W.T.B. Financial Corp

October 22, 2020

Dear Shareholders:

We are all experiencing extraordinary times that are disrupting how we live, work, play, communicate and carry out our lives. Those disruptions are impacting the Bank as well with profound implications for how we operate, our employees, our customers, and the communities we serve. The path we have taken this year is not at all what we expected when 2020 started. So much of what we do and how we do it has changed and our ability to adapt has never been more crucial or urgent. As I stand here today, I am so grateful and proud of how resilient our team has been, how much we have achieved and how well we have performed. This has been a year that tested all of us and also a time that has validated many of our fundamental operating philosophies and strategies.

Beyond the dramatic impact of the COVID-19 pandemic, another major force impacting the operating environment in 2020 has been the Federal Reserve. The Fed's monetary policy response to the economic impact of the pandemic has been to lower interest rates to historic levels and inject massive amounts of cash into the financial system. That injection of liquidity and the tremendous drop in interest rates across the entire yield curve has had a significant impact on us and the industry as a whole. At current rate levels, strong financial performance will be a major challenge.

Additionally, the success we had in delivering relief to our small business customers through the Small Business Administration's Paycheck Protection Program ("PPP") is another important factor to consider when understanding our performance numbers. Through that program, we originated over $1.2 billion of relief loans to more than 5,000 customers in just 10 days last April. That success helped drive loans, deposits and assets to record levels, but also pressured net interest margin, return on assets and several other financial performance measures. We will walk through that with you below.

With that backdrop, let's take a look at all we accomplished in the third quarter and through the first nine months of the year. In the third quarter, the Company reported net income of $19.9 million, up $772,000, or 4.0 percent from second quarter results, but down $2.4 million, or 10.8 percent from the third quarter of 2019. On a year-to-date basis, earnings in 2020 totaled $57.5 million, down $4.3 million, or 6.9 percent from 2019 results. A similar pattern exists for earnings per share. Diluted earnings per share in the quarter came in at $7.84, up $0.30 per share, or 4.0 percent over second quarter results, but down $0.89 per share, or 10.2 percent from third quarter of 2019. Diluted earnings per share for the year totaled $22.66, down $1.47 per share, or 6.1 percent from 2019 results.

The biggest factor driving the year-over-year decline in earnings performance was higher provision for loan loss expense. Thus far in 2020, the Company has taken $23.5 million of provision expense, as compared with just $2.0 million in 2019. At this point, elevated levels of provision expense reflect the difficult economic environment, the potential for future credit difficulties and some early indications of stress beginning to emerge in the loan portfolio, but not actual loan charge-offs, which remain at negligible levels. Loan charge-offs this year to date totaled $1.7 million, as compared with $2.2 million through September of 2019. Similarly, noncurrent loans totaled just $14.2 million, or 0.24 percent of loans at the end of the quarter. In the absence of significant noncurrent loans or charge-offs, what the elevated level of provision expense has done is grow balance sheet strength through the allowance for loan losses. The Bank's allowance position has increased $24.2 million thus far in 2020 to $121.1 million, or 2.06 percent of loans.

While higher provision expense was a major driver of our comparative performance, it was not the entire story. Net interest revenue for the quarter totaled $69.0 million, up $2.6 million, or 4.0 percent from the prior quarter and up $2.4 million, or 3.7 percent from third quarter last year. Growth in average earning assets was the primary cause of higher net interest revenue, even in the face of falling earning asset yields. In the third quarter, average earning assets grew $498 million, or 6.0 percent, while earning asset

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yields declined 14 bps to 3.29 percent. That cross current is even more dramatic year-over-year. Average earning assets grew $2.3 billion, or 34.8 percent over last year, while net interest margin narrowed by 93 bps. Despite that major narrowing of net interest margin, net interest revenue still grew $2.4 million, or 3.7 percent year-to-date.

Noninterest revenue was strong in the third quarter, coming in at $17.4 million, up $1.2 million over second quarter results and $4.8 million over last year. A similar story played out with year-to-date results. So far this year, noninterest revenue totaled $49.0 million, which was $14.5 million more than 2019. The big driver of the improvement in noninterest revenue was our home lending division, which benefited from declining interest rates driving higher loan originations and gain on sale revenue. Through the first nine months this year, gain on loan sale revenue more than tripled to $8.1 million, from the $2.6 million reported last year. Noninterest expense increased during the year by $7.2 million, or 5.0 percent to $150.8 million. Most of that increase was a result of higher salaries and benefits, which increased nearly $8.0 million, or 9.2 percent. That increase was driven by strong production and loan originations, principally from PPP loans, and increased headcount.

Balance sheet dynamics through this cycle have been dramatic and reflect a variety of factors, including PPP loan and deposit growth, elevated levels of liquidity in the financial system and the low rate environment. Total assets for the quarter increased $417.9 million, or 4.7 percent, while year-over-year, total assets grew more than $2.4 billion, or 35.7 percent. That balance sheet growth was fueled by growth in deposits, which increased $622.8 million, or 8.3 percent during the quarter and nearly $2.6 billion, or 45.7 percent in the past year. While roughly half that deposit growth was a result of the PPP, the rest was incremental deposits coming to us from new and existing Bank customers. Those deposits helped fund growth across loans, bonds and cash. Loans grew $144.7 million, or 2.5 percent during the quarter and $1.3 billion, or 29.3 percent over the past year. The vast majority of our loan growth over the past year came from customers taking advantage of PPP loans. The Company's investment portfolio also grew during the quarter increasing $149.5 million, or 7.0 percent to nearly $2.3 billion, while over the past year, securities increased $331.3 million, or 17.0 percent. The remaining deposit growth resides in cash balances, largely kept at the Federal Reserve, which totaled over $900 million at the end of September. Shareholders' equity finished the quarter at $799.3 million, up $20.3 million, or 2.6 percent quarter-over-quarter and up $112.8 million, or 16.4 percent year-over-year. That growth in shareholders' equity was matched by book value per share, which came in at $313.70, up $45.45, or 16.9 percent since last year.

The significant growth we experienced across the balance sheet has really moved around some of our traditional performance metrics. Return on assets ("ROA") for the quarter was 0.88 percent, down from 0.90 percent in the second quarter and 1.32 percent one year ago. The significant year-over-year decline in ROA was partially due to lower earnings (down $2.4 million), but mostly a consequence of dramatic growth in assets (up $2.4 billion). Return on equity was 9.97 percent for the quarter, down from 10.06 percent in the prior quarter and 13.10 percent one year ago. Margin in the third quarter was 3.14 percent, down from 3.24 percent in the prior quarter and 4.07 percent one year ago. The decline in net interest margin year-over-year was substantial and reflected extraordinary growth in earning assets, the low rate environment, $1.2 billion of new lower yielding PPP loans and the buildup of low yielding cash balances. It is interesting and important to note that while margin has narrowed considerably, the growth in earning assets has enabled us to increase net interest revenue quarter-over-quarter and year-over-year. The Bank's efficiency ratio in the third quarter improved to 60.0 percent, as compared with 61.1 percent last quarter and 62.7 percent one year ago.

We have committed to keep you posted on our share repurchase program. As you know, on February 25, 2020, the Board of Directors reauthorized a share repurchase plan for up to $12.0 million of Class B common stock, which will be in effect over a twelve month period. Common share repurchases under this plan, if any, may be made from time to time on the open market through broker dealers or in privately negotiated transactions, at the discretion of Company management. The extent to which the Company purchases shares and the timing of any such purchases will depend upon a variety of factors, including market conditions and relevant corporate considerations. The share repurchase program will be conducted in a manner intended to comply with the safe harbor provisions of Rule 10b-18 under the Securities and Exchange Act of 1934. Under this plan, no shares were purchased during the quarter.

Uncertainty around the future course of events remains high. As we navigate through this strange and difficult operating environment, our business model focus on close customer relationships and balance sheet strength continues to be a source of stability for the Bank. The Bank's capital levels are significant and remain well above regulatory minimums. Our allowance for loan loss position provides considerable credit loss absorbing capacity. We carry substantial unrealized gains in our bond portfolio reflecting above market yields, which are a stabilizing influence on earnings. Stable core earning power has remained substantial supporting our capacity to fortify our allowance for loan loss position to levels significantly higher than industry averages.

With all the challenges of the last nine months, I must tell you how sincerely proud I am of this group of people, the organization we have built, and our ability to execute in truly extraordinary times. What we have accomplished, how well we have taken care of our customers and our performance through such a challenging environment is a real testament to the quality of our team. We hope you and your families are safe and please let us know if we can help you in anyway. For additional pertinent information, please also visit our Investor Relations webpage at watrust.com/about/investor-relations.

Warm Regards,

Peter F Stanton

Pete Stanton
Chairman of the Board and CEO

Enclosure

W.T.B. Financial Corp

Summary Financial Statements and Selected Financial Highlights Q3 2020

(unaudited)

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

	September 30, 2020	June 30, 2020	September 30, 2019
ASSETS			
Cash and due from banks	**$ 109,193,825**	$ 111,455,331	$ 151,941,730
Interest-bearing deposits with banks	**903,065,828**	778,374,895	83,278,993
Securities available for sale, at fair value	**1,711,102,209**	1,524,082,050	1,282,311,509
Securities held to maturity, at amortized cost	**566,225,808**	603,767,596	663,728,580
Federal Home Loan Bank and Pacific Coast Bankers' Bancshares stock, at cost	**8,642,400**	8,642,400	12,271,600
Loans receivable	**5,871,073,297**	5,726,372,330	4,539,107,318
Allowance for loan losses	**(121,077,177)**	(111,715,530)	(96,855,709)
Loans net of allowance for loan losses	**5,749,996,120**	5,614,656,800	4,442,251,609
Premises and equipment, net	**91,523,731**	88,951,403	80,114,117
Accrued interest receivable	**28,159,479**	26,495,069	21,628,833
Other assets	**76,075,912**	69,629,129	73,556,558
Total assets	**$ 9,243,985,312**	$ 8,826,054,673	$ 6,811,083,529
LIABILITIES			
Deposits:			
Noninterest-bearing	**$ 3,798,531,120**	$ 3,535,137,790	$ 2,489,637,342
Interest-bearing	**4,353,387,684**	3,993,988,829	3,105,692,021
Total deposits	**8,151,918,804**	7,529,126,619	5,595,329,363
Securites sold under agreements to repurchase	**205,480,849**	430,509,054	343,398,816
Other borrowings	**-**	-	109,000,000
Accrued interest payable	**693,227**	884,528	1,009,362
Other liabilities	**86,553,103**	86,542,782	75,802,551
Total liabilities	**8,444,645,983**	8,047,062,983	6,124,540,092
SHAREHOLDERS' EQUITY			
Common stock	**23,233,755**	22,768,942	27,429,552
Surplus	**32,665,000**	32,665,000	32,665,000
Undivided profits	**693,291,429**	678,092,911	632,791,104
	749,190,184	733,526,853	692,885,656
Accumulated other comprehensive income (loss)	**50,149,145**	45,464,837	(6,342,219)
Total shareholders' equity	**799,339,329**	778,991,690	686,543,437
Total liabilities and shareholders' equity	**$ 9,243,985,312**	$ 8,826,054,673	$ 6,811,083,529

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

	Three Months Ended		
	September 30, 2020	June 30, 2020	September 30, 2019
INTEREST REVENUE			
Loans, including fees	**$ 60,582,662**	$ 58,239,391	$ 59,519,861
Deposits with banks	**224,357**	176,161	1,129,365
Securities	**11,505,316**	11,798,667	11,429,978
Other interest and dividend income	**76,260**	70,764	75,111
Total interest revenue	**72,388,595**	70,284,983	72,154,315
INTEREST EXPENSE			
Deposits	**3,086,395**	3,536,154	4,481,459
Funds purchased and other borrowings	**297,905**	389,509	1,103,517
Total interest expense	**3,384,300**	3,925,663	5,584,976
Net interest revenue	**69,004,295**	66,359,320	66,569,339
Provision for loan losses	**9,000,000**	7,500,000	800,000
Net interest revenue after provision for loan losses	**60,004,295**	58,859,320	65,769,339
NONINTEREST REVENUE			
Fiduciary income	**4,733,665**	4,629,012	4,360,646
Investment services fees	**880,868**	688,629	754,396
Bank and credit card fees, net	**3,725,160**	2,938,719	2,315,218
Mortgage banking revenue, net	**4,681,839**	1,983,653	908,063
Other fees on loans	**219,924**	248,085	245,733
Service charges on deposits	**1,368,941**	1,302,497	1,704,818
Other income	**1,778,367**	4,354,765	2,285,550
Total noninterest revenue	**17,388,764**	16,145,360	12,574,424
NONINTEREST EXPENSE			
Salaries and benefits	**32,592,089**	30,895,900	29,204,096
Occupancy, furniture and equipment expense	**5,576,155**	5,546,067	5,675,785
Other expense	**13,673,985**	14,012,262	14,851,753
Total noninterest expense	**51,842,229**	50,454,229	49,731,634
Income before provision for income taxes	**25,550,830**	24,550,452	28,612,129
Provision for income taxes	**5,663,480**	5,435,245	6,309,766
NET INCOME	**$ 19,887,350**	$ 19,115,207	$ 22,302,363
PER SHARE DATA			
Weighted average number of common stock shares outstanding			
Basic	**2,534,504**	2,534,765	2,551,053
Diluted	**2,535,688**	2,535,529	2,555,543
Earnings per common share (based on weighted average shares outstanding)			
Basic	**$ 7.85**	$ 7.54	$ 8.74
Diluted	**$ 7.84**	$ 7.54	$ 8.73

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

	Nine Months Ended	
	September 30, 2020	September 30, 2019
INTEREST REVENUE		
Loans, including fees	**$ 173,697,231**	$ 168,001,381
Deposits with banks	**2,189,801**	6,668,436
Securities	**35,042,605**	30,115,373
Other interest and dividend income	**231,468**	226,703
Total interest revenue	**211,161,105**	205,011,893
INTEREST EXPENSE		
Deposits	**10,802,485**	12,792,405
Funds purchased and other borrowings	**1,298,246**	1,945,960
Total interest expense	**12,100,731**	14,738,365
Net interest revenue	**199,060,374**	190,273,528
Provision for loan losses	**23,500,000**	2,000,000
Net interest revenue after provision for loan losses	**175,560,374**	188,273,528
NONINTEREST REVENUE		
Fiduciary income	**14,052,483**	13,128,768
Investment services fees	**2,410,162**	2,359,739
Bank and credit card fees	**9,403,567**	7,865,152
Mortgage banking revenue, net	**8,114,916**	2,558,626
Other fees on loans	**714,972**	794,240
Service charges on deposits	**4,379,522**	5,163,717
Other income	**9,932,680**	2,619,251
Total noninterest revenue	**49,008,302**	34,489,493
NONINTEREST EXPENSE		
Salaries and benefits	**94,615,151**	86,632,553
Occupancy, furniture and equipment expense	**16,237,163**	15,486,031
Other expense	**39,906,166**	41,460,404
Total noninterest expense	**150,758,480**	143,578,988
Income before provision for income taxes	**73,810,196**	79,184,033
Provision for income taxes	**16,284,621**	17,407,394
NET INCOME	**$ 57,525,575**	$ 61,776,639
PER SHARE DATA		
Weighted average number of common stock shares outstanding		
Basic	**2,536,290**	2,555,901
Diluted	**2,538,692**	2,560,425
Earnings per common share (based on weighted average shares outstanding)		
Basic	**$ 22.68**	$ 24.17
Diluted	**$ 22.66**	$ 24.13

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

(dollars in thousands)

	Quarters Ended				
	September 30, 2020	June 30, 2020	March 31, 2019	December 31, 2019	September 30, 2019
SELECTED DATA					
Interest-bearing deposits with banks	$ 903,066	$ 778,375	$ 381,067	$ 523,953	$ 83,279
Securities	2,277,328	2,127,850	2,164,047	1,895,823	1,946,040
Total loans	5,871,073	5,726,372	4,608,602	4,542,597	4,539,107
Allowance for loan losses	121,077	111,716	103,946	96,415	96,856
Earning assets [1]	8,968,308	8,555,368	7,090,226	6,958,855	6,554,930
Total assets	9,243,985	8,826,055	7,353,289	7,164,664	6,811,084
Deposits	8,151,919	7,529,127	6,113,693	6,226,866	5,595,329
Interest-bearing liabilities	4,558,869	4,424,498	3,824,192	3,572,797	3,558,091
Total shareholders' equity	799,339	778,992	754,016	695,904	686,543
Total equity to total assets	8.65%	8.83%	10.25%	9.71%	10.08%
Full-time equivalent employees	1,060	1,048	1,023	1,017	1,013
ASSET QUALITY RATIOS					
Allowance for loan losses to total loans	2.06%	1.95%	2.26%	2.12%	2.13%
Allowance for loan losses to noncurrent loans	853%	780%	737%	671%	918%
Net charge-offs (recoveries) to total average loans	-0.01%	0.00%	-0.01%	0.04%	-0.04%
Noncurrent loans and ORE to assets	0.15%	0.18%	0.19%	0.20%	0.15%
Noncurrent loans, ORE and TDRs to assets	0.17%	0.19%	0.21%	0.22%	0.17%

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

(dollars in thousands, except per share data)

	Quarters Ended			% Change	
	September 30, 2020	June 30, 2020	September 30, 2019	Sequential Quarter	Year over Year
PERFORMANCE [1]					
Net interest revenue, fully tax-equivalent	$ 69,084	$ 66,434	$ 66,679	4.0%	3.6%
Fully tax-equivalent adjustment	80	75	110	6.7%	-27.3%
Net interest revenue	69,004	66,359	66,569	4.0%	3.7%
Provision for loan losses	9,000	7,500	800	20.0%	1025.0%
Net interest revenue after provision for loan losses	60,004	58,859	65,769	1.9%	-8.8%
Noninterest revenue	17,389	16,145	12,574	7.7%	38.3%
Noninterest expense	51,842	50,454	49,731	2.8%	4.2%
Income before provision for income taxes	25,551	24,550	28,612	4.1%	-10.7%
Provision for income taxes	5,664	5,435	6,310	4.2%	-10.2%
Net income	$ 19,887	$ 19,115	$ 22,302	4.0%	-10.8%
PER COMMON SHARE					
Earnings per common share - basic	$ 7.85	$ 7.54	$ 8.74	4.1%	-10.2%
Earnings per common share - diluted	7.84	7.54	8.73	4.0%	-10.2%
Common cash dividends	1.85	1.85	1.75	0.0%	5.7%
Common shareholders' equity	313.70	305.72	268.25	2.6%	16.9%

	Quarters Ended			% Change	
	September 30, 2020	June 30, 2020	September 30, 2019	Sequential Quarter	Year over Year
PERFORMANCE RATIOS [1]					
Return on average assets	0.88%	0.90%	1.32%	-0.02%	-0.44%
Return on average shareholders' equity	9.97%	10.06%	13.10%	-0.09%	-3.13%
Margin on average earning assets [2]	3.14%	3.24%	4.07%	-0.10%	-0.93%
Noninterest expense to average assets	2.29%	2.38%	2.95%	-0.09%	-0.66%
Noninterest revenue to average assets	0.77%	0.76%	0.75%	0.01%	0.02%
Efficiency ratio	60.0%	61.1%	62.7%	-1.1%	-2.7%
Common cash dividends to net income	23.58%	24.53%	19.98%	-0.95%	4.55%

(1) Prior period amounts have been reclassified to conform with the current period presentation of rental income.
(2) 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)		
	Nine Months Ended		% Change
	September 30, 2020	September 30, 2019	Year over Year
PERFORMANCE [1]			
Net interest revenue, fully tax-equivalent	$ 199,317	$ 190,626	4.6%
Fully tax-equivalent adjustment	257	352	-27.0%
Net interest revenue	199,060	190,274	4.6%
Provision for loan losses	23,500	2,000	1075.0%
Net interest revenue after provision for loan losses	175,560	188,274	-6.8%
Noninterest revenue	49,008	34,489	42.1%
Noninterest expense	150,758	143,579	5.0%
Income before provision for income taxes	73,810	79,184	-6.8%
Provision for income taxes	16,284	17,407	-6.5%
Net income	$ 57,526	$ 61,777	-6.9%
PER COMMON SHARE			
Earnings per common share - basic	$ 22.68	$ 24.17	-6.2%
Earnings per common share - diluted	22.66	24.13	-6.1%
Common cash dividends	5.55	5.25	5.7%
Common shareholders' equity	313.70	268.25	16.9%
PERFORMANCE RATIOS [1]			
Return on average assets	0.93%	1.27%	-0.34%
Return on average shareholders' equity	10.11%	12.85%	-2.74%
Margin on average earning assets [2]	3.33%	4.01%	-0.68%
Noninterest expense to average assets	2.44%	2.95%	-0.51%
Noninterest revenue to average assets	0.79%	0.71%	0.08%
Efficiency ratio	60.7%	63.8%	-3.1%
Common cash dividends to net income	24.48%	21.73%	2.75%

(1) Prior period amounts have been reclassified to conform with the current period presentation of rental income.
(2) Tax exempt interest has been adjusted to a taxable equivalent basis using a tax rate of 21%.