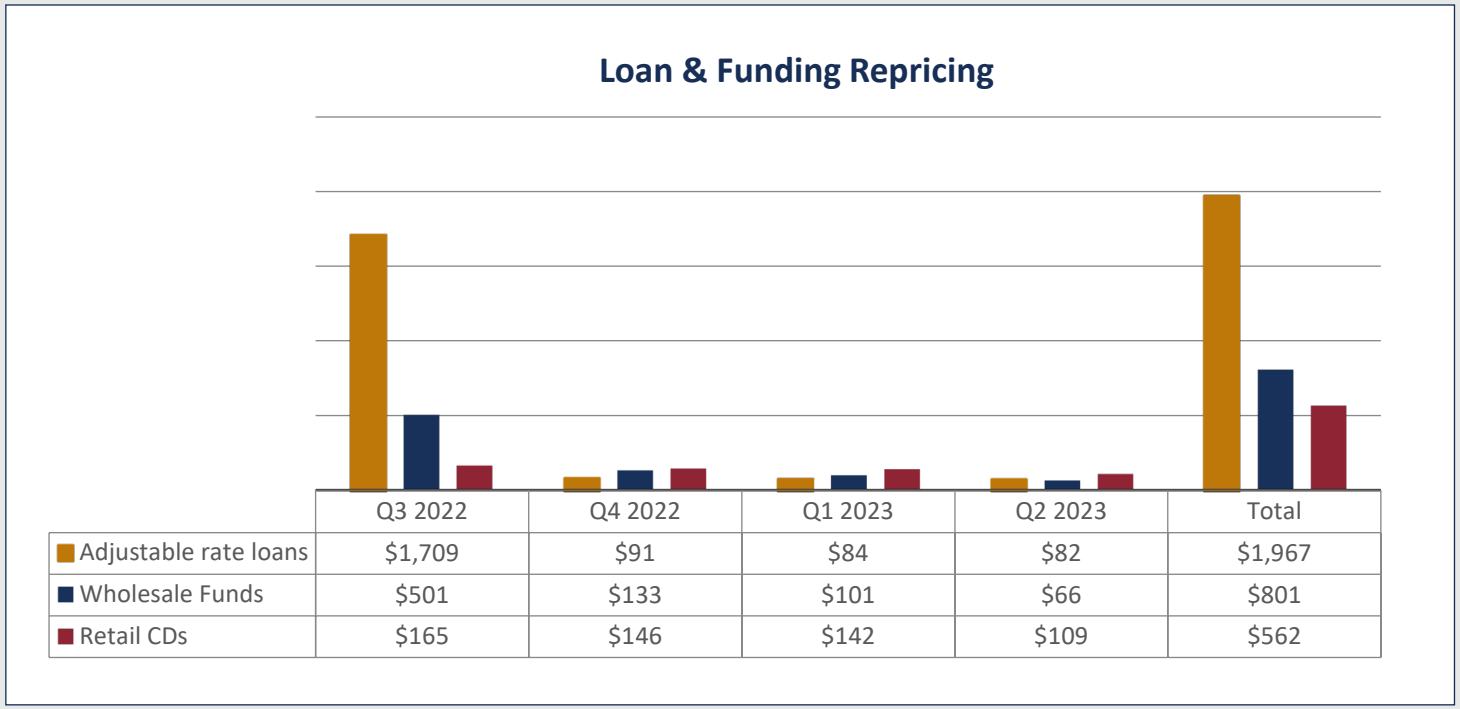
Net Interest Margin



$ 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)**

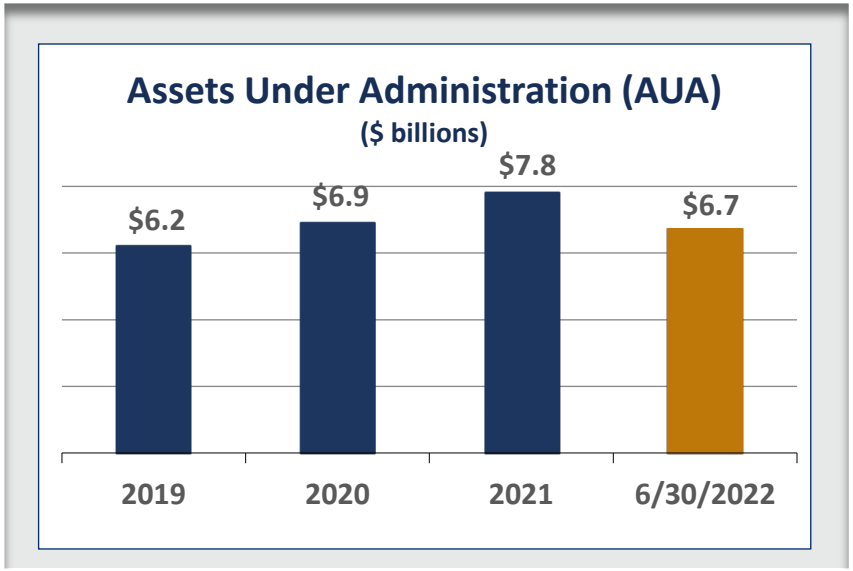


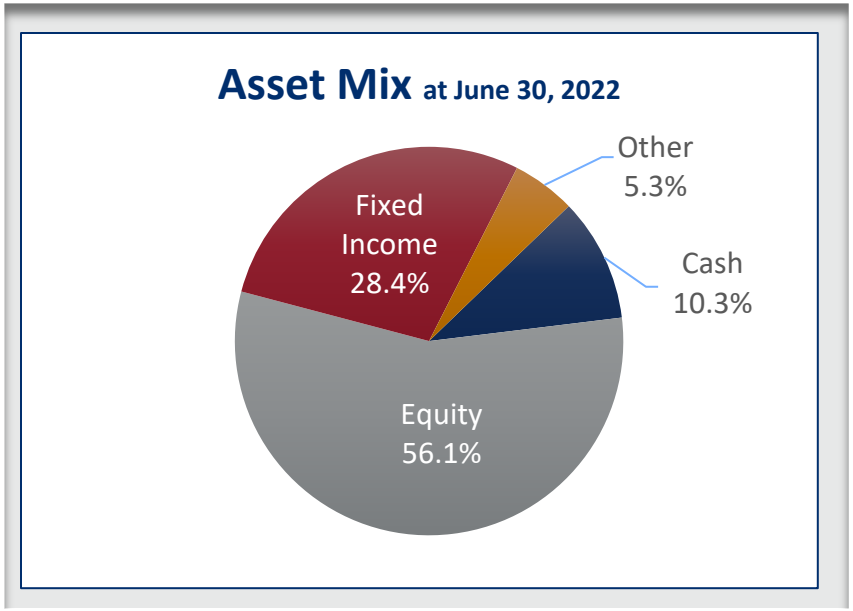
	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Total
Adjustable rate loans	$1,709	$91	$84	$82	$1,967
Wholesale Funds	$501	$133	$101	$66	$801
Retail CDs	$165	$146	$142	$109	$562

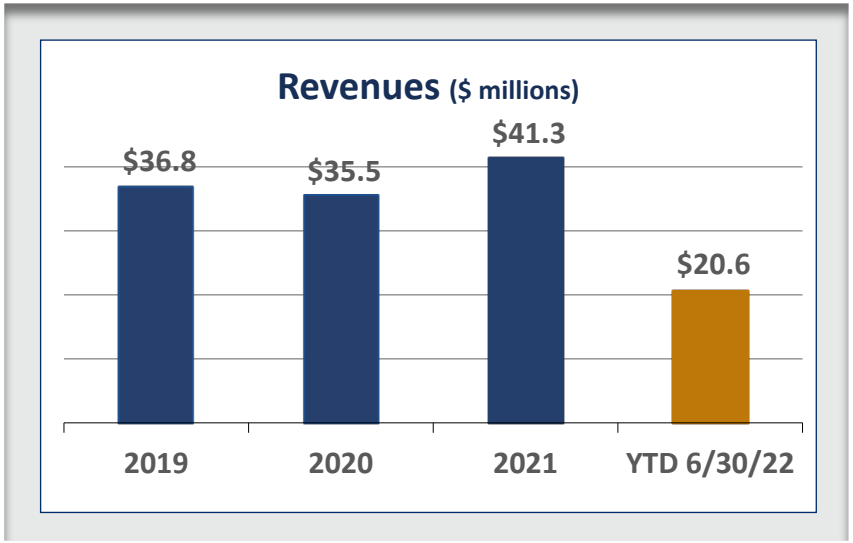
Total funding is $ millions

Wealth Management

- Key contributor to pre-tax income
- Average client size: $2.8 million
- 69% high net worth individuals
- Average fee: 55 basis points



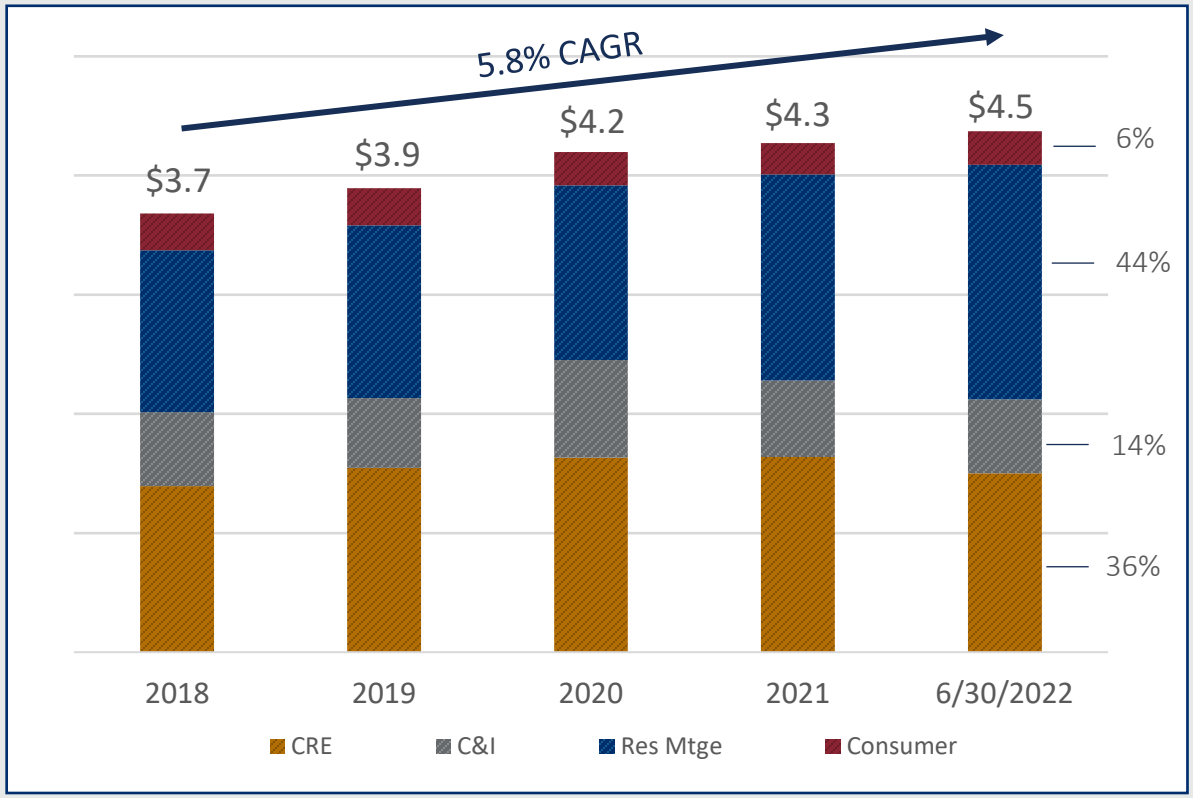




At or for the year ended December, unless otherwise noted. June 30, 2022

Loan Portfolio

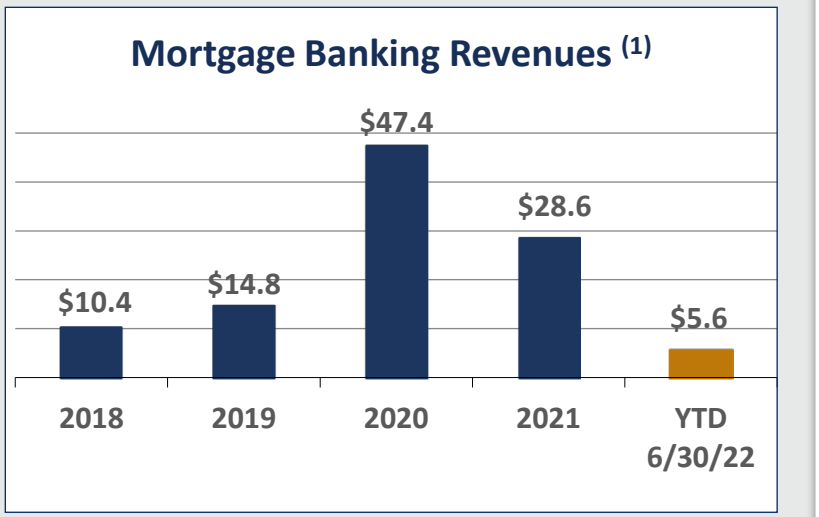
- **Well-diversified portfolio**
- **59.2% variable loans**

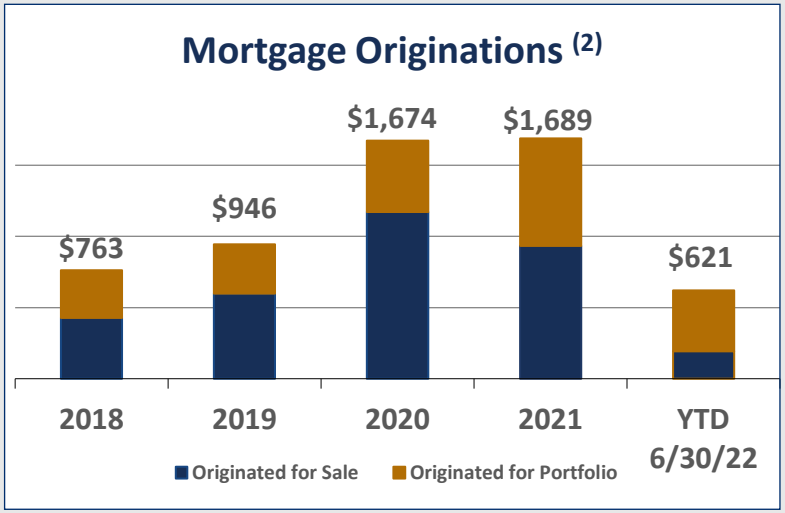


$ billions; at December 31st unless otherwise noted

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

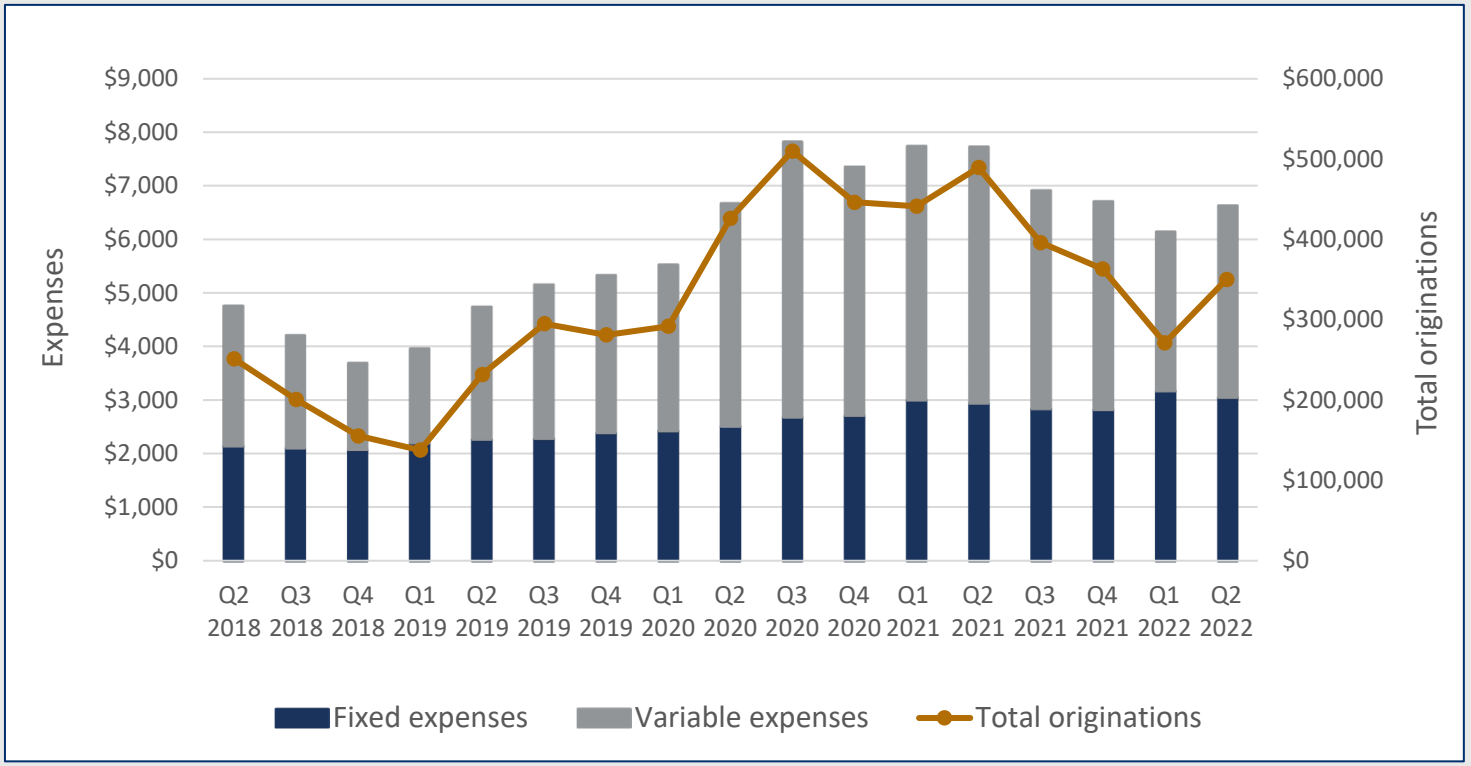




$ millions; at December 31st unless otherwise noted
(1) Net gains on loan sales and commissions on loans originated for others
(2) Includes loans originated for portfolio or sale and as broker for other parties

Mortgage Execution

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



$ thousands

Mortgage Distribution

As % of Total

Loan Amount Range	CT	MA	RI	NH	Total
< $250,000	1%	4%	3%	0%	9%
$250,000 up to $647,200	3%	19%	8%	1%	30%
> $647,200 (Jumbo) up to 1M	2%	23%	6%	0%	30%
> 1 Million	2%	25%	4%	0%	31%
Total	7%	71%	21%	1%	100%

By State

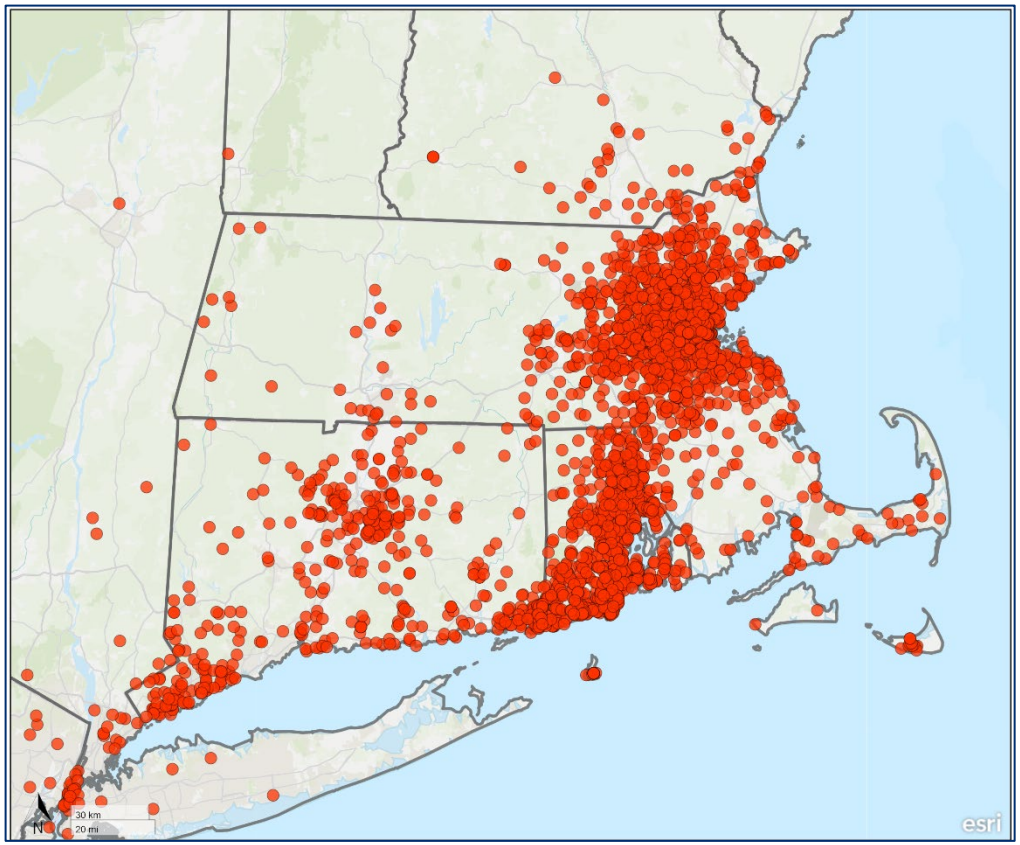
Loan Amount Range	CT	MA	RI	NH
< $250,000	16%	6%	15%	15%
$250,000 up to $647,200	37%	27%	38%	50%
> $647,200 (Jumbo) up to 1M	22%	33%	27%	22%
> 1 Million	25%	35%	20%	12%
Grand Total	100%	100%	100%	100%

Portfolio distribution as of June 30, 2022

Mortgage Concentration

Primarily in home territory

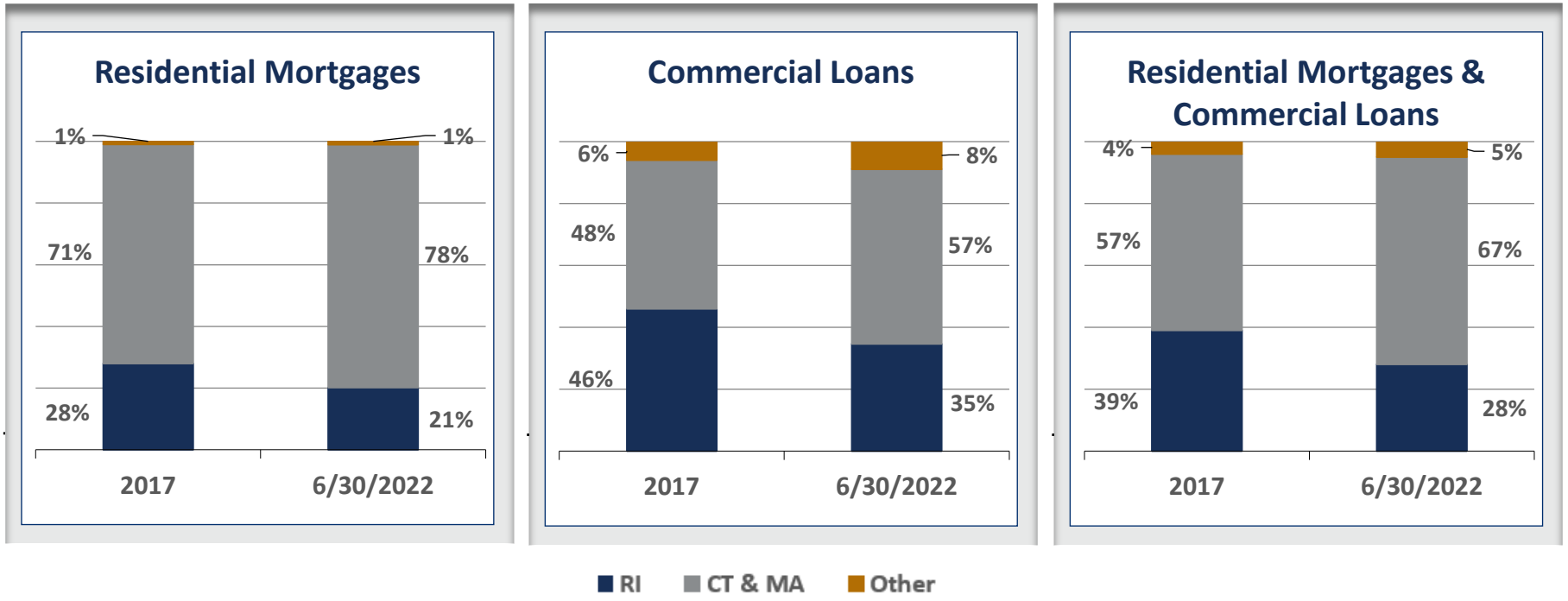
99% in RI, CT and MA



At June 30, 2022

Regional Expansion

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

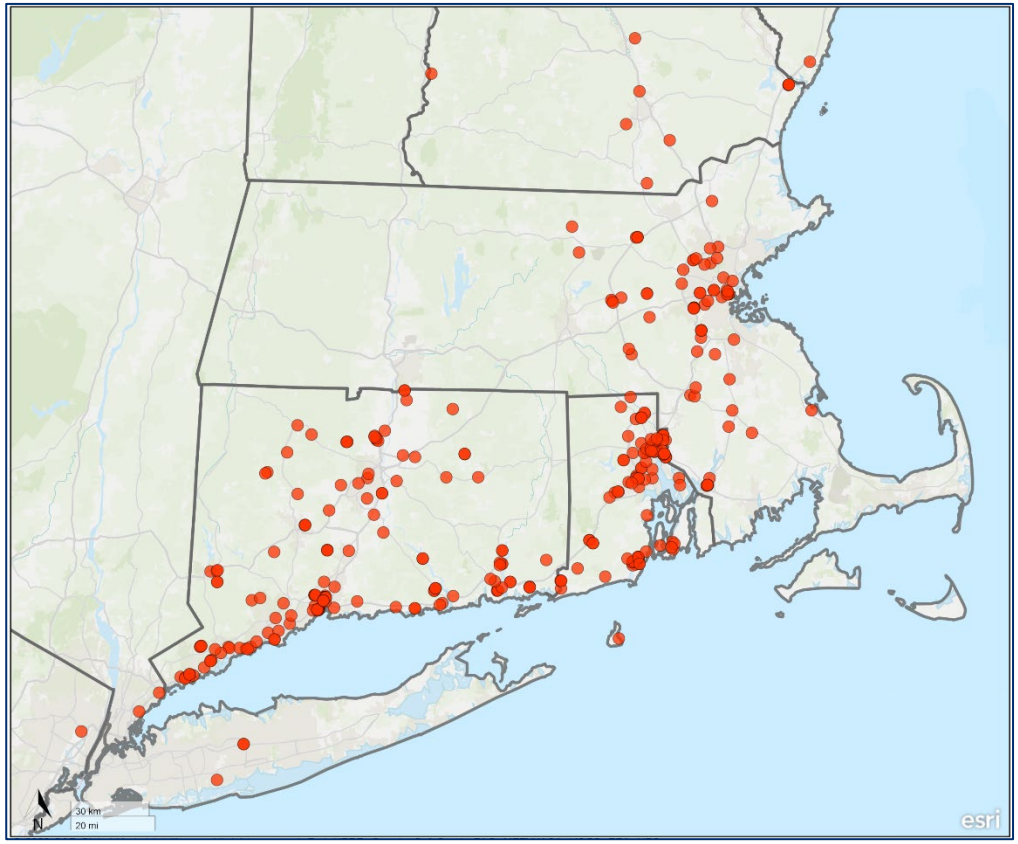


CRE Concentration

Predominantly in RI, CT and MA

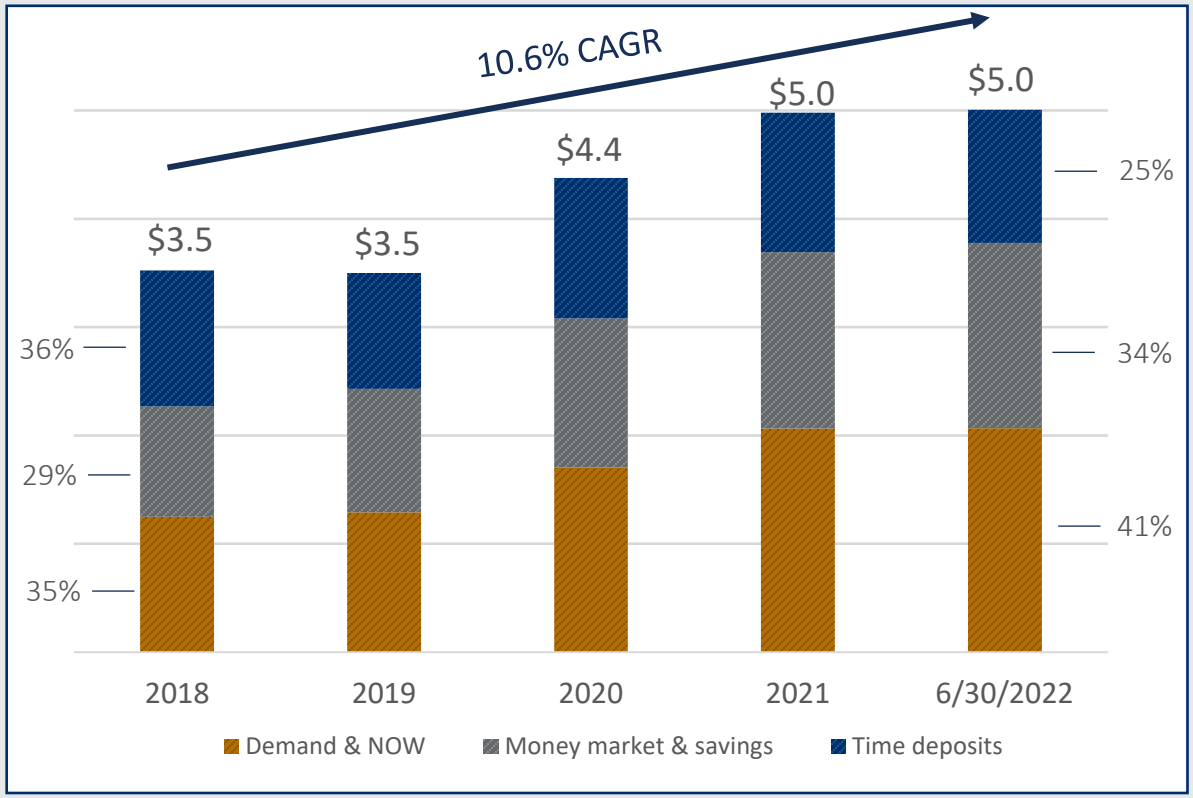
- 37% in CT
- 29% in MA
- 24% in RI

Concentration: ~286%



Deposit Portfolio

- **35% of deposits are commercial-based**
- **11% market share in RI; rank 3rd ***



$ billions; at December 31st unless otherwise noted
** 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, 2021; most recent data available

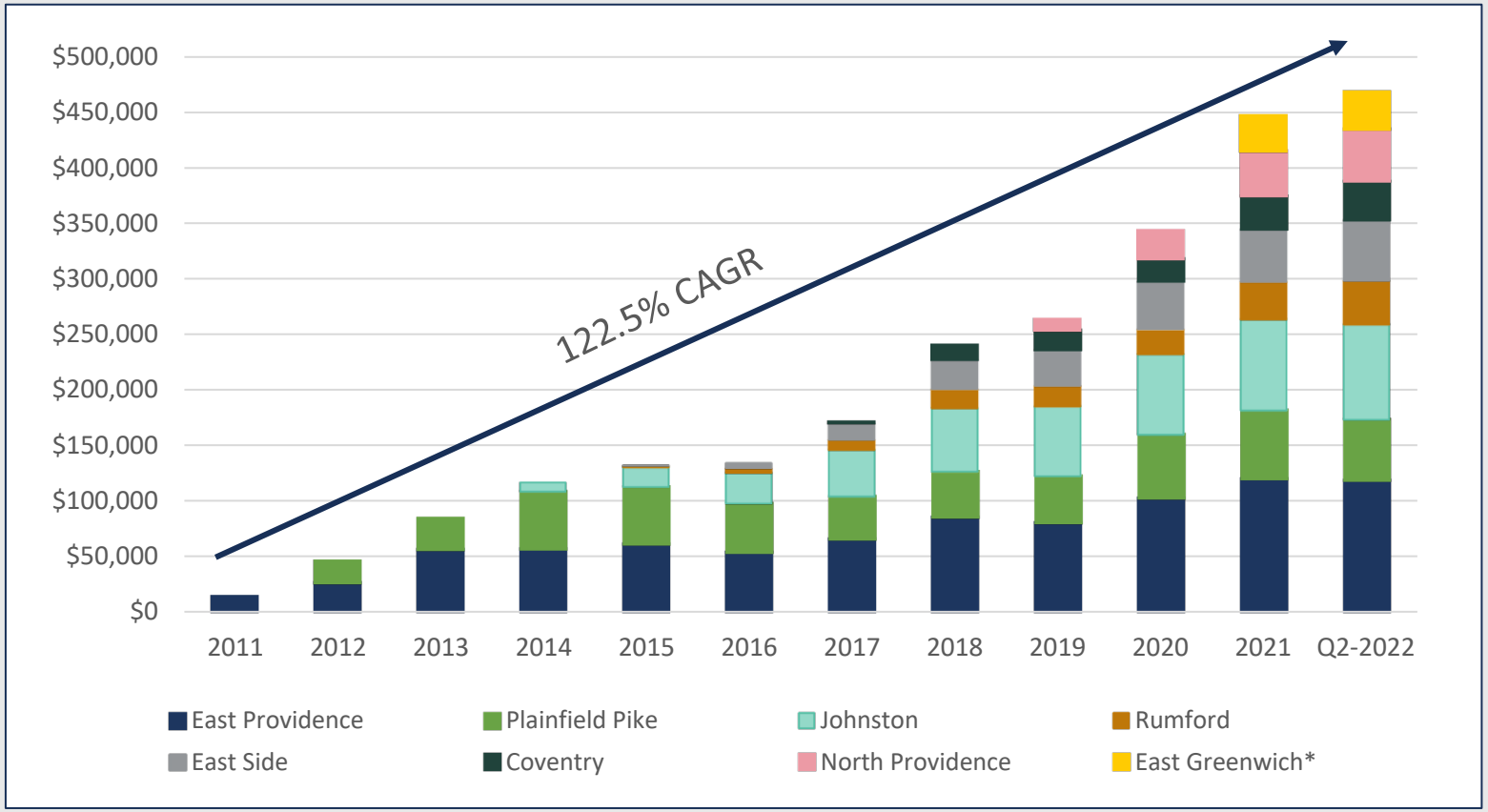
Deposit Market Share

- **#1 State-chartered bank in RI**
- **$197 million average in market deposits per branch**

Rank	Institution (ST)	Branch Count	Total Deposits in Market ($B)	Total Market Share
1	Citizens (RI)	**56**	**$15.4**	**37%**
2	Bank of America (NC)	**28**	**$9.4**	**23%**
3	**Washington Trust (RI)**	**23**	**$4.7**	**11%**
4	Santander	23	$3.2	8%
5	Bank Rhode Island (MA)	20	$2.7	6%
6	BankNewport (RI)	17	$1.9	4%
7	Centreville Bank (RI)	11	$1.1	3%
8	TD Bank	9	$.8	2%
9	HarborOne (MA)	11	$.7	2%
10	Webster Bank (CT)	8	$.4	1%
	Total For Institutions In Market	**233**	**$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, 2021; most recent data available

De Novo Branch Growth

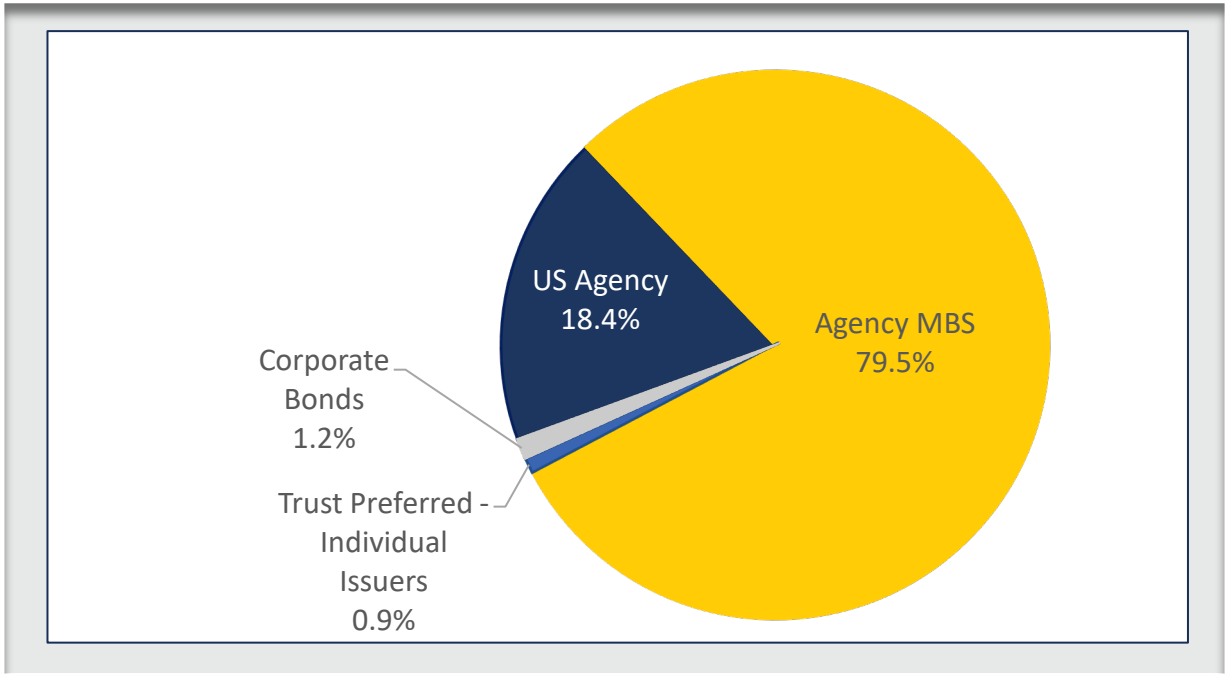


*East Greenwich branch opened in May 2021
**Cumberland branch to open in Q3 2022

Investment Securities

Largely Agency MBS

- Fair value: $1,020.5 million
- Amortized cost: 1,141.8 million
- Yield on securities: 1.80%
  (yield as of Q2-22)
- Duration of 6.90 years
- Limited extension potential



As of June 30, 2022
Excludes FHLB Boston capital stock

Why Washington Trust

Why Washington Trust

- **Unique business model with diverse revenue streams**
- **Strong credit profile throughout multiple 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

50

Income Statement

$s in thousands	Jun 20, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
	For the Quarter Ended				
Interest and dividend income	$ 42,029	$ 38,537	$ 41,356	$ 39,823	$ 38,808
Interest expense	4,514	3,446	3,616	3,753	4,054
Net interest income	37,515	35,091	37,740	36,070	34,754
Provision for credit losses	(3,000)	100	(2,822)	-	-
Net interest income after provision for credit losses	40,515	34,991	40,562	36,070	34,754
Total noninterest income	15,852	17,159	20,307	20,520	20,593
Noninterest expense	31,077	31,219	35,219	32,520	33,012
Income before income taxes	25,290	20,931	25,650	24,070	22,335
Income tax expense	5,333	4,448	5,462	5,319	4,875
Net income	$ 19,957	$ 16,483	$ 20,188	$ 18,751	$ 17,460

Balance Sheet

$s in thousands	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Assets:					
Cash and cash equivalents	$ 98,623	$ 228,096	$ 178,493	$ 300,388	$ 132,206
Mortgage loans held for sale	22,656	15,612	40,196	48,705	31,492
Total securities	1,020,469	1,008,184	1,042,859	1,045,833	1,052,577
FHLB stock	16,300	8,452	13,031	15,094	22,757
Total loans	4,479,822	4,283,852	4,272,925	4,286,404	4,299,800
Less allowance for credit losses on loans	36,317	39,236	39,088	41,711	41,879
Net loans	4,443,505	4,244,616	4,233,837	4,244,693	4,257,921
Investment in bank-owned life insurance	100,807	93,192	92,592	92,974	92,355
Goodwill and identifiable intangible assets	68,890	69,107	69,323	69,540	69,762
Other assets	211,641	180,740	180,796	185,416	192,910
Total assets	$ 5,982,891	$ 5,847,999	$ 5,851,127	$ 6,002,643	$ 5,851,980
Liabilities and Shareholders' Equity:					
Total deposits	$ 5,006,629	$ 5,127,950	$ 4,980,051	$ 5,058,142	$ 4,725,659
FHLB advances	328,000	55,000	145,000	222,592	408,592
Other liabilities	148,947	129,176	138,587	143,910	147,192
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Total shareholders' equity	476,634	513,192	564,808	555,318	547,856
Total liabilities and shareholders' equity	$ 5,982,891	$ 5,847,999	$ 5,851,127	$ 6,002,643	$ 5,851,980

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Jun 30, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Calculation of tangible book value per share				
Total shareholders' equity at end of period	$476,634	$564,808	$534,195	$503,492
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,981	5,414	6,305	7,218
Total tangible shareholders' equity at end of period	$407,744	$495,485	$463,981	$432,365
Shares outstanding at end of period	17,190	17,331	17,265	17,363
Book value per share – GAAP	$27.73	$32.59	$30.94	$29.00
Tangible book value per share – Non-GAAP	$23.72	$28.59	$26.87	$24.90
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$407,744	$495,485	$463,981	$432,365
Total assets at end of period	$5,982,891	$5,851,127	$5,713,169	$5,292,659
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,981	5,414	6,305	7,218
Total tangible assets at end of period	$5,914,001	$5,781,804	$5,642,955	$5,221,532
Equity to assets - GAAP	7.97%	9.65%	9.35%	9.51%
Tangible equity to tangible assets – Non-GAAP	6.89%	8.57%	8.22%	8.28%

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.