



Summary Financial Statements and Selected Financial Highlights

Q2 2019

(unaudited)

W.T.B. Financial Corporation
Condensed Consolidated Statements of Financial Condition
(unaudited)

	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
ASSETS			
Cash and due from banks	\$ 115,834,959	\$ 90,732,820	\$ 91,719,702
Fed funds sold and resale agreements	100,000	-	260,000
Interest-bearing deposits with banks	207,117,564	467,225,647	647,779,104
Securities available for sale, at fair value	1,211,836,979	1,123,829,993	918,574,189
Securities held to maturity, at amortized cost	540,440,597	543,065,327	444,468,041
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	7,911,600	7,911,600	7,540,600
Loans receivable	4,394,500,010	4,100,672,229	4,079,035,309
Allowance for loan losses	(94,348,856)	(92,975,393)	(89,235,844)
Loans net of allowance for loan losses	4,300,151,154	4,007,696,836	3,989,799,465
Premises and equipment, net	79,519,299	55,620,373	52,509,834
Accrued interest receivable	23,756,764	20,997,962	19,971,546
Other assets	75,245,498	76,438,339	53,107,007
Total assets	<u>\$ 6,561,914,414</u>	<u>\$ 6,393,518,897</u>	<u>\$ 6,225,729,488</u>
LIABILITIES			
Deposits:			
Noninterest-bearing	\$ 2,348,097,509	\$ 2,309,745,996	\$ 2,332,047,750
Interest-bearing	3,172,732,740	3,143,077,484	3,048,015,739
Total deposits	5,520,830,249	5,452,823,480	5,380,063,489
Securities sold under agreements to repurchase	312,853,976	244,902,546	252,277,496
Accrued interest payable	1,928,865	2,227,949	1,088,826
Other liabilities	66,771,056	66,319,669	39,174,290
Total liabilities	5,902,384,146	5,766,273,644	5,672,604,101
SHAREHOLDERS' EQUITY			
Common stock	31,207,193	31,435,951	30,999,729
Surplus	32,665,000	32,665,000	32,665,000
Undivided profits	614,946,149	600,119,242	546,170,793
	678,818,342	664,220,193	609,835,522
Less treasury stock, at cost	(604,789)	-	-
	678,213,553	664,220,193	609,835,522
Accumulated other comprehensive loss	(18,683,285)	(36,974,940)	(56,710,135)
Total shareholders' equity	659,530,268	627,245,253	553,125,387
Total liabilities and shareholders' equity	<u>\$ 6,561,914,414</u>	<u>\$ 6,393,518,897</u>	<u>\$ 6,225,729,488</u>

W.T.B. Financial Corporation
Condensed Consolidated Statements of Income
(unaudited)

	Three Months Ended		
	June 30, 2019	March 31, 2019	June 30, 2018
INTEREST REVENUE			
Loans, including fees	\$ 55,667,285	\$ 52,814,234	\$ 49,791,801
Deposits with banks	1,559,670	3,979,401	3,370,875
Securities	9,760,037	8,925,358	7,029,829
Other interest and dividend income	71,951	79,642	40,734
Total interest revenue	<u>67,058,943</u>	<u>65,798,635</u>	<u>60,233,239</u>
INTEREST EXPENSE			
Deposits	4,208,480	4,102,466	2,160,120
Funds purchased and other borrowings	571,854	270,589	45,396
Total interest expense	<u>4,780,334</u>	<u>4,373,055</u>	<u>2,205,516</u>
Net interest revenue	<u>62,278,609</u>	<u>61,425,580</u>	<u>58,027,723</u>
Provision for loan losses	400,000	800,000	1,300,000
Net interest revenue after provision for loan losses	<u>61,878,609</u>	<u>60,625,580</u>	<u>56,727,723</u>
NONINTEREST REVENUE			
Fiduciary income	4,562,568	4,205,554	4,254,429
Investment services fees	856,299	749,045	754,595
Bank and credit card fees, net	2,775,591	2,774,343	3,195,654
Mortgage banking revenue, net	890,094	760,468	1,594,033
Other fees on loans	262,658	285,849	251,418
Service charges on deposits	1,672,263	1,786,636	1,658,094
Other income	<u>(1,562,803)</u>	<u>243,476</u>	<u>1,244,439</u>
Total noninterest revenue	<u>9,456,670</u>	<u>10,805,371</u>	<u>12,952,662</u>
NONINTEREST EXPENSE			
Salaries and benefits	29,204,810	28,223,646	26,443,428
Occupancy, furniture and equipment expense	3,832,792	4,324,427	4,833,479
Other expense	<u>13,548,445</u>	<u>13,060,206</u>	<u>12,515,002</u>
Total noninterest expense	<u>46,586,047</u>	<u>45,608,279</u>	<u>43,791,909</u>
Income before provision for income taxes	<u>24,749,232</u>	<u>25,822,672</u>	<u>25,888,476</u>
Provision for income taxes	5,446,289	5,651,339	5,817,858
NET INCOME	<u>\$ 19,302,943</u>	<u>\$ 20,171,333</u>	<u>\$ 20,070,618</u>
PER SHARE DATA			
Weighted average number of common stock shares outstanding			
Basic	2,558,064	2,558,669	2,555,016
Diluted	2,561,438	2,564,390	2,561,649
Earnings per common share (based on weighted average shares outstanding)			
Basic	\$ 7.55	\$ 7.88	\$ 7.86
Diluted	\$ 7.54	\$ 7.87	\$ 7.84

W.T.B. Financial Corporation
Condensed Consolidated Statements of Income
(unaudited)

	Six Months Ended	
	June 30, 2019	June 30, 2018
INTEREST REVENUE		
Loans, including fees	\$ 108,481,520	\$ 96,569,658
Deposits with banks	5,539,071	6,288,884
Securities	18,685,395	13,871,145
Other interest and dividend income	151,592	189,991
Total interest revenue	132,857,578	116,919,678
INTEREST EXPENSE		
Deposits	8,310,946	3,985,228
Funds purchased and other borrowings	842,443	88,055
Total interest expense	9,153,389	4,073,283
Net interest revenue	123,704,189	112,846,395
Provision for loan losses	1,200,000	1,700,000
Net interest revenue after provision for loan losses	122,504,189	111,146,395
NONINTEREST REVENUE		
Fiduciary income	8,768,122	8,259,121
Investment services fees	1,605,344	1,864,810
Bank and credit card fees	5,549,933	5,976,525
Mortgage banking revenue, net	1,650,563	3,146,251
Other fees on loans	548,507	457,211
Service charges on deposits	3,458,899	3,496,385
Other income	(1,319,327)	2,231,201
Total noninterest revenue	20,262,041	25,431,504
NONINTEREST EXPENSE		
Salaries and benefits	57,428,457	53,368,193
Occupancy, furniture and equipment expense	8,157,219	8,874,052
Other expense	26,608,650	24,134,111
Total noninterest expense	92,194,326	86,376,356
Income before provision for income taxes	50,571,904	50,201,543
Provision for income taxes	11,097,628	11,285,774
NET INCOME	\$ 39,474,276	\$ 38,915,769

PER SHARE DATA

Weighted average number of common stock shares outstanding

Basic	2,558,365	2,552,573
Diluted	2,562,906	2,561,418
Earnings per common share (based on weighted average shares outstanding)		
Basic	\$ 15.43	\$ 15.25
Diluted	\$ 15.40	\$ 15.19

W.T.B. Financial Corporation
Selected Financial Highlights
(unaudited)

(dollars in thousands)

	Quarters Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
SELECTED DATA					
Interest-bearing deposits with banks	\$ 207,118	\$ 467,226	\$ 751,180	\$ 650,873	\$ 647,779
Securities	1,752,278	1,666,895	1,589,251	1,540,463	1,363,042
Total loans	4,394,500	4,100,672	4,047,398	4,054,935	4,079,035
Allowance for loan losses	94,349	92,975	90,749	91,026	89,236
Earning assets ¹	6,351,760	6,255,713	6,420,888	6,293,542	6,132,681
Total assets	6,561,914	6,393,519	6,552,350	6,407,740	6,225,729
Deposits	5,520,830	5,452,823	5,638,923	5,548,990	5,380,063
Interest-bearing liabilities	3,485,587	3,387,980	3,485,267	3,415,953	3,300,293
Total shareholders' equity	659,530	627,245	602,665	567,247	553,125
Total equity to total assets	10.05%	9.81%	9.20%	8.85%	8.88%
Full-time equivalent employees	1,004	994	994	992	977
ASSET QUALITY RATIOS					
Allowance for loan losses to total loans	2.15%	2.27%	2.24%	2.24%	2.19%
Allowance for loan losses to noncurrent loans	502%	721%	755%	962%	902%
Net charge-offs (recoveries) to total average loans	-0.02%	-0.04%	0.02%	-0.03%	-0.01%
Noncurrent loans and ORE to assets	0.29%	0.20%	0.18%	0.15%	0.16%
Noncurrent loans, ORE and TDRs to assets	0.30%	0.21%	0.20%	0.16%	0.18%

(1) Includes only the amortized cost for securities. Includes non-accrual loans.

(dollars in thousands, except per share data)

	Quarters Ended			% Change	
	June 30, 2019	March 31, 2019	June 30, 2018	Sequential Quarter	Year over Year
PERFORMANCE					
Net interest revenue, fully tax-equivalent	\$ 62,397	\$ 61,550	\$ 58,145	1.4%	7.3%
Fully tax-equivalent adjustment	118	124	117	-4.8%	0.9%
Net interest revenue	62,279	61,426	58,028	1.4%	7.3%
Provision for loan losses	400	800	1,300	-50.0%	-69.2%
Net interest revenue after provision for loan losses	61,879	60,626	56,728	2.1%	9.1%
Noninterest revenue	9,457	10,805	12,953	-12.5%	-27.0%
Noninterest expense	46,587	45,608	43,793	2.1%	6.4%
Income before provision for income taxes	24,749	25,823	25,888	-4.2%	-4.4%
Provision for income taxes	5,446	5,652	5,817	-3.6%	-6.4%
Net income	\$ 19,303	\$ 20,171	\$ 20,071	-4.3%	-3.8%
PER COMMON SHARE					
Earnings per common share - basic	\$ 7.55	\$ 7.88	\$ 7.86	-4.2%	-3.9%
Earnings per common share - diluted	7.54	7.87	7.84	-4.2%	-3.8%
Common cash dividends	1.75	1.75	1.15	0.0%	52.2%
Common shareholders' equity	256.68	243.78	215.18	5.3%	19.3%

	Quarters Ended			% Change	
	June 30, 2019	March 31, 2019	June 30, 2018	Sequential Quarter	Year over Year
PERFORMANCE RATIOS					
Return on average assets	1.22%	1.27%	1.29%	-0.05%	-0.07%
Return on average shareholders' equity	12.11%	13.35%	14.74%	-1.24%	-2.63%
Margin on average earning assets ¹	4.04%	3.94%	3.78%	0.10%	0.26%
Noninterest expense to average assets	2.94%	2.86%	2.81%	0.08%	0.13%
Noninterest revenue to average assets	0.60%	0.68%	0.83%	-0.08%	-0.23%
Efficiency ratio	64.8%	63.0%	61.6%	1.8%	3.2%
Common cash dividends to net income	23.19%	22.24%	14.64%	0.95%	7.60%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a tax rate of 21%.

NM = not meaningful

W.T.B. Financial Corporation
Selected Financial Highlights
(unaudited)

(dollars in thousands, except per share data)

	Six Months Ended		% Change
	June 30, 2019	June 30, 2018	Year over Year
PERFORMANCE			
Net interest revenue, fully tax-equivalent	\$ 123,946	\$ 113,087	9.6%
Fully tax-equivalent adjustment	242	241	0.4%
Net interest revenue	123,704	112,846	9.6%
Provision for loan losses	1,200	1,700	-29.4%
Net interest revenue after provision for loan losses	122,504	111,146	10.2%
Noninterest revenue	20,262	25,432	-20.3%
Noninterest expense	92,194	86,376	6.7%
Income before provision for income taxes	50,572	50,202	0.7%
Provision for income taxes	11,098	11,286	-1.7%
Net income	\$ 39,474	\$ 38,916	1.4%
PER COMMON SHARE			
Earnings per common share - basic	\$ 15.43	\$ 15.25	1.2%
Earnings per common share - diluted	15.40	15.19	1.4%
Common cash dividends	3.50	2.30	52.2%
Common shareholders' equity	256.68	215.18	19.3%
PERFORMANCE RATIOS			
Return on average assets	1.24%	1.26%	-0.02%
Return on average shareholders' equity	12.71%	14.53%	-1.82%
Margin on average earning assets ¹	4.00%	3.71%	0.29%
Noninterest expense to average assets	2.90%	2.80%	0.10%
Noninterest revenue to average assets	0.64%	0.82%	-0.18%
Efficiency ratio	63.9%	62.4%	1.5%
Common cash dividends to net income	22.70%	15.10%	7.60%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a tax rate of 21%.