

Summary Financial Statements and Selected Financial Highlights

(unaudited)

First Quarter
2017



W.T.B. Financial Corporation

watrust.com

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

	March 31, 2017	December 31, 2016	March 31, 2016
ASSETS			
Cash and due from banks	\$ 82,576,770	\$ 97,412,042	\$ 71,523,447
Interest-bearing deposits with banks	290,649,435	326,001,529	123,975,316
Securities available for sale, at fair value	962,562,779	932,788,461	811,356,405
Securities held to maturity, at amortized cost	438,957,403	452,029,006	479,363,230
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	6,857,600	6,421,500	6,421,500
Loans receivable	3,765,055,613	3,785,076,118	3,548,740,521
Allowance for loan losses	(87,551,815)	(85,786,743)	(84,398,980)
Loans net of allowance for loan losses	3,677,503,798	3,699,289,375	3,464,341,541
Premises and equipment, net	43,238,635	42,986,615	44,254,110
Other real estate	310,500	870,500	310,500
Accrued interest receivable	14,527,649	17,061,492	12,761,519
Other assets	84,428,471	94,092,679	74,699,986
Total assets	\$ 5,601,613,040	\$ 5,668,953,199	\$ 5,089,007,554
LIABILITIES			
Deposits:			
Noninterest-bearing	\$ 1,931,087,141	\$ 2,028,445,434	\$ 1,743,906,900
Interest-bearing	2,889,164,195	2,895,244,374	2,659,087,911
Total deposits	4,820,251,336	4,923,689,808	4,402,994,811
Securities sold under agreements to repurchase	232,787,077	211,462,438	167,108,066
Accrued interest payable	418,479	439,921	510,724
Other liabilities	39,221,952	37,075,124	37,474,077
Total liabilities	5,092,678,844	5,172,667,291	4,608,087,678
SHAREHOLDERS' EQUITY			
Common stock	28,863,663	28,542,925	30,204,574
Surplus	32,665,000	32,665,000	32,665,000
Undivided profits	482,754,301	471,885,130	438,069,299
	544,282,964	533,093,055	500,938,873
Accumulated other comprehensive loss	(35,348,768)	(36,807,147)	(20,018,997)
Total shareholders' equity	508,934,196	496,285,908	480,919,876
Total liabilities and shareholders' equity	\$ 5,601,613,040	\$ 5,668,953,199	\$ 5,089,007,554

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

	Three Months Ended		
	March 31,	December 31,	March 31,
	2017	2016	2016
INTEREST REVENUE			
Loans, including fees	\$ 42,244,364	\$ 41,345,217	\$ 38,686,986
Deposits with banks	567,178	559,085	474,453
Securities	6,676,810	6,024,178	5,170,332
Other interest and dividend income	21,140	14,355	83,497
Total interest revenue	<u>49,509,492</u>	<u>47,942,835</u>	<u>44,415,268</u>
INTEREST EXPENSE			
Deposits	954,243	961,173	925,854
Funds purchased and other borrowings	42,967	41,262	62,266
Total interest expense	<u>997,210</u>	<u>1,002,435</u>	<u>988,120</u>
Net interest revenue	<u>48,512,282</u>	<u>46,940,400</u>	<u>43,427,148</u>
Provision for loan losses	400,000	500,000	500,000
Net interest revenue after provision for loan losses	<u>48,112,282</u>	<u>46,440,400</u>	<u>42,927,148</u>
NONINTEREST REVENUE			
Fiduciary income	3,451,519	3,418,012	3,326,907
Mortgage banking revenue, net	1,730,892	2,664,520	1,513,534
Other fees on loans	205,570	328,052	209,941
Service charges, commissions and fees	5,815,380	5,615,405	5,646,552
Securities gains, net	-	34,218	622,075
Net gains (losses) on other real estate	(10,390)	4,615	51,452
Other income	224,597	332,417	341,321
Total noninterest revenue	<u>11,417,568</u>	<u>12,397,239</u>	<u>11,711,782</u>
NONINTEREST EXPENSE			
Salaries and benefits	25,260,695	23,650,768	22,253,231
Occupancy, furniture and equipment expense	4,635,567	3,821,015	3,427,384
Other expense	10,009,581	12,453,814	10,361,570
Total noninterest expense	<u>39,905,843</u>	<u>39,925,597</u>	<u>36,042,185</u>
Income before income taxes	<u>19,624,007</u>	<u>18,912,042</u>	<u>18,596,745</u>
Income taxes	6,615,629	6,649,816	6,406,032
NET INCOME	<u>\$ 13,008,378</u>	<u>\$ 12,262,226</u>	<u>\$ 12,190,713</u>
PER SHARE DATA			
Weighted average number of common stock shares outstanding			
Basic	2,541,397	2,537,464	2,546,826
Diluted	2,548,798	2,545,025	2,571,347
Earnings per common share (based on weighted average shares outstanding)			
Basic	\$ 5.12	\$ 4.83	\$ 4.79
Diluted	\$ 5.10	\$ 4.82	\$ 4.74

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

(dollars in thousands)

	Quarters Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
SELECTED DATA					
Interest-bearing deposits with banks	\$ 290,649	\$ 326,002	\$ 299,272	\$ 95,453	\$ 123,975
Securities	1,401,520	1,384,817	1,195,090	1,239,877	1,290,720
Total loans	3,765,056	3,785,076	3,738,649	3,687,401	3,548,741
Allowance for loan losses	87,552	85,787	86,403	85,378	84,399
Earning assets ¹	5,481,936	5,522,413	5,232,755	5,019,834	4,963,213
Total assets	5,601,613	5,668,953	5,373,076	5,172,344	5,089,008
Deposits	4,820,251	4,923,690	4,640,169	4,491,233	4,402,995
Interest-bearing liabilities	3,121,951	3,106,707	2,958,911	2,813,076	2,826,196
Total shareholders' equity	508,934	496,286	502,111	494,836	480,920
Total equity to total assets	9.09%	8.75%	9.34%	9.57%	9.45%
Full-time equivalent employees	930	926	932	901	881
ASSET QUALITY RATIOS					
Allowance for loan losses to total loans	2.33%	2.27%	2.31%	2.32%	2.38%
Allowance for loan losses to noncurrent loans	677%	598%	562%	507%	457%
Net charge-offs (recoveries) to total average loans	-0.04%	0.03%	-0.01%	-0.01%	0.03%
Noncurrent loans and ORE to assets	0.24%	0.27%	0.31%	0.33%	0.37%
Noncurrent loans, ORE and TDRs to assets	0.29%	0.33%	0.37%	0.40%	0.63%

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

(dollars in thousands, except per share data)

	Quarters Ended			% Change	
	March 31, 2017	December 31, 2016	March 31, 2016	Sequential Quarter	Year over Year
PERFORMANCE					
Net interest revenue, fully tax-equivalent	\$ 48,821	\$ 47,254	\$ 43,799	3.3%	11.5%
Fully tax-equivalent adjustment	309	314	372	-1.6%	-16.9%
Net interest revenue	48,512	46,940	43,427	3.3%	11.7%
Provision for loan losses	400	500	500	-20.0%	-20.0%
Net interest revenue after provision for loan losses	48,112	46,440	42,927	3.6%	12.1%
Noninterest revenue	11,418	12,397	11,712	-7.9%	-2.5%
Noninterest expense	39,906	39,925	36,042	0.0%	10.7%
Income before income taxes	19,624	18,912	18,597	3.8%	5.5%
Income taxes	6,616	6,650	6,406	-0.5%	3.3%
Net income	\$ 13,008	\$ 12,262	\$ 12,191	6.1%	6.7%
PER COMMON SHARE					
Net income available to common shareholders (basic)	\$ 5.12	\$ 4.83	\$ 4.79	6.0%	6.9%
Net income available to common shareholders (diluted)	5.10	4.82	4.74	5.8%	7.6%
Common cash dividends	0.84	0.75	0.75	12.0%	12.0%
Common shareholders' equity	198.05	193.66	186.67	2.3%	6.1%

NM = not meaningful

	Quarters Ended			% Change	
	March 31, 2017	December 31, 2016	March 31, 2016	Sequential Quarter	Year over Year
PERFORMANCE RATIOS					
Return on average assets	0.94%	0.88%	0.95%	0.06%	-0.01%
Return on average shareholders' equity	10.45%	9.68%	10.32%	0.77%	0.13%
Margin on average earning assets ¹	3.61%	3.45%	3.49%	0.16%	0.12%
Noninterest expense to average assets	2.89%	2.85%	2.80%	0.04%	0.09%
Noninterest revenue to average assets	0.83%	0.89%	0.91%	-0.06%	-0.08%
Efficiency ratio	66.2%	66.9%	64.9%	-0.7%	1.3%
Common cash dividends to net income	16.44%	15.52%	15.70%	0.92%	0.74%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a 35% tax rate.