WASHINGTON TRUST BANCORP, INC.

Investor Deck

Q4 2023

NASDAQ: WASH

Safe Harbor

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, 2023, 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.

Investor Information

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The Washington Trust Investment Story

LEVERAGING OUR STRONG MARKET POSITION AND RESILIENT BUSINESS MODEL TO DELIVER SUSTAINABLE VALUE FOR OUR SHAREHOLDERS

1. **Relationship-driven leader** with distinguished history and prestigious recognition
2. **Diverse revenue streams** combine core banking, wealth management, and mortgage banking
3. **Strong Credit Profile** throughout all economic cycles
4. **Attractive dividend** payout and shareholder-friendly capital deployment strategy
5. **Customer-first strategy** – Advancing digital offerings, high-touch service, competitive products & pricing

WASHINGTON TRUST AT-A-GLANCE

$7B Regional Financial Services Provider

Founded in

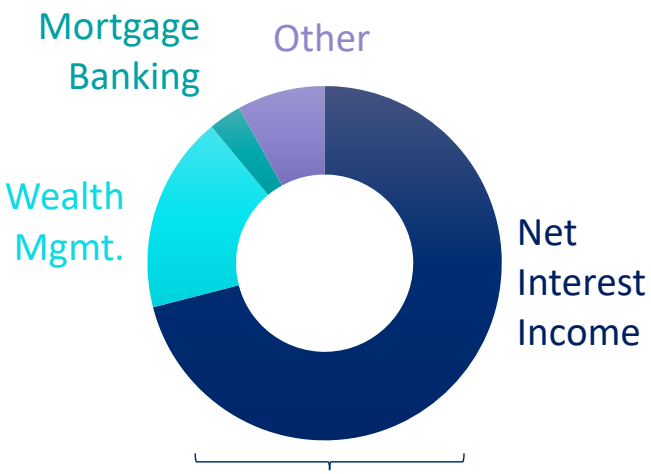
1800

Oldest Community bank in the US

Largest State Chartered Bank In Rhode Island

$7.2B	$5.6B	$5.3B
Assets	Loans	Deposits

Diverse Revenue Streams



25-30% total revenue

Premier Regional Wealth Management Firm

$6.6B Assets under administration

Market Area: RI, MA, CT

- 27 bank branches[2]
- 5 wealth management offices
- 6 mortgage loan offices
- 4 commercial lending centers

Shareholder Returns

- ROA: 0.69%
- ROE: 10.57%
- ROTCE: 12.43% [1]

$551M

Market Capitalization

At or for the year ended December 31, 2023, unless otherwise noted

(1) Non-GAAP; see "Non-GAAP Financial Measures"

(2) Smithfield RI branch opened in Q1 2024

Prestigious Recognition

Named one of the nation's Best Banks to Work For by American Banker® magazine for the 5th consecutive year.

Named to the Forbes list of Best-In-State Banks 2023.

Named as one of Rhode Island's Best Places to Work by Providence Business News for the 13th year in a row.

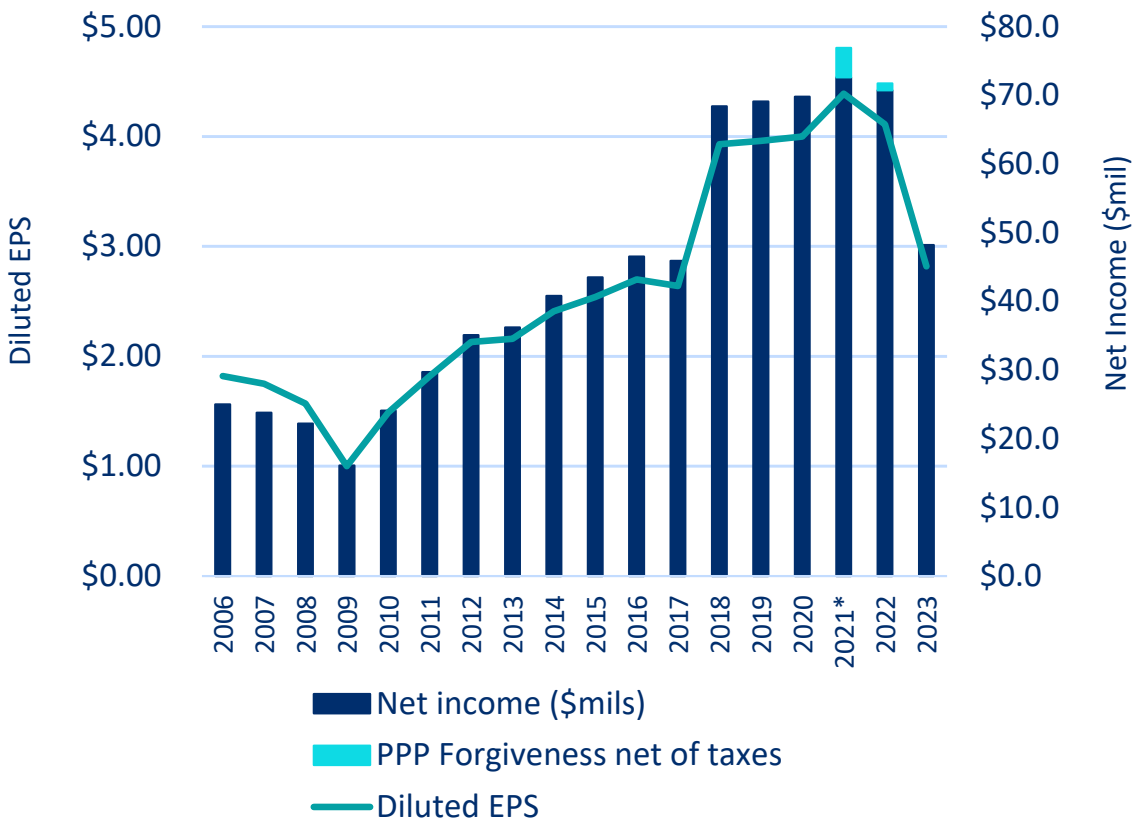
Named by Newsweek as Best Small Bank in Rhode Island for the 2nd consecutive year.

Named as one of the Healthiest Employers in Rhode Island for the 3rd consecutive year.

PROFITABILITY

Consistent Record of Earnings Growth

Earnings Generation and Profitability



- Financial market and geopolitical headwinds have increased earnings pressure
- Demonstrated stability through range of economic conditions
- Implemented strategic actions to navigate the current environment and emerge stronger

At December 31st unless otherwise noted

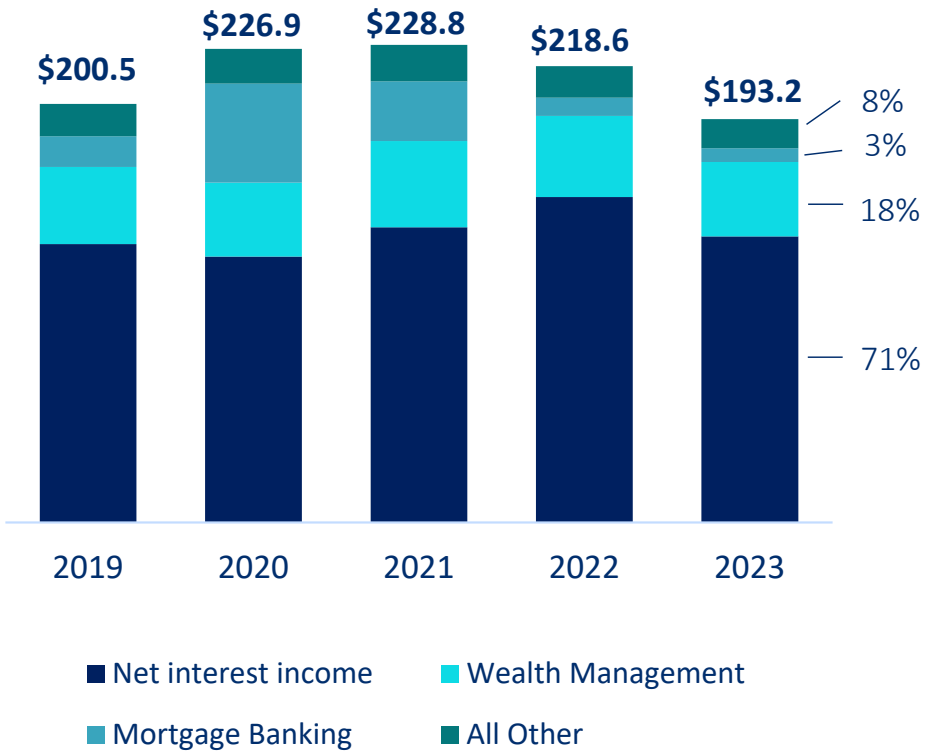
* Includes $5.4 million after tax net non-operating expense (FHLB prepayment fees)

REVENUE

Generating Diverse Revenue

Revenue Contributions From All Major Business Lines (1)

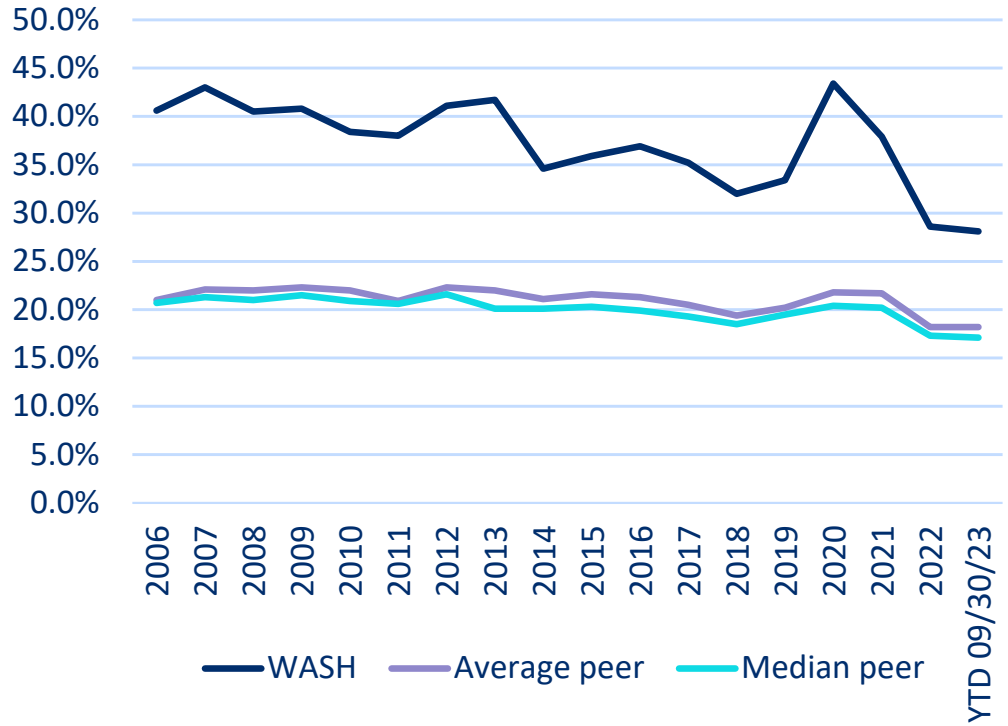
($ in millions)



Fee Revenue Outpaces Peer Group

Better than 92% of peer group (2)

Non-Interest Income / Total Revenue

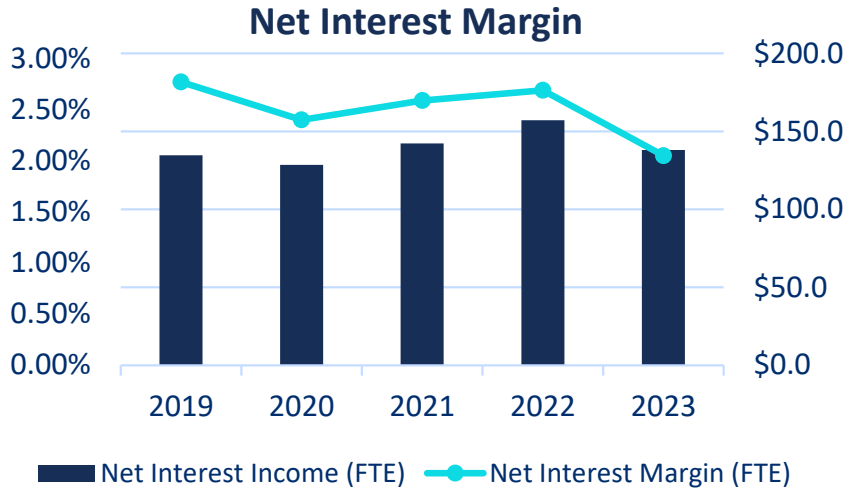


(1) For the full year ended December 31, 2023

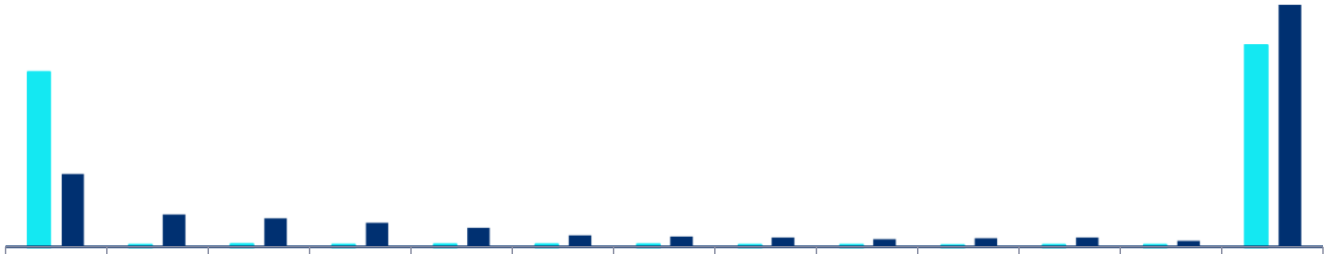
(2) Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 09/30/23. Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain 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

Challenging Rate Environment

- Adjustable-rate loans mainly 1 month SOFR and Prime
- Adjustable-rate loans largely funded with short-term adjustable liabilities (<= 1 year)



Loan & Funding Repricing



	1 month	2 months	3 months	4 months	5 months	6 months	7 months	8 months	9 months	10 months	11 months	12 months	Total
Adjustable rate loans	1,889	26	32	28	30	30	31	24	26	21	24	23	2,185
Funding sources	790	351	311	262	210	127	114	103	87	96	104	67	2,622

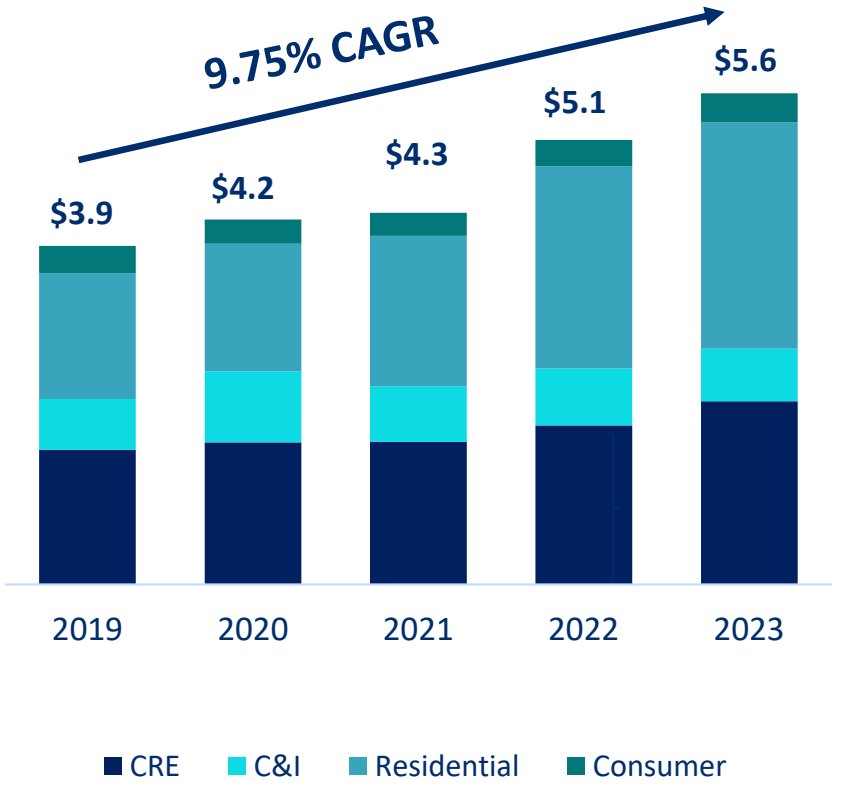
$ millions; as of and for the years ended December 31st unless otherwise noted

LOANS

Strong Growth in Quality Loan Portfolio

Total Loan Portfolio

($ in billions)



Consumer (6%)

Residential (46%)

C&I (11%)

CRE (37%)

59%

Variable rate loans

99%

Residential lending in RI, MA, & CT

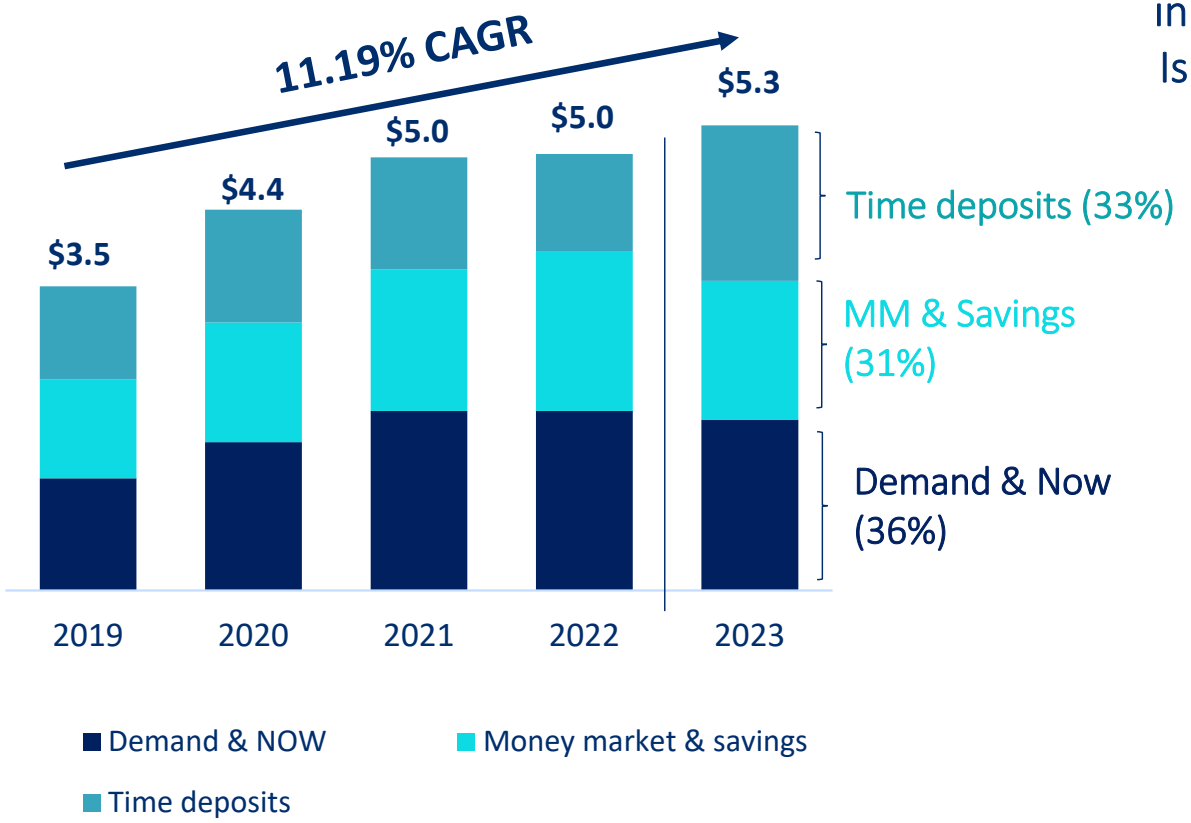
At December 31st unless otherwise noted

DEPOSITS

Steady, Balanced Mix of Deposits

Total Deposit Portfolio

($ in billions)



12%
Market Share in Rhode Island (1)

$181M
Avg. in-market deposits per branch

#1
Largest state-chartered bank

18% uninsured deposits after exclusions (2)

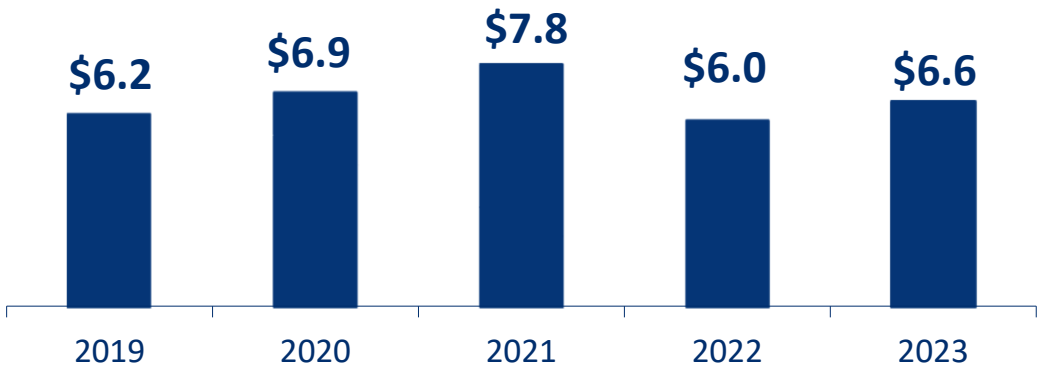
At December 31st unless otherwise noted
(1) FDIC deposits as of June 30, 2023; most recent data available
(2) Determined in accordance with regulatory requirements excluding affiliate deposits and fully-collateralized preferred deposits

WEALTH MANAGEMENT

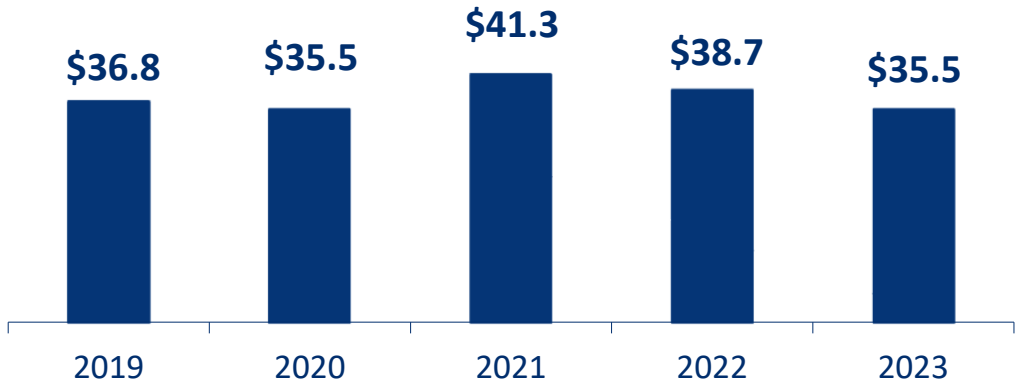
Sizeable Wealth Management Operation

Assets Under Administration (AUA)

($ billions)

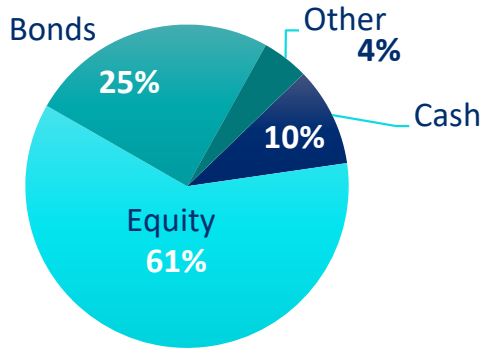


Revenues ($ millions)



$6.6B AUA

Asset Mix at December 31, 2023



- Key contributor to pre-tax income
- Average client size: $3.7 million
- 91% high net worth individuals

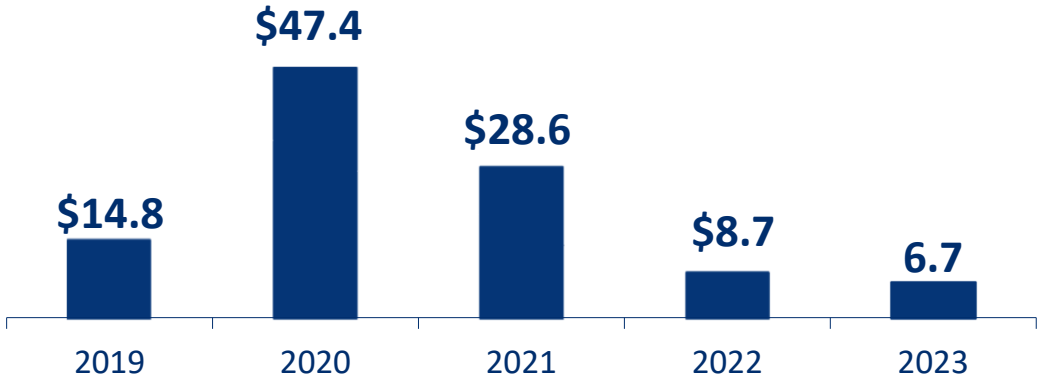
At or for the year ended December, unless otherwise noted.

MORTGAGE BANKING

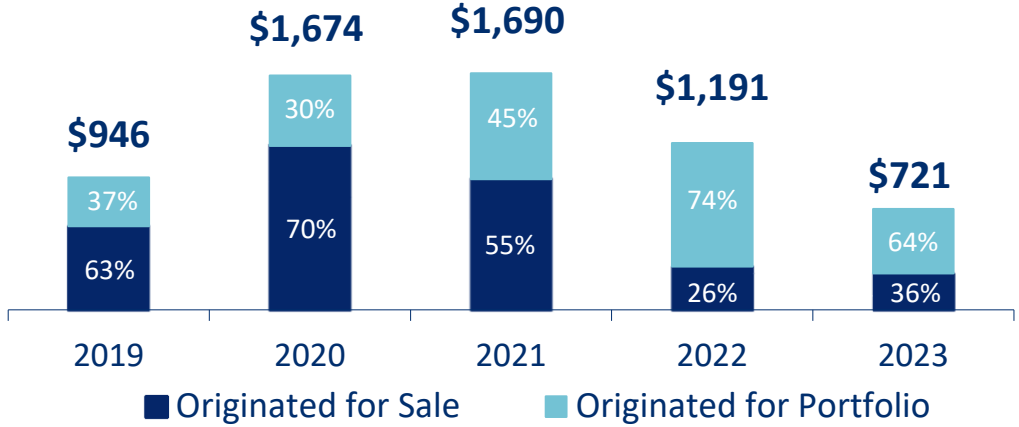
Shifting Origination Mix

Mortgage Banking Revenues (1)

($ millions)



Mortgage Originations (2) ($ millions)



- Flexible origination model where loans can be sold or put in portfolio
- Strategic approach aimed at developing broader banking relationships
- Leading edge applications provide best in-market speed of execution

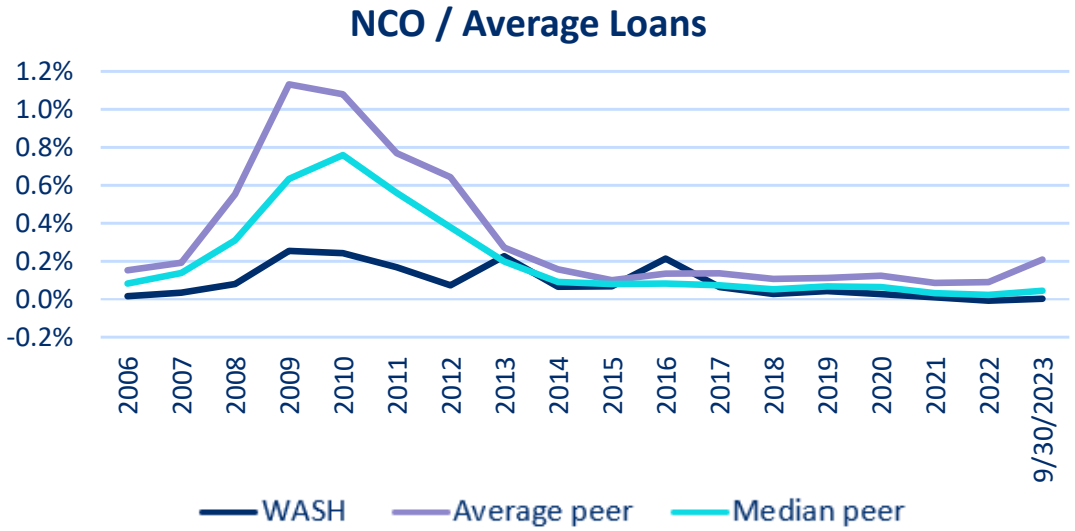
At December 31st unless otherwise noted

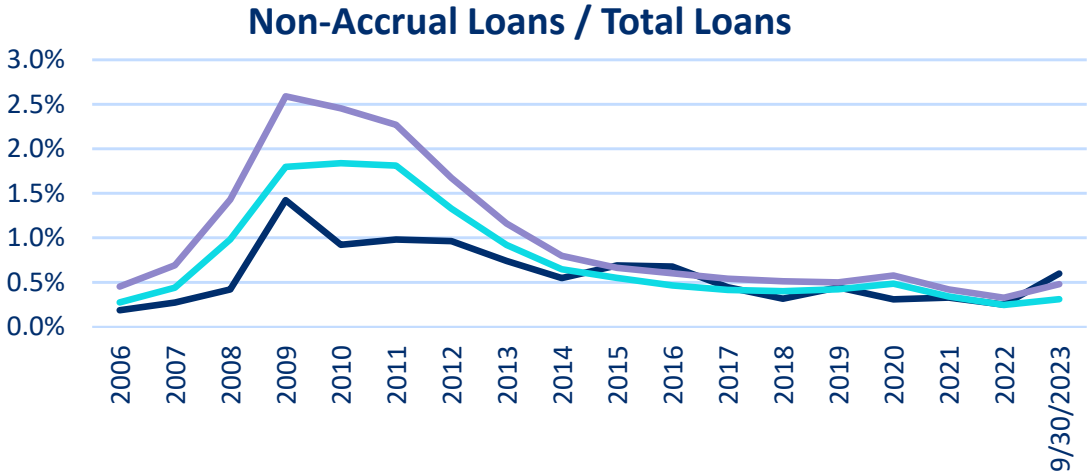
(1) Net gains on loan sales and commissions on loans originated for others, fair value changes on mortgage loans held for sale and forward loan commitments, and net loan servicing fee income

(2) Includes loans originated for portfolio or sale and as broker for other parties

ASSET QUALITY

Historical Differentiator for Washington Trust





161 bps

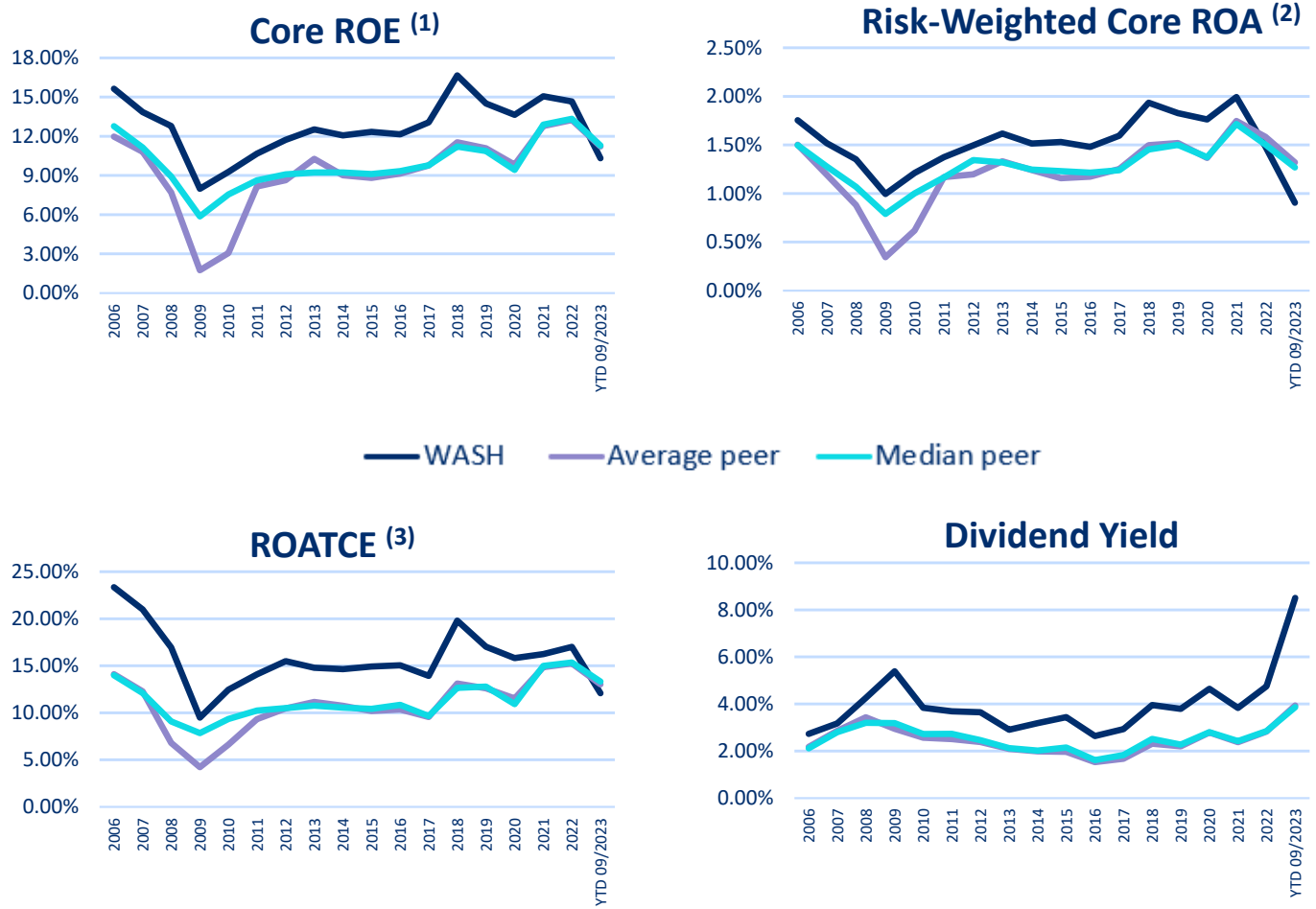
Cumulative losses
2006 – YTD 09/30/2023 (bps)

WASH	161
Average peer	605
Median peer	367

Most recent complete peer data as of 09/30/23
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

PROFITABILITY METRICS

Peer Comparisons



Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 09/30/23. 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." Non-GAAP; see "Non-GAAP Financial Measures"

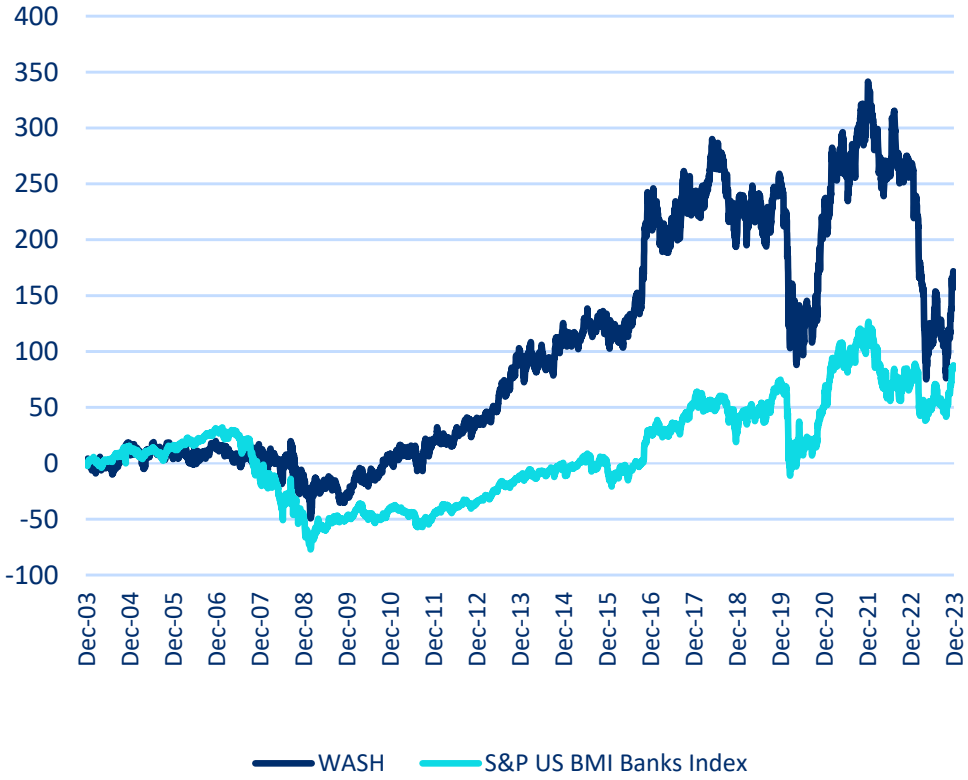
(2) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items divided by risk-weighted assets." Non-GAAP; see "Non-GAAP Financial Measures"

(3) Non-GAAP; see "Non-GAAP Financial Measures"

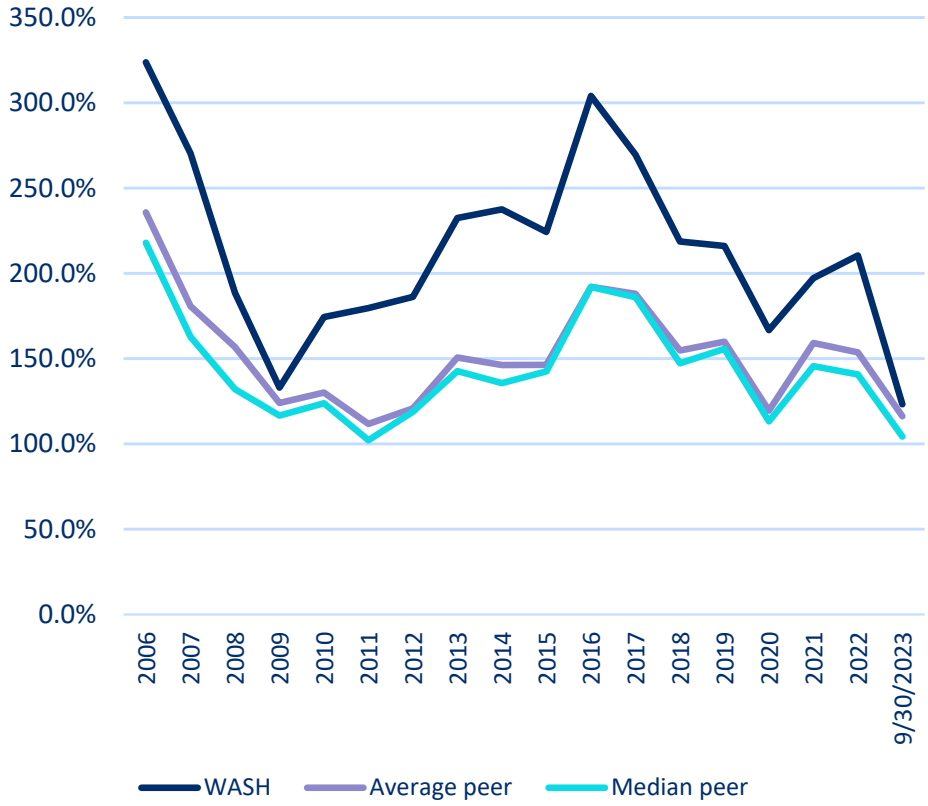
20 YEAR TOTAL STOCK RETURNS

Delivering Shareholder Value

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



Price / Tangible Book Multiple



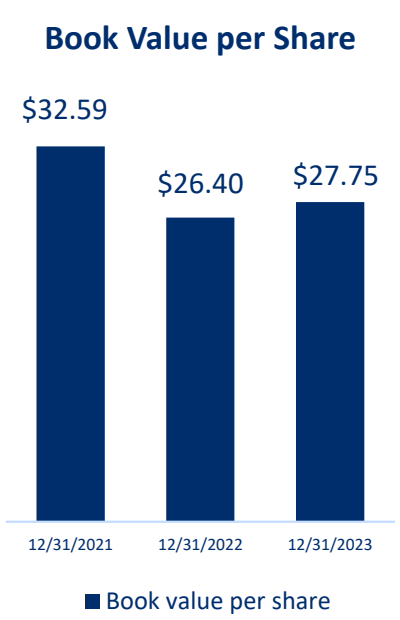
Source: S&P Global Market Intelligence as of December 31, 2023

Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 09/30/23.

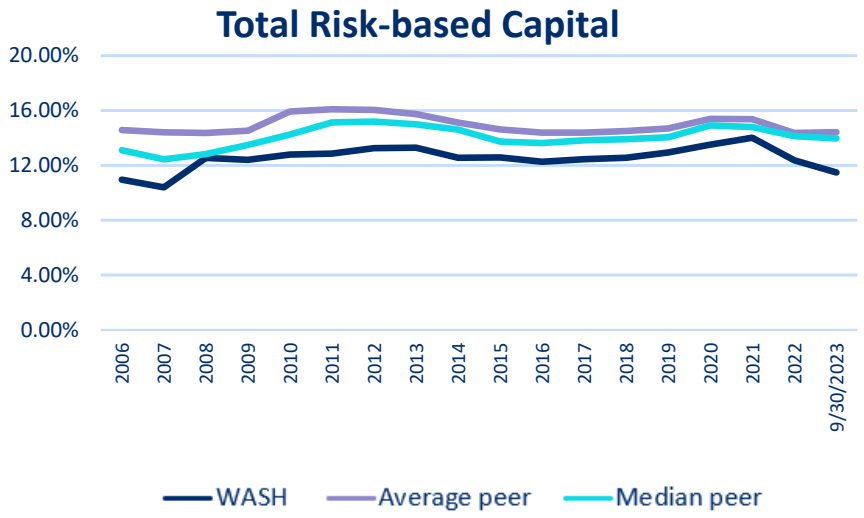
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Source: S&P Global Market Intelligence

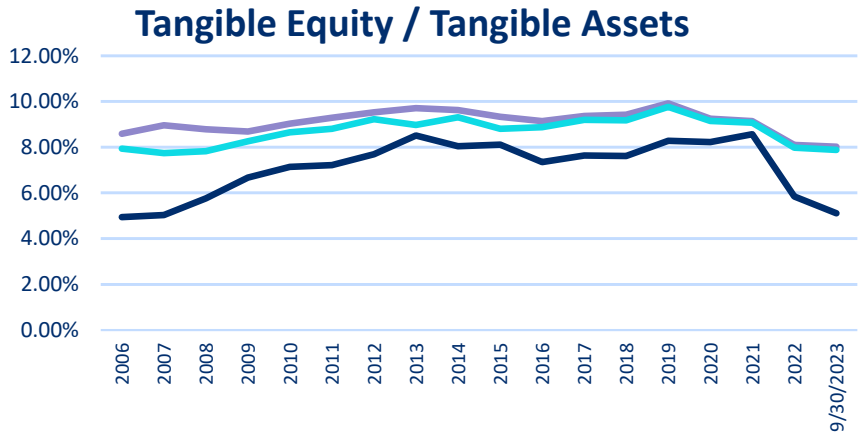
Capital Supports Dividend

- Solid balance sheet, fee-intensive business model
- Slowing loan growth to improve capital ratios
- Temporary decline in Tangible Equity / Tangible Assets ratio due to AFS securities unrealized losses









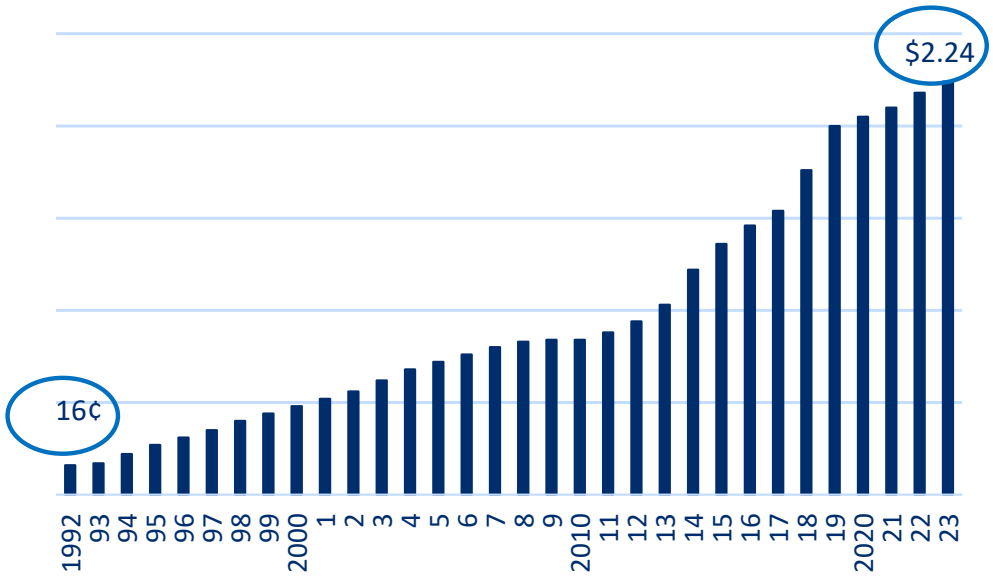
Most recent complete peer data as of 09/30/23
(1) Non-GAAP; see "Non-GAAP Financial Measures"
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

DIVIDEND

Long History of Industry-Leading Dividend Yields

Paid consistent dividend for more than a century

Cash Dividend Declared

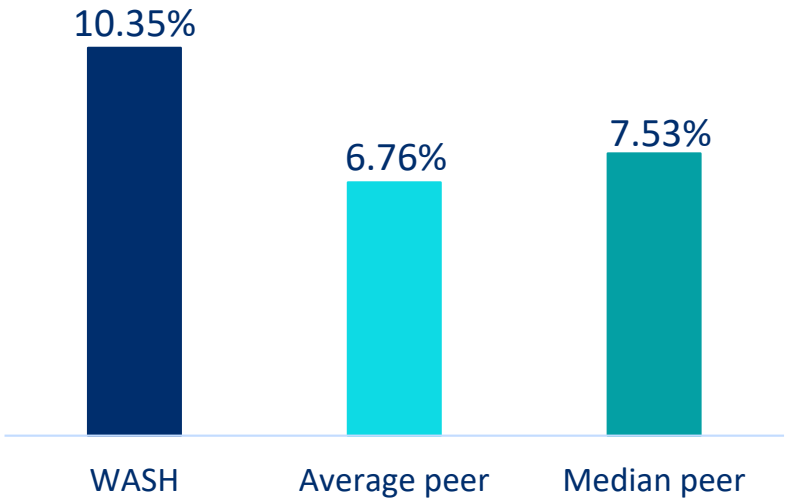


6.92% (1)

Dividend Yield

Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR

12/31/2006 to 9/30/2023



(1) As of December 31, 2023

OUR STRATEGY

Selective Growth While Enhancing Stakeholder Value

Strategic Priorities

#1 Growing deposits and improving the mix

#2 Rapid deployment of technology investments to enhance customer experience

#3 Deepening client relationships through heightened sales and services

#4 Growing our customer base by expanding our branch network and building brand awareness

- ✓ Return to historical rate of earnings expansion
- ✓ Steady growth
- ✓ Prudent risk management

Addressing Market Challenges

#1 Improve NIM

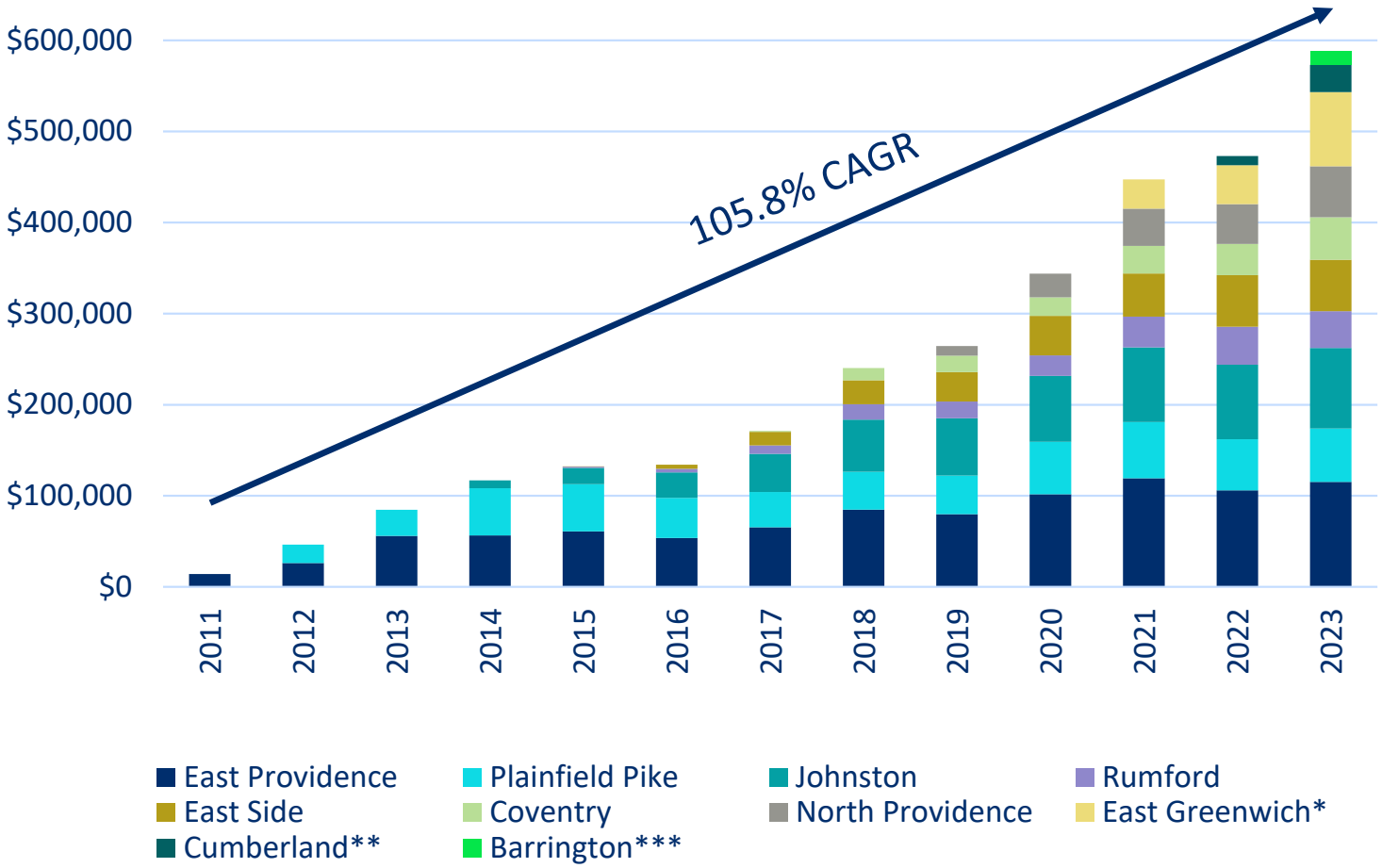
- ✓ Underwrite commercial renewals at higher spreads
- ✓ Reduce residential portfolio originations
- ✓ Amortize low-yielding investments and residential mortgages
- ✓ De-lever and pay down wholesale advances
- ✓ Improve funding mix through deposit acquisition
  - ✓ De novo branching
  - ✓ Enhanced sales efforts
  - ✓ Modest growth-oriented technology investments

#2 Improve Risk Based Capital Ratios

- ✓ Reduce Risk Weighted Assets
  - ✓ Investment portfolio and residential loan run-off
  - ✓ Pause commercial originations (except committed construction advances)
  - ✓ Exit non-relationship CRE at maturity
  - ✓ Shift mix of residential originations from portfolio to sale
  - ✓ Pursue strategic loan sales (at par)
- ✓ Improve earnings
  - ✓ NIM positioned to improve in declining rate environment
  - ✓ Shift mix of residential originations from portfolio to sale (= gains)
  - ✓ Increase wealth management fee structures
  - ✓ Manage Expenses

A CLOSER LOOK AT

De Novo Branch Deposit Growth



Strategy for Growth in Market Share

- Continued de novo branching in RI
- 27th branch opened in Smithfield, RI in Q1 2024
- 3rd Providence branch to open mid-2024

*East Greenwich branch opened in May 2021
**Cumberland branch opened in August 2022
***Barrington branch opened in April 2023

ESG PRIORITIES

Advancing Stakeholder Value

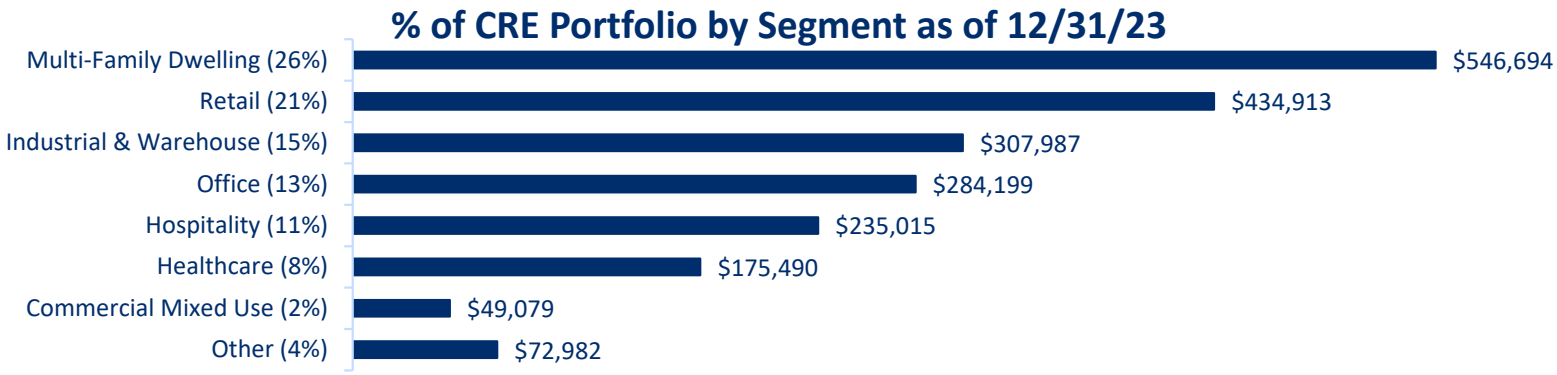
Employee Engagement	Diversity, Equity & Inclusion Commitment	Corporate Governance	Data Security & Privacy	Community Involvement & Investment	Environmental Responsibility
					
Attract, motivate, & retain a talented, engaged, & diverse workforce focused on excellence	Celebrate a culture with diversity and mutual respect	Ensure we operate with highest ethical standards	Safeguard customer information/privacy and help customers protect themselves from fraud	Be an indispensable asset to our community & those who seek financial security & economic empowerment	Bring sustainable thinking into our business to help preserve our environment

Supplemental Information

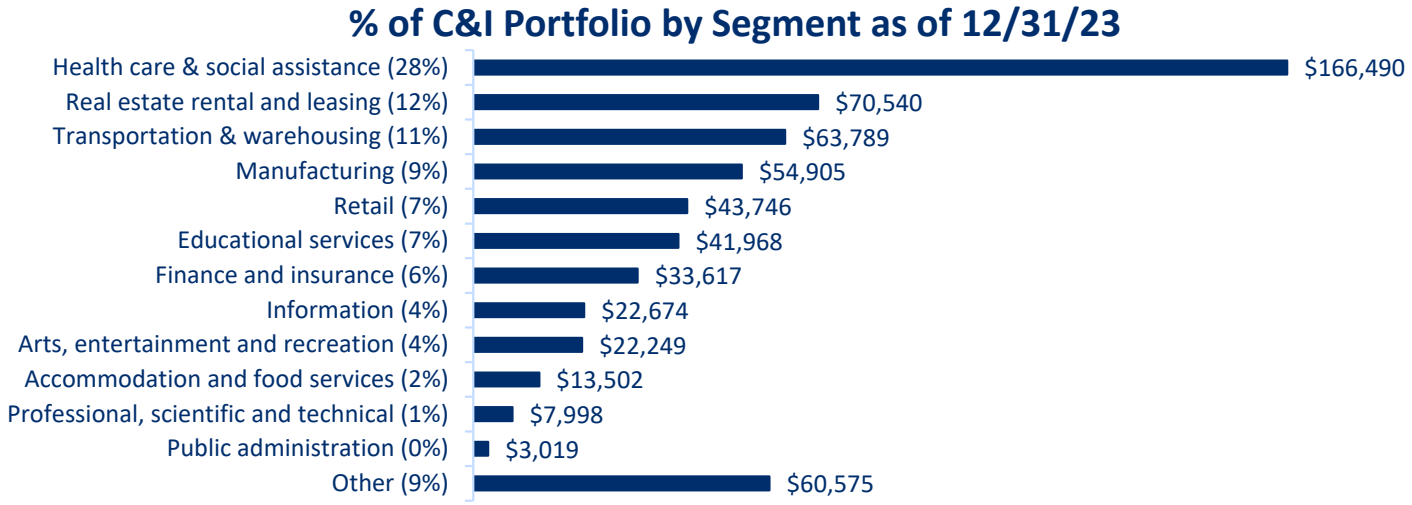


Commercial Lending Portfolio

Commercial real estate: $2.1 billion



Commercial & Industrial (C&I): $605.1 million



Office Portfolio

- Office portfolio consists of 50 loans and 47 relationships with a Carry Value of $284 million.
- Approximately 33% of the balance of total commercial real estate office balance will mature in two years.

			Weighted Average		Asset Quality			
	Balance (2)(3)	Avg Loan Size (3)	Loan to Value	Debt Service Coverage	Pass	Special Mention	Classified	Non-Accrual (included in Classified)
CRE Office Class:								
Class A	$113,129	$10,381	58%	1.59X	$106,776	$6,353	$-	$-
Class B	94,702	4,376	68%	1.50X	72,154	-	22,548	19,047
Class C	13,116	1,639	59%	1.38X	13,116	-	-	-
Medical Office	40,760	6,405	61%	1.40X	40,760	-	-	-
Lab Space	22,492	23,461	77%	1.34X	4,062	-	18,430	-
Total CRE Office (1)	$284,199	$6,307	64%	1.49X	$236,868	$6,353	$40,978	$19,047

$ thousands; at December 31, 2023

(1) Approximately 66% of the total commercial real estate office balance of $284 million is secured by income producing properties located in suburban areas. Approximately 33% the balance of total commercial real estate office balance will mature in two years.

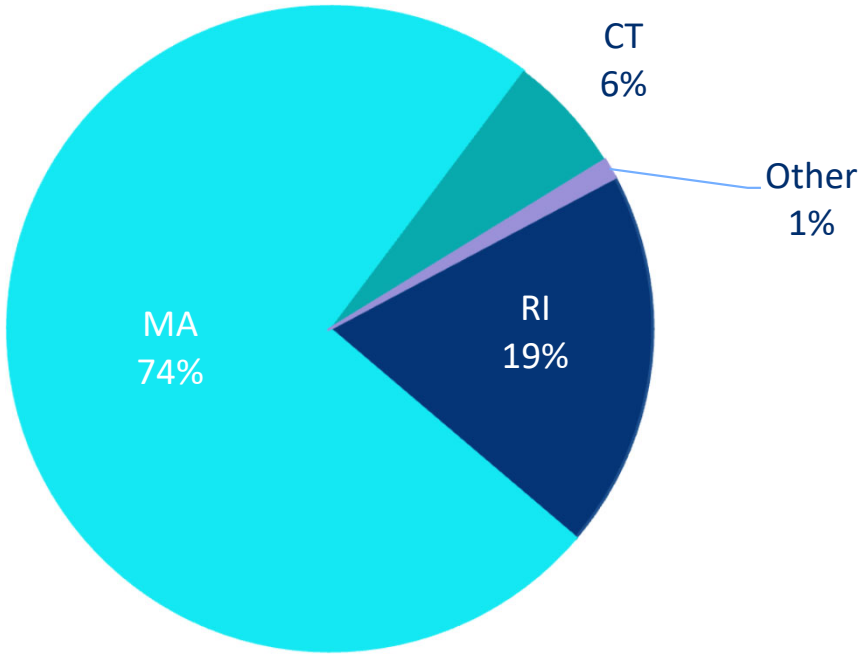
(2) The balance of commercial real estate office consists of 50 loans.

(3) Does not include $31.1 million of unfunded commitments.

(4) Total commitment (outstanding loan balance plus unfunded commitments) divided by number of loans.

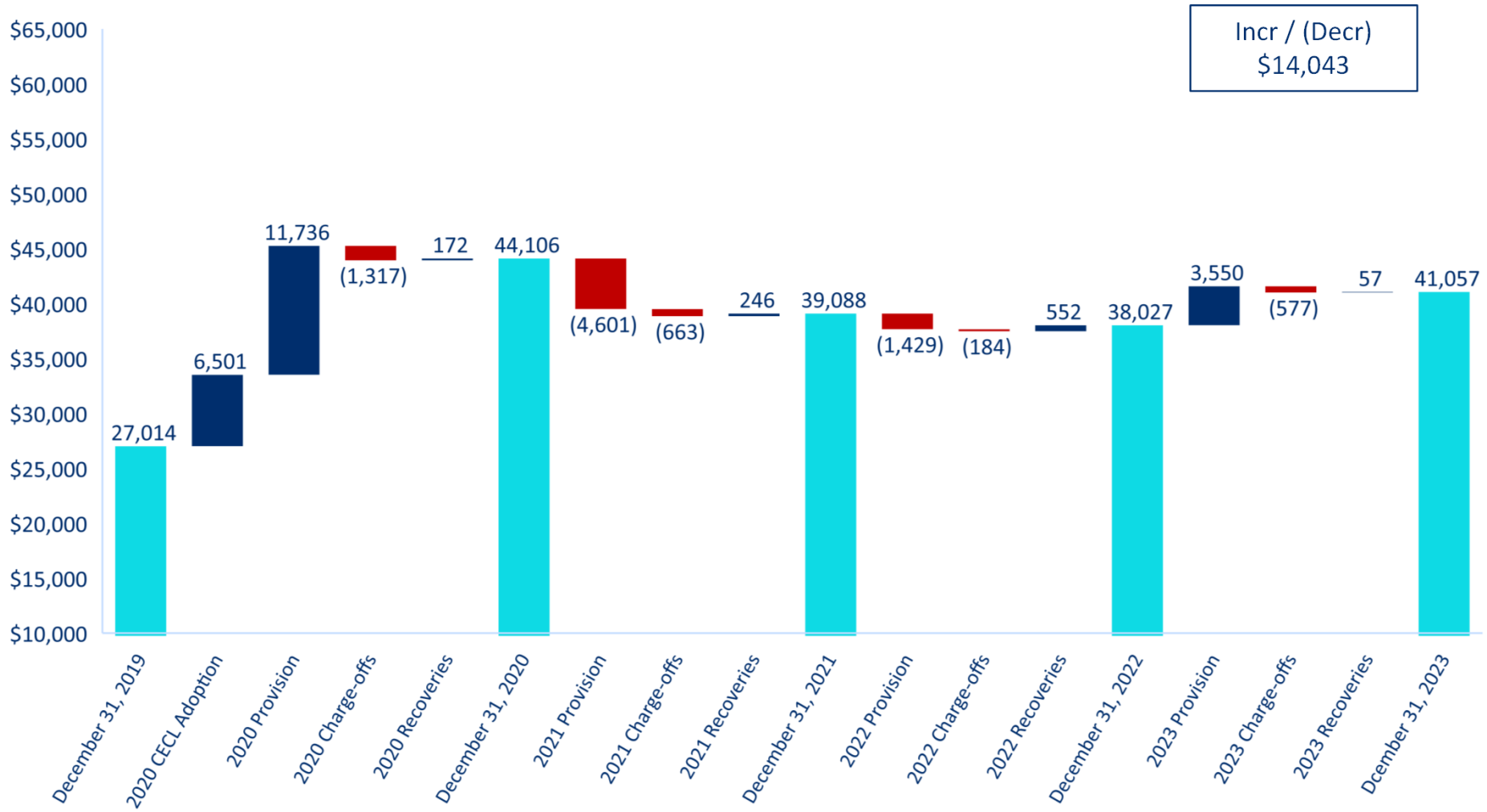
Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$ 2,604.5	$ 312.6
FICO score*	764	760
Total delinquencies	0.31%	1.02%
Nonperforming	0.37%	0.47%
Net charge-offs to average loans	0.00%	0.00%
LTV (1)	60.0%	25.9%



At or for the twelve months ended December 31,2023
** Weighted average; refreshed August 2023*
(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.

ACL Rollforward



$ thousands

Income Statement

$s in thousands	For the Year Ended Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Interest and dividend income	$308,659	$194,465	$157,995	$169,936	$197,663
Interest expense	171,561	38,475	16,560	42,492	64,249
Net interest income	137,098	155,990	141,435	127,444	133,414
Provision for credit losses	3,200	(1,300)	(4,822)	12,342	1,575
Net interest income after provision for credit losses	133,898	157,290	146,257	115,102	131,839
Total noninterest income	56,140	62,602	87,394	99,442	67,080
Noninterest expense	133,557	128,722	135,464	125,384	110,740
Income before income taxes	56,481	91,170	98,187	89,160	88,179
Income tax expense	8,305	19,489	21,317	19,331	19,061
Net income	$ 48,176	$ 71,681	$ 76,870	$ 69,829	$ 69,118

Balance Sheet

$s in thousands	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Assets:					
Cash and cash equivalents	$ 90,184	$ 118,422	$ 178,493	$ 202,268	$ 138,455
Total securities	1,000,380	993,928	1,042,859	894,571	899,490
Total loans	5,647,706	5,110,139	4,272,925	4,195,990	3,892,999
Less allowance for credit losses on loans	41,057	38,027	39,088	44,106	27,014
Net loans	5,606,649	5,072,112	4,233,837	4,151,884	3,865,985
Other assets	505,634	432,126	382,907	434,161	337,876
Total assets	$7,202,847	$6,660,051	$5,851,127	$5,713,169	$5,292,659
Liabilities and Shareholders' Equity:					
Total deposits	$5,348,160	$5,018,962	$4,980,051	$4,378,353	$3,498,882
FHLB advances	1,190,000	980,000	145,000	593,859	1,141,464
Other liabilities	169,320	184,739	138,587	184,081	126,140
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Total shareholders' equity	472,686	453,669	564,808	534,195	503,492
Total liabilities and shareholders' equity	$7,202,847	$6,660,051	$5,851,127	$5,713,169	$5,292,659

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Calculation of tangible book value per share				
Total shareholders' equity at end of period	$472,686	$453,669	$564,808	$534,195
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,711	4,554	5,414	6,305
Total tangible shareholders' equity at end of period	$405,066	$385,206	$495,485	$463,981
Shares outstanding at end of period	17,031	17,183	17,331	17,265
Book value per share – GAAP	$27.75	$26.40	$32.59	$30.94
Tangible book value per share – Non-GAAP	$23.78	$22.42	$28.59	$26.87
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$405,066	$385,206	$495,485	$463,981
Total assets at end of period	$7,202,847	$6,660,051	$5,851,127	$5,713,169
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,711	4,554	5,414	6,305
Total tangible assets at end of period	$7,135,227	$6,591,588	$5,781,804	$5,642,955
Equity to assets - GAAP	6.56%	6.81%	9.65%	9.35%
Tangible equity to tangible assets – Non-GAAP	5.68%	5.84%	8.57%	8.22%

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.

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Calculation of return on average tangible assets:				
Net income, as reported	$ 48,176	$ 71,681	$ 76,870	$ 69,829
Total average assets, as reported	6,999,040	6,102,755	5,837,966	5,704,950
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,126	4,977	5,852	6,755
Total average tangible assets	$6,931,005	$6,033,869	$5,768,205	$5,634,286
Return on average assets - GAAP	0.69%	1.17%	1.32%	1.22%
Return on average tangible assets - Non-GAAP	0.70%	1.19%	1.33%	1.24%
Calculation of return on average tangible equity				
Net income available to common shareholders	$48,091	$71,479	$76,648	$69,678
Total average equity	$455,044	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,126	4,977	5,852	6,755
Total tangible assets at end of period	$387,009	$424,366	$476,432	$445,038
Return on average equity - GAAP	10.57%	14.49%	14.03%	13.51%
Return on average tangible equity - Non-GAAP	12.43%	16.84%	16.09%	15.66%

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Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	YTD Sep 30, 2023	FYE Dec 31, 2022	FYE Dec 31, 2021	FYE Dec 31, 2020
Calculation of adjusted return on average tangible equity				
Net income available to common shareholders	$35,160	$71,479	$76,648	$69,678
Adjustments:				
Amortization*	502	679	703	722
Adjusted net income available to common shareholders	35,662	72,158	77,351	70,400
Total average equity	461,442	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,232	4,977	5,852	6,755
Total tangible assets at end of period	$393,301	$424,366	$476,432	$445,038
Adjusted return on average tangible equity - Non-GAAP	12.09%	17.00%	16.24%	15.82%

* Tax effected

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Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	YTD Sep, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of core return on average equity						
Net income, as reported	$35,229	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	502	679	703	722	745	773
Non-recurring revenue*	-	-	(790)	(1,287)	(72)	-
Non-recurring expense*			5,475	1,116	42	985
Net income, adjusted	35,731	72,360	82,258	70,380	69,833	70,190
Total average equity	461,442	493,252	546,193	515,702	481,004	421,506
Core return on average equity	10.32%	14.67%	15.06%	13.65%	14.52%	16.65%

$s in thousands, except per share amounts	YTD Sep 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of risk weighted core return on average assets						
Net income, as reported	$35,229	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	334	679	703	722	745	773
Non-recurring revenue*	-	-	(790)	(1,287)	(72)	-
Non-recurring expense*	-	-	5,475	1,116	42	985
Net income, adjusted	35,563	72,360	82,258	70,380	69,833	70,190
Risk weighted assets	5,283,859	4,892,016	4,126,308	3,994,149	3,821,602	3,626,820
Risk weighted core return on average assets	0.90%	1.48%	1.99%	1.76%	1.83%	1.94%

* Tax effected

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