WASHINGTON TRUST BANCORP, INC.

Investor Presentation

December 2024

NASDAQ: WASH

Disclaimers

Forward-Looking Statements

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Non-GAAP Financial Measures

This presentation contains references to measures that are not defined in generally accepted accounting principles (“GAAP”). Management believes that the supplemental non-GAAP information, which consists of measurements and ratios based on tangible equity, 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. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

Summary of December Strategic Actions

Common stock offering and balance sheet repositioning will result in improved future earnings, higher capital levels to support growth and an improved interest rate risk profile

1 Common Stock Offering

Announced common stock offering on 12/12/2024

Issued ~2.2 million new shares at $34 per/share

- 6.3% discount to last sale (12/12/2024)
- Net cash proceeds of ~$70 million to repay wholesale funding balances at weighed average rate of ~4.50%

$70 million[1]

Balance Sheet Repositioning

2 Residential Mortgage Loan Sale

(Sale is expected to settle in Q1 2025)

Agreed to sell ~$345 million in low-yielding residential mortgage loans

- ~$145 million in adjustable-rate mortgages
- ~$200 million in fixed-rate mortgages
- Weighted average rate of ~ 3.03%
- Proceeds to repay $282 million in wholesale funding balances at weighted average rate of ~4.50%

3 Securities Sale & Reinvestment

Sold ~409 million of available-for-sale securities and reinvested into ~$378 million of securities at higher rates

- Weighted average yield of ~2.65% of securities sold
- Weighted average yield of ~5.30% on securities reinvested

$70 million after-tax loss[2]

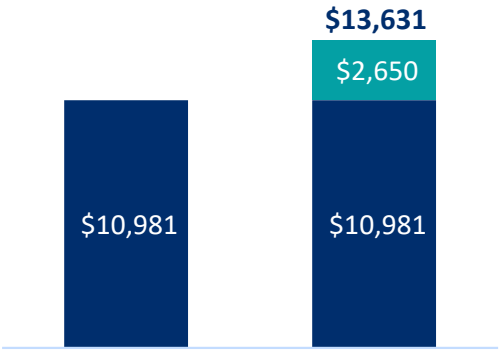
All figures shown are approximations unless otherwise noted

(1) Net proceeds received by the Company, after deducting underwriting discounts and commissions, and deducting estimated operating expenses payable by the Company

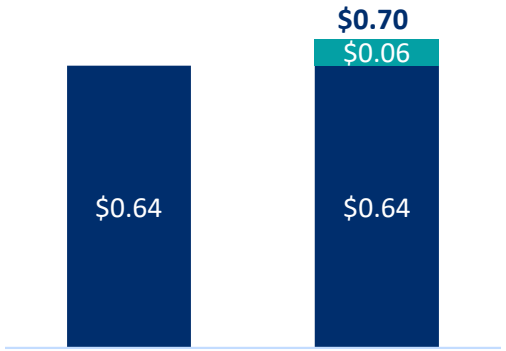
(2) The balance sheet repositioning transactions are expected to result in a net after-tax loss of approximately $70 million that will be recognized in the fourth quarter of 2024

Highlights of Equity Raise and Balance Sheet Repositioning

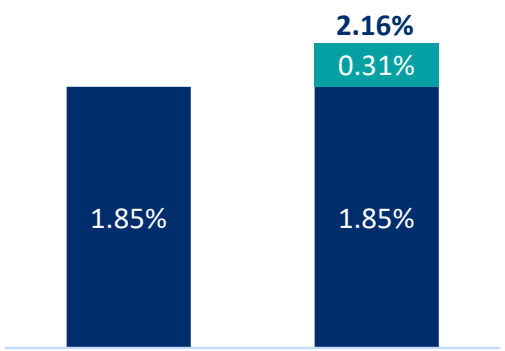
Net Income[1]
($ thousands)



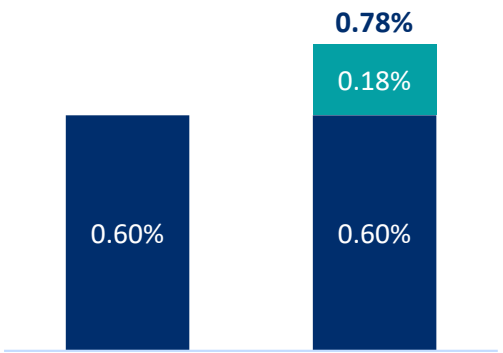
Diluted EPS[1]
(Per Common Share)



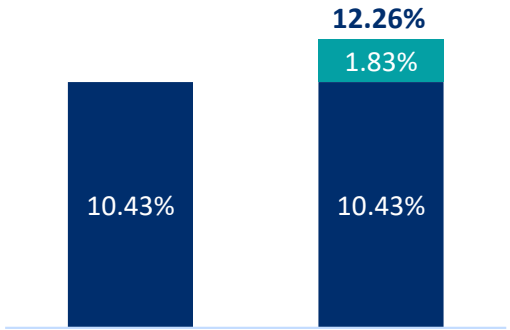
Net Interest Margin



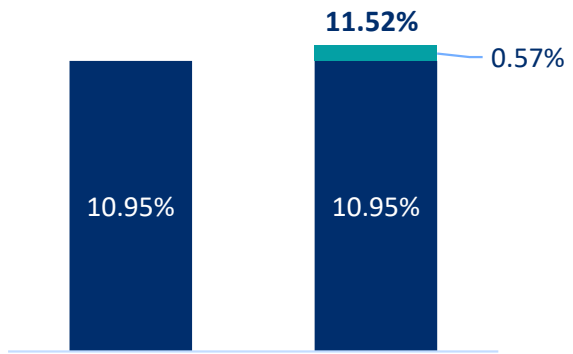
Return on Average Assets[2]



Return on Average Tangible Common Equity[3]



Common Equity Tier 1 Ratio



Equity Raise & Balance Sheet Repositioning Benefit

(1) Excludes the net after-tax loss of approximately $70 million that will be recognized in the fourth quarter of 2024 resulting from the balance sheet repositioning sales transactions
(2) Consists of net income divided by average total assets
(3) This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures

Performance Momentum

In addition to the common stock offering and balance sheet repositioning, our future operating results are expected to benefit from the following:

- Net Interest Income & Net Interest Margin ("NIM")[(1)] - declining rates benefit liability-sensitive balance sheet
- Wealth Management - benefiting from improved equity markets and client fee restructure
- Mortgage Banking fees - return to saleable originations has lifted sales revenue through YTD 2024; more originators expected to be hired in 2025 (commission-based)

Amortization of swap termination expense ceases in April 2026

- $13.6 million unamortized at 9/30/24
- Pre-tax expense of $715 thousand per month, $8.6 million per year
- Estimated annualized pro forma EPS impact = $0.37 (at 9/30/24)[(2)]
- Estimated annualized pro forma NIM impact = 12bp (at 9/30/24)[(3)]

(1) Consists of net interest income divided by average interest-earning assets
(2) Assumes pre-tax amortization expense of $8.581 million, tax rate of 25.5%, and diluted shares for the quarter ended September 30, 2024 of $17.140 million
(3) Assumes pre-tax amortization expense of $8.581 million, and interest earning assets for the quarter ended September 30, 2024 of $7.001 billion

Appendix
Calculation of Non-GAAP Financial Measures

$s in thousands	Q3 2024	Q3 2024 Pro-Forma
Calculation of Adjusted ROATCE		
Net income available to common shareholders	$10,973	$13,623
Average Shareholders Equity	485,654	$509,274
Less average balances:		
Goodwill	63,909	63,909
Identifiable intangible assets, net	3,189	3,189
Total tangible assets at end of period	$418,556	$442,176
Adjusted ROATCE - Non-GAAP	10.43%	12.26%