



WASHINGTON TRUST BANCORP, INC.

Investor Deck

Q2 2024

NASDAQ: WASH



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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Corporate Communications Officer

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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

\$7B Regional Financial Services Provider

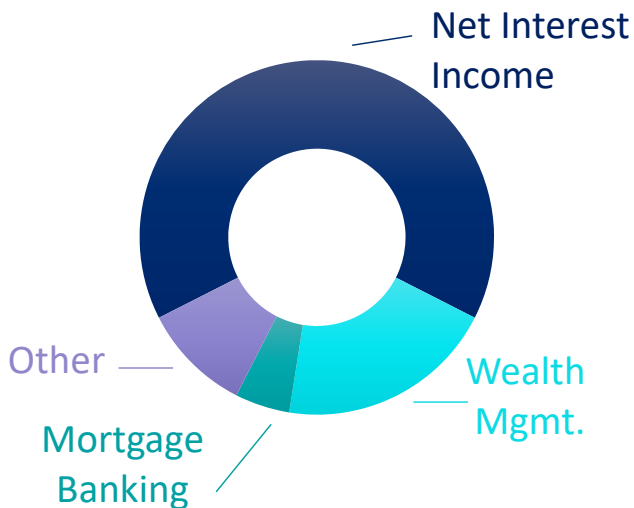


Founded in

1800

Oldest Community bank in the US

Diverse Revenue Streams



30-35% total revenue

Largest State-Chartered Bank In Rhode Island

\$7.2B

Assets

\$5.6B

Loans

\$5.0B

Deposits

Premier Regional Wealth Management Firm

\$6.8B

 Assets under administration

Market Area: RI, MA, CT

- 27 bank branches
- 5 wealth management offices
- 7 mortgage loan offices
- 4 commercial lending centers

Shareholder Returns

- ROA: 0.61%
- ROE: 9.38%
- ROTCE: 10.96% ⁽¹⁾

\$468M

Market Capitalization

At or for the six months ended June 30, 2024, unless otherwise noted

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

WASHINGTON TRUST AT-A-GLANCE

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 2024 for the 4th consecutive year.

Named as one of Rhode Island's Best Places to Work by Providence Business News for the 14th year in a row.



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

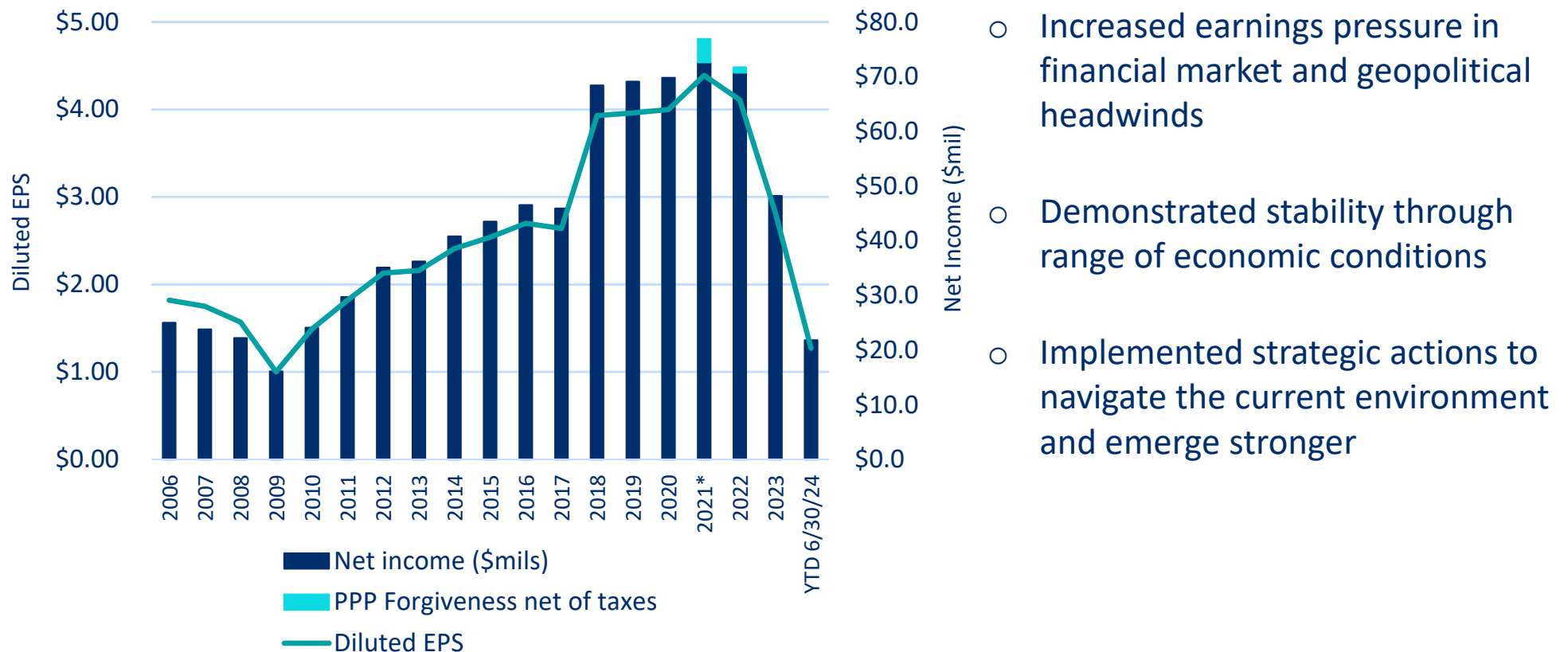
Named as one of the Healthiest Employers in Rhode Island for the 4th consecutive year.



Historical Earnings Throughout History



Earnings Generation and Profitability



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

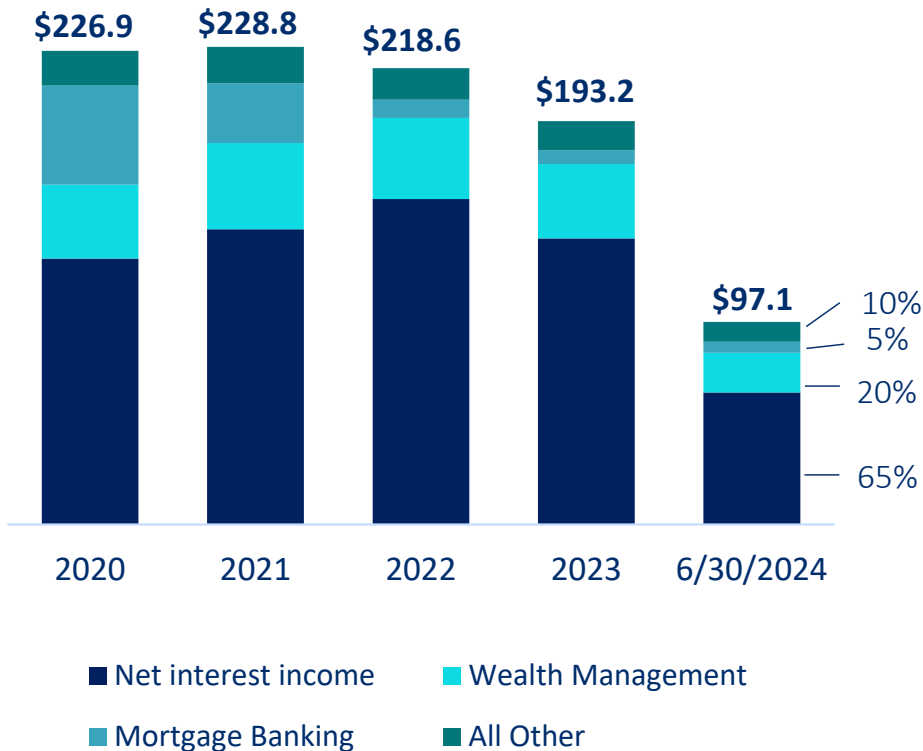
At December 31st unless otherwise noted

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

Generating Diverse Income Sources

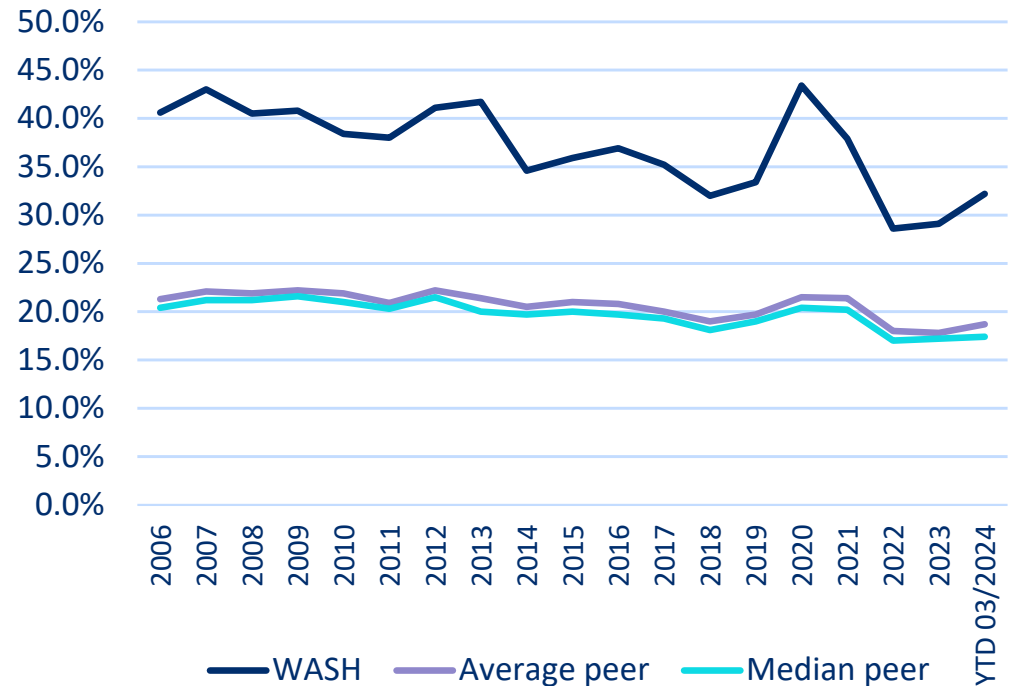


Revenue Contributions From All Major Business Lines (\$ in millions)



Fee Revenue Outpaces Peer Group Better than 93% of peer group ⁽¹⁾

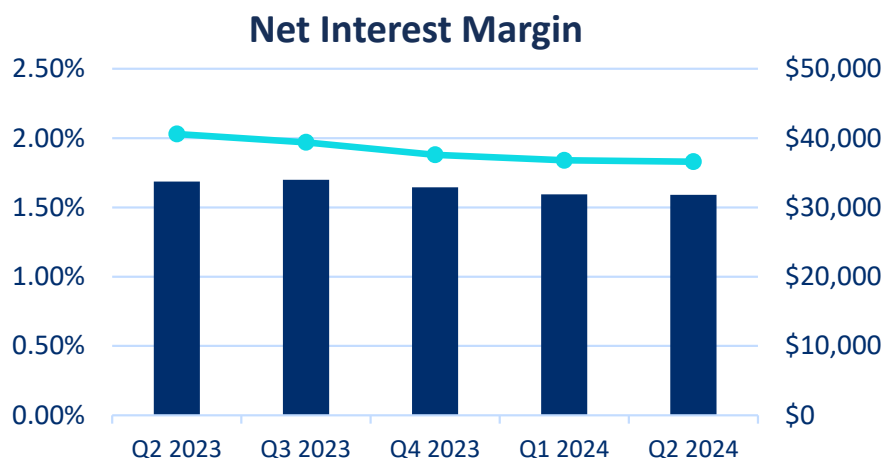
Non-Interest Income / Total Revenue



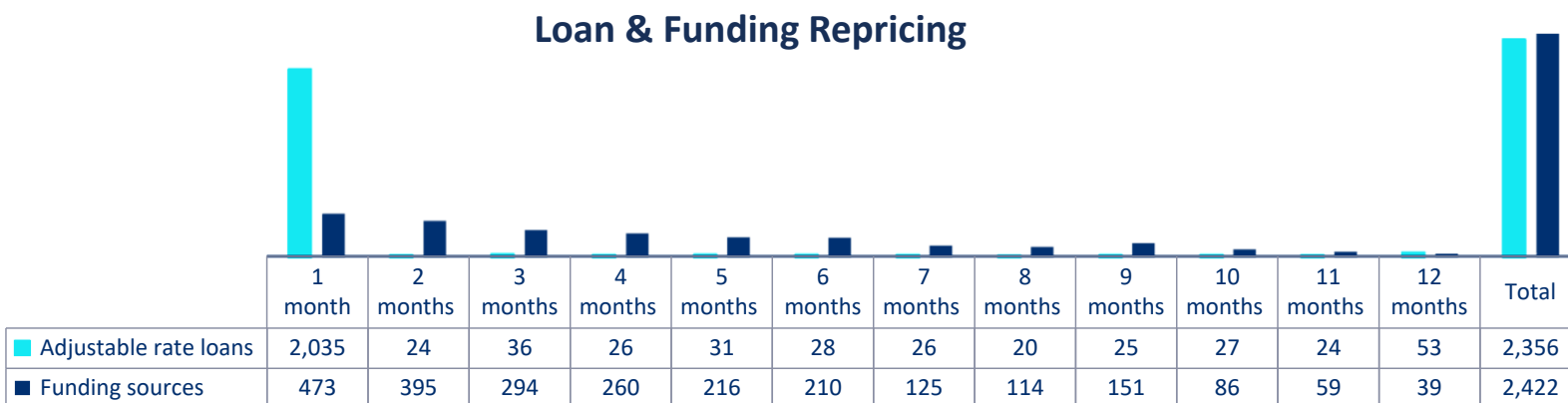
(1) Peers are public banks & thrifts with \$3 billion to \$10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 03/31/2024. Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, 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

NET INTEREST MARGIN & REPRICING

Challenging Rate Environment



- Higher rates have put pressure on NIM
- Balance sheet positioned to benefit from lower rates
 - Adjustable-rate loans mainly 1-month SOFR and Prime
 - Largely funded with short-term maturity liabilities (≤ 1 year)



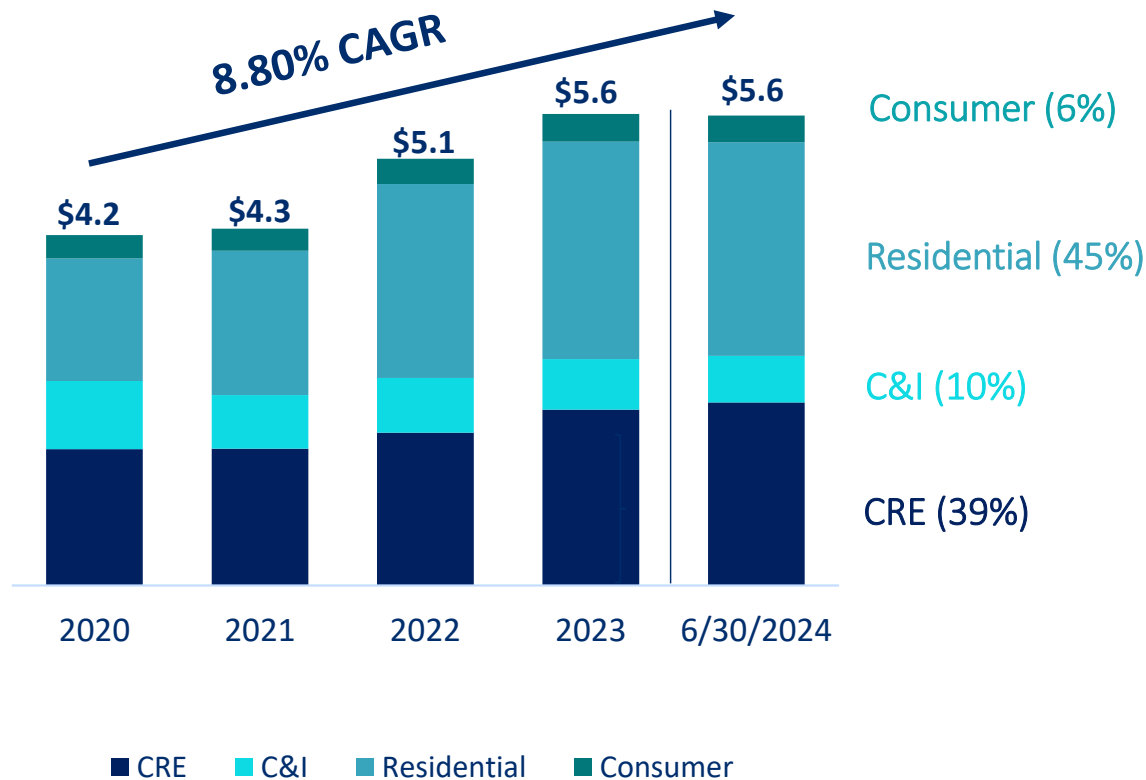
Funding sources include Wholesale Funding, CDs, and WM Sweep
(Excludes Non-Maturity Money Market)

Strong Growth in Quality Loan Portfolio



Total Loan Portfolio

(\$ in billions)



Consumer (6%)

64%
Variable rate
loans

Residential (45%)

99%
Residential
lending in RI, MA,
& CT

C&I (10%)

CRE (39%)

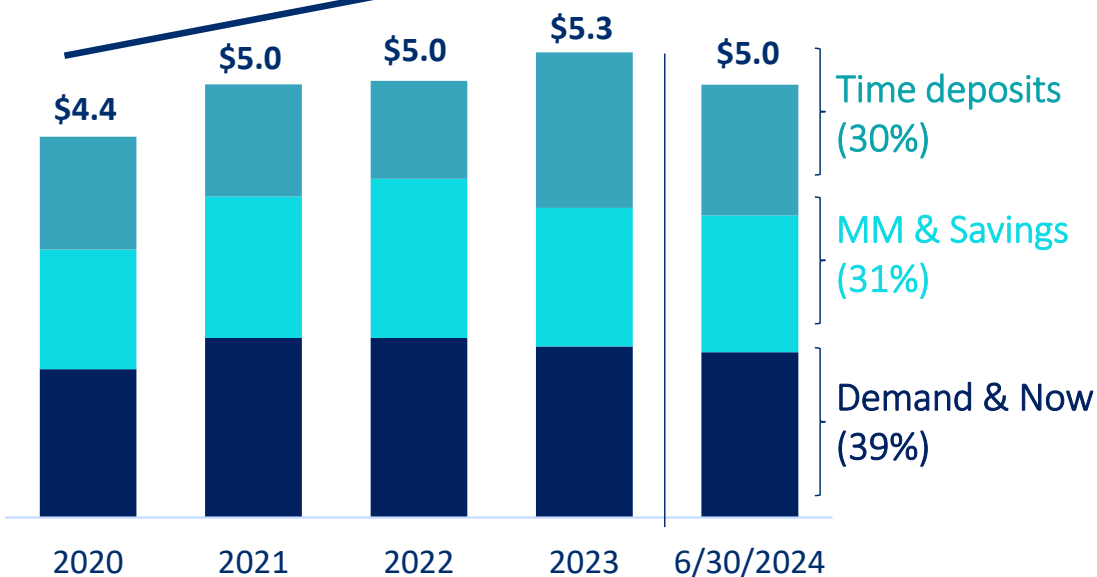
Steady, Balanced Mix of Deposits



Total Deposit Portfolio

(\$ in billions)

3.73% CAGR



- Demand & NOW
- Money market & savings
- Time deposits

12%

Market Share in Rhode Island ⁽¹⁾

\$172M

Avg. in-market deposits per branch

#1

Largest state-chartered bank

20% uninsured deposits after exclusions ⁽²⁾

At December 31st unless otherwise noted

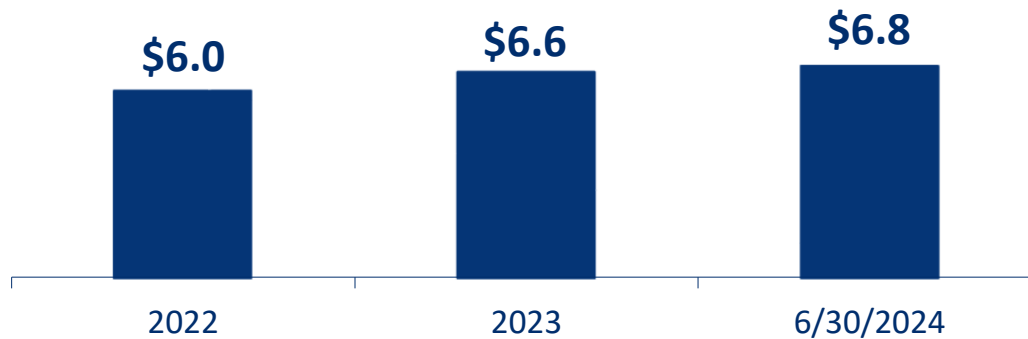
(1) FDIC deposits as of June 30, 2023; most recent data available

(2) Determined in accordance with regulatory requirements excluding affiliate deposits and fully-collateralized preferred deposits

Sizeable Wealth Management Operation

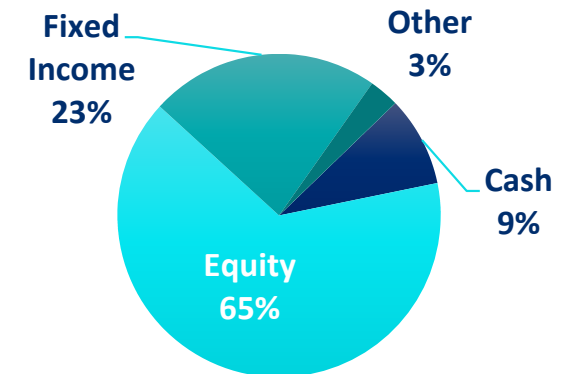


Assets Under Administration (AUA)
(\$ billions)

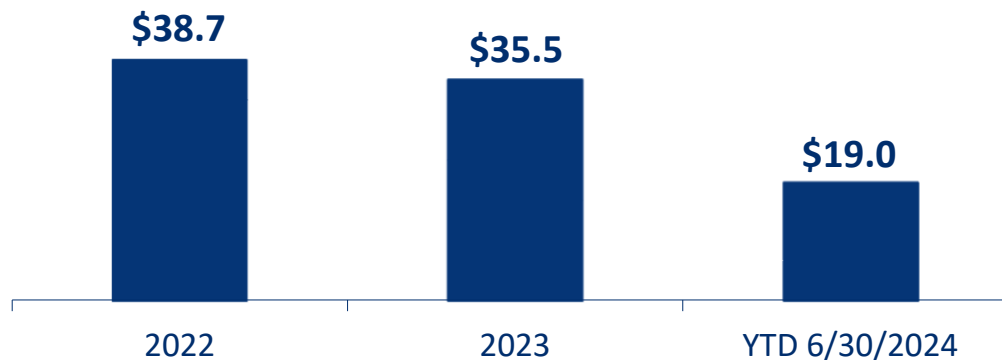


\$6.8B AUA

Asset Mix at June 30, 2024



Revenues (\$ millions)



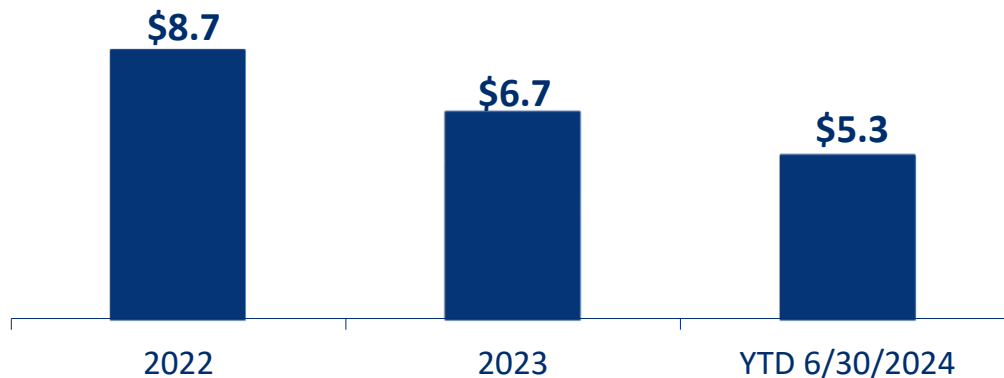
- Key contributor to pre-tax income
- Average client size: \$3.9 million
- 85% high net worth individuals

MORTGAGE BANKING

Shifting Origination Mix

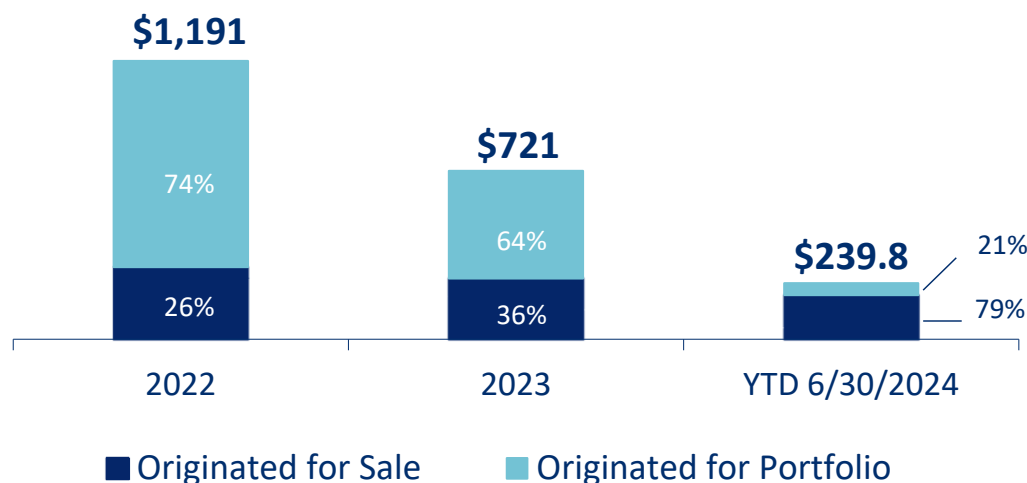


Mortgage Banking Revenues ⁽¹⁾
(\$ millions)



- 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

Mortgage Originations ⁽²⁾ (\$ millions)



At December 31st unless otherwise noted

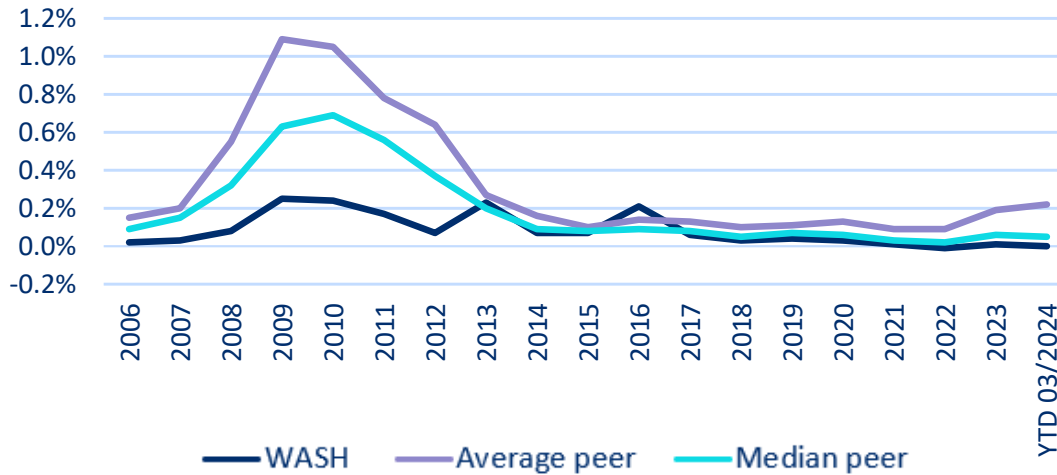
(1) Net gains on loan sales and commissions on loans originated for others, fair value changes on mortgage loans held for sale and forward loan commitments, and net loan servicing fee income

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

Historical Differentiator for Washington Trust



NCO / Average Loans

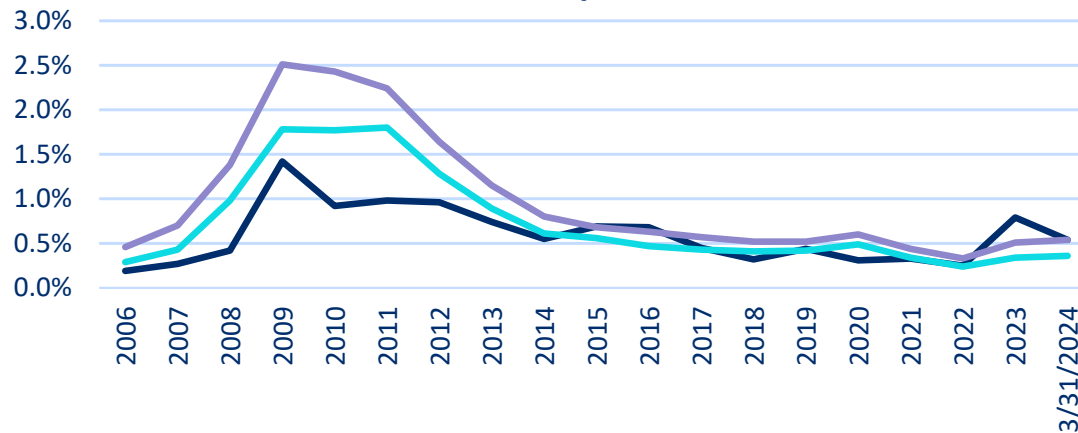


162 bps

**Cumulative losses
2006 – 3/31/2024 (bps)**

WASH	162
Average peer	619
Median peer	370

Non-Accrual Loans / Total Loans



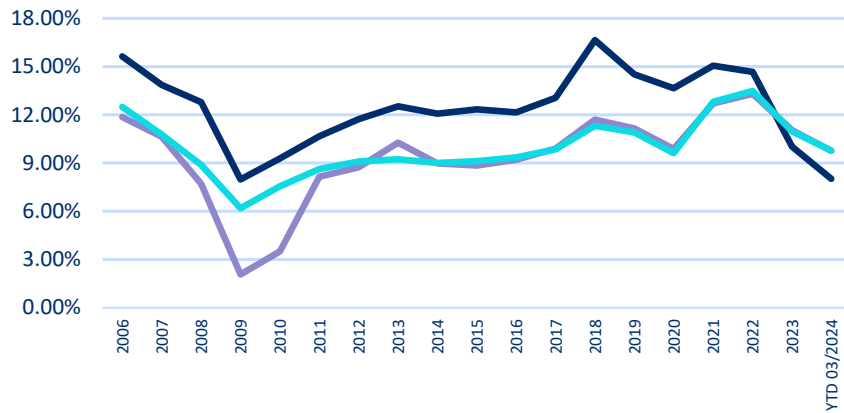
Most recent complete peer data as of 03/31/2024

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

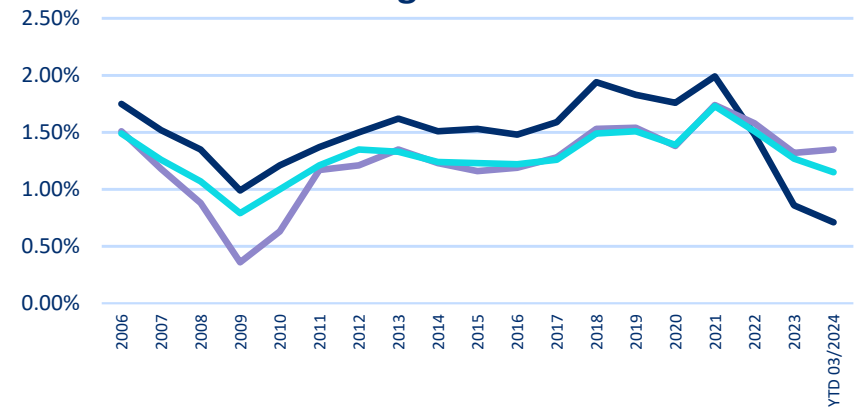
PROFITABILITY METRICS Peer Comparisons



Core ROE (1)

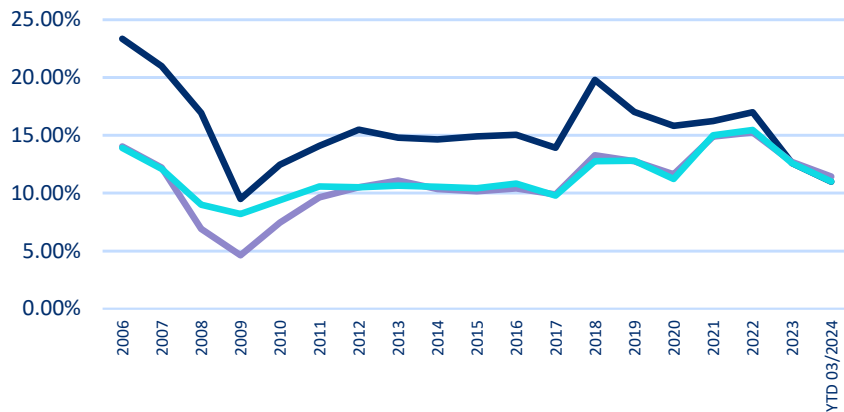


Risk-Weighted Core ROA (2)

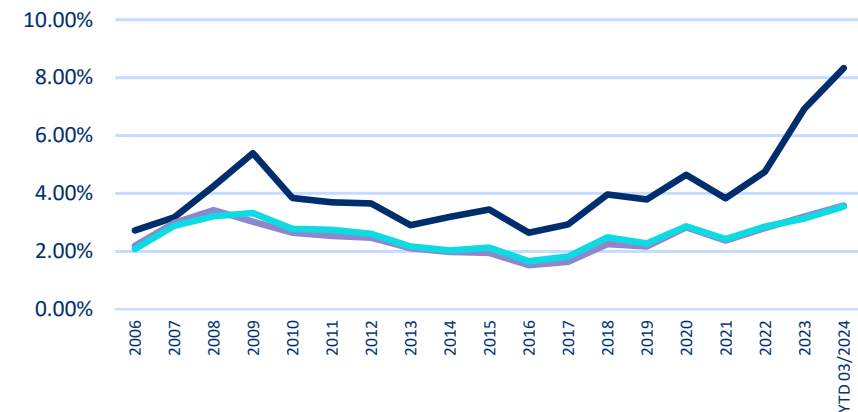


— WASH — Average peer — Median peer

ROATCE (3)



Dividend Yield



Peers are public banks & thrifts with \$3 billion to \$10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 03/31/2024. 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”

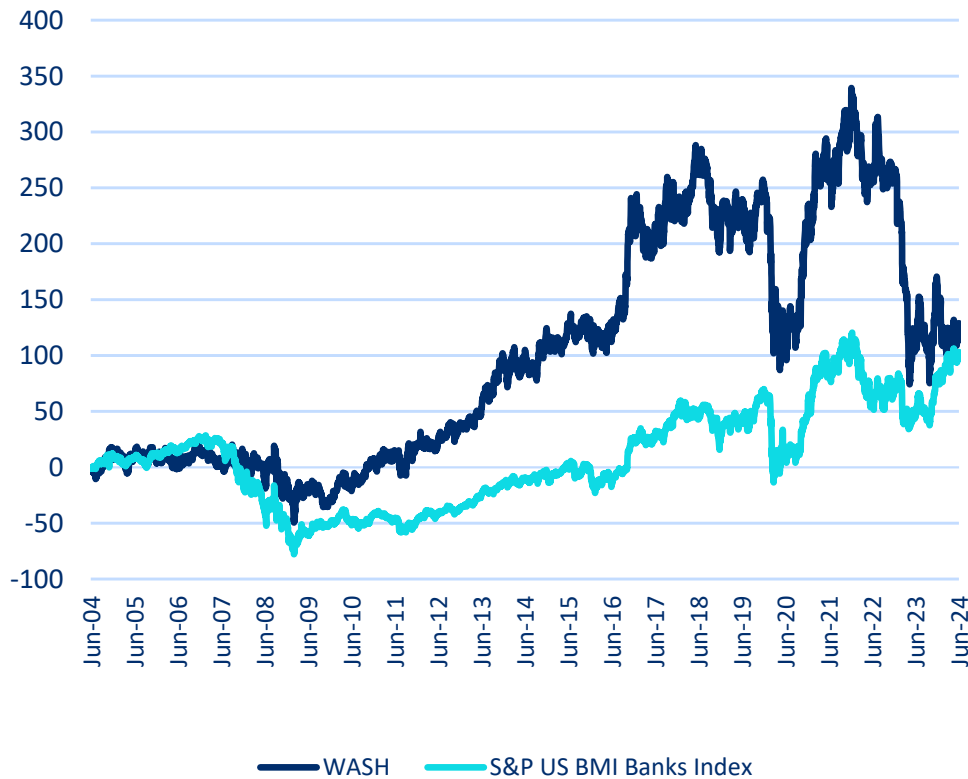
(2) Based on core income defined as “net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items divided by risk-weighted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

(3) Non-GAAP; see “Non-GAAP Financial Measures”

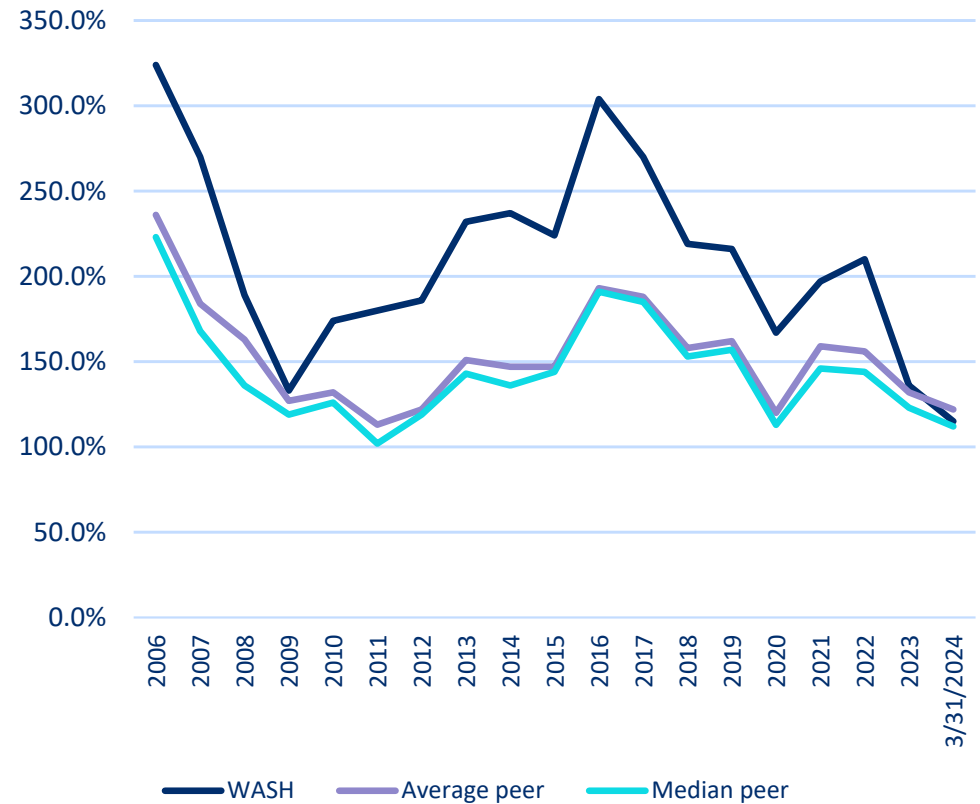
20 YEAR TOTAL STOCK RETURNS Delivering Shareholder Value



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



Price / Tangible Book Multiple



Source: S&P Global Market Intelligence as of June 30, 2024
Peers are public banks & thrifts with \$3 billion to \$10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 03/31/2024. Source: S&P Global Market Intelligence.

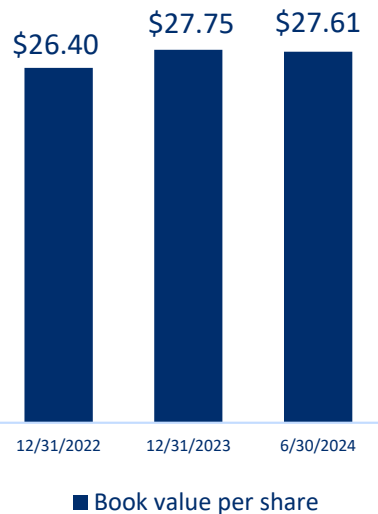
CAPITAL POSITION / BALANCE SHEET

Capital Supports Dividend

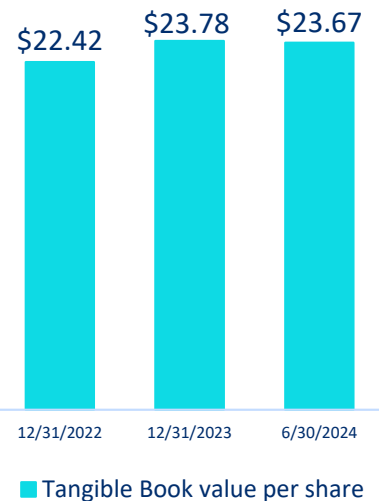


- Solid balance sheet, fee-intensive business model
- Slowing loan growth to improve capital ratios
- Temporary decline in Tangible Equity / Tangible Assets ratio due to AFS securities unrealized losses

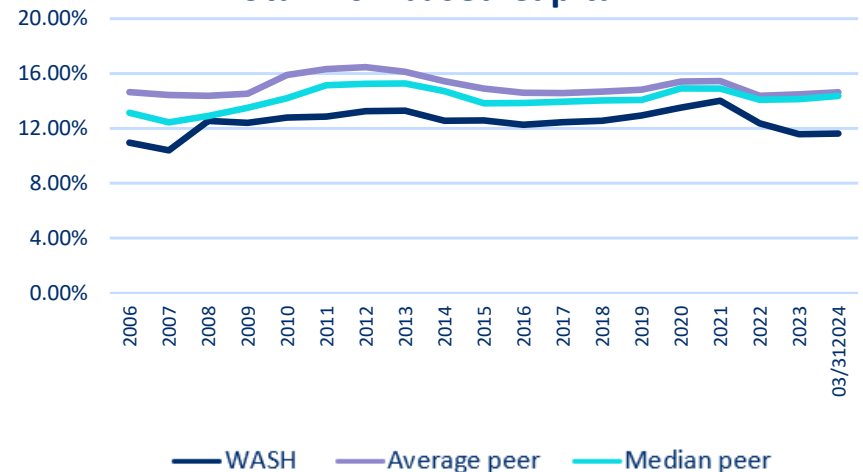
Book Value per Share



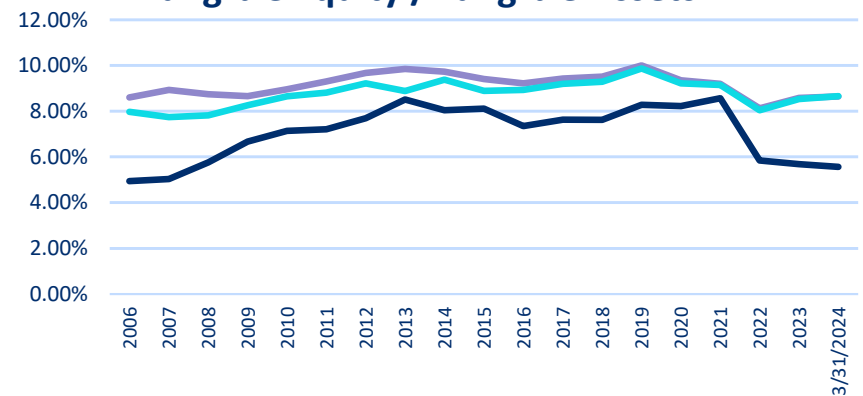
Tangible Book Value per Share (1)



Total Risk-based Capital



Tangible Equity / Tangible Assets



(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; Most recent complete peer data as of 03/31/2024. Source: S&P Global Market Intelligence

Long History of Industry-Leading Dividend Yields

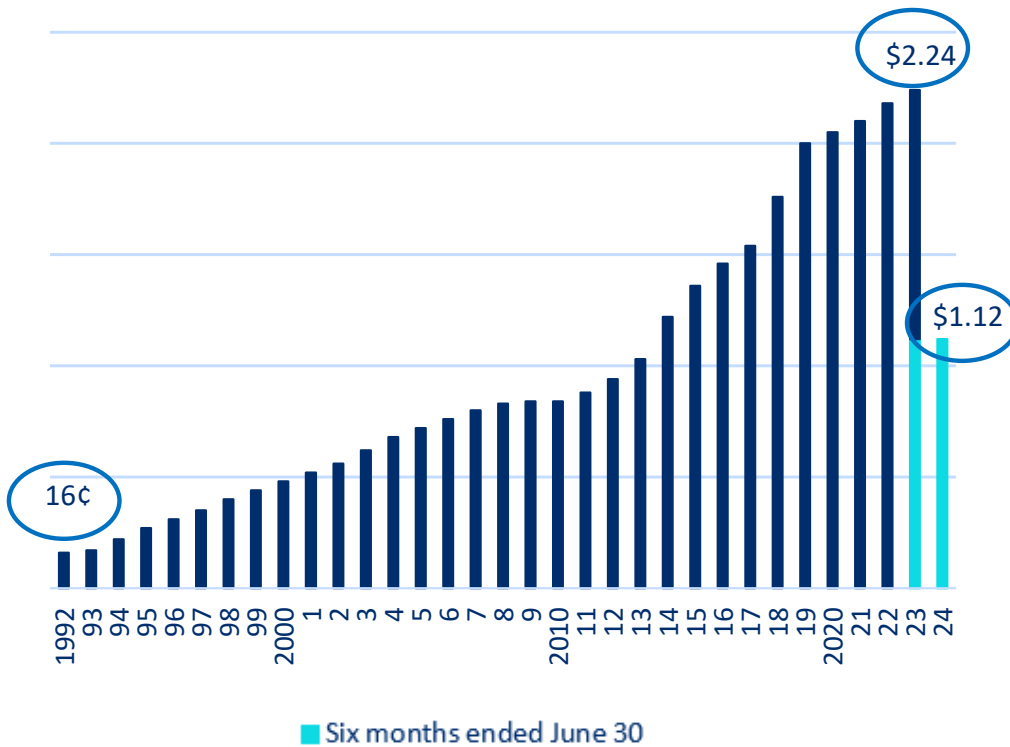


Paid consistent dividend for more than a century

8.17%⁽¹⁾

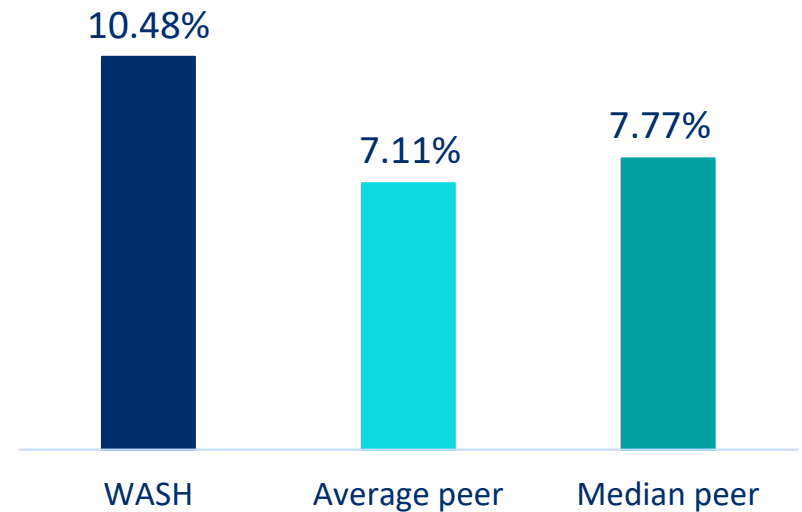
Dividend Yield

Cash Dividend Declared



Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR

12/31/2006 to 03/31/2024



(1) As of June 30, 2024



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 Prudent expense management

#5 Growing customer base by expanding branch network and aggressive marketing

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

Addressing Market Challenges



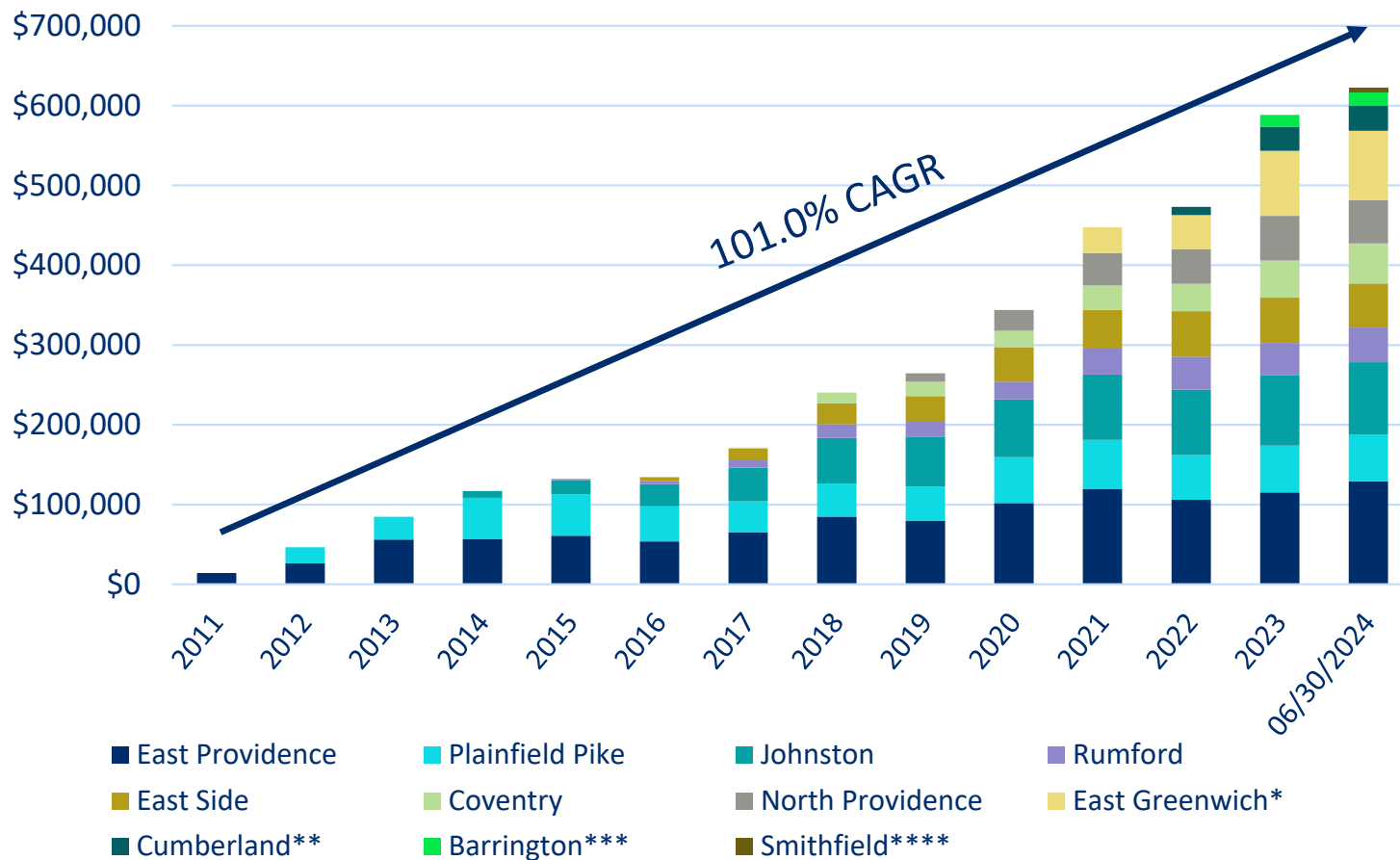
#1 Improve NIM

- ✓ Underwrite at higher spreads
- ✓ Reduce residential portfolio originations
- ✓ Amortize low-yielding investments and residential mortgages (~\$150m/yr)
- ✓ 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
 - ✓ Manage level of commercial originations (mainly committed construction advances)
 - ✓ Avoiding participations purchased
 - ✓ 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 Q3 2024

*East Greenwich branch opened in May 2021
 **Cumberland branch opened in August 2022
 ***Barrington branch opened in April 2023
 ****Smithfield opened in February 2024



Employee Engagement



Attract, motivate, & retain a talented, engaged, & diverse workforce focused on excellence

Diversity, Equity & Inclusion Commitment



Celebrate a culture with diversity and mutual respect

Corporate Governance



Ensure we operate with the highest ethical standards

Data Security & Privacy



Safeguard customer information/privacy and help customers protect themselves from fraud

Community Involvement & Investment



Be an indispensable asset to our community & those who seek financial security & economic empowerment

Environmental Responsibility



Bring sustainable thinking into our business to help preserve our environment

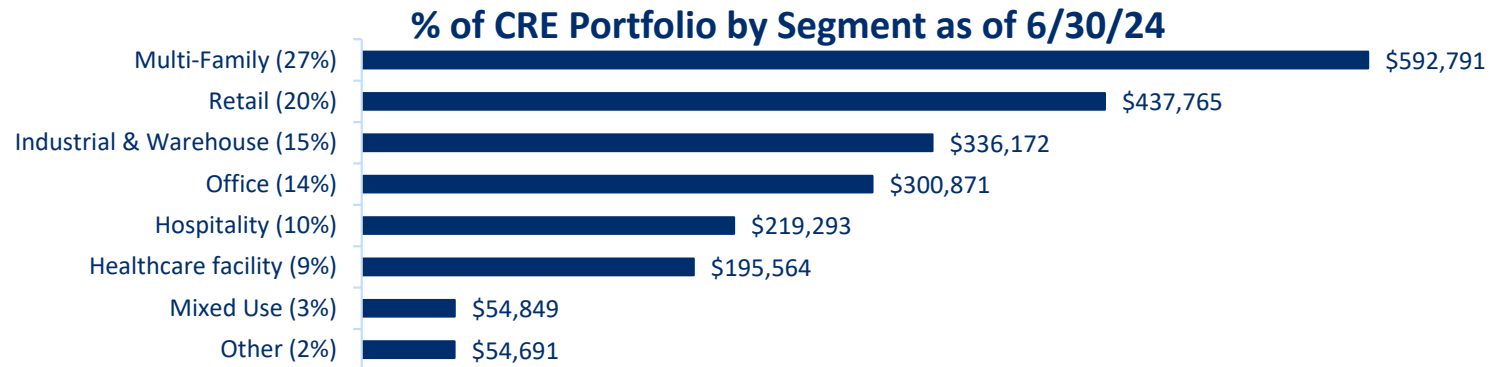
Supplemental Information



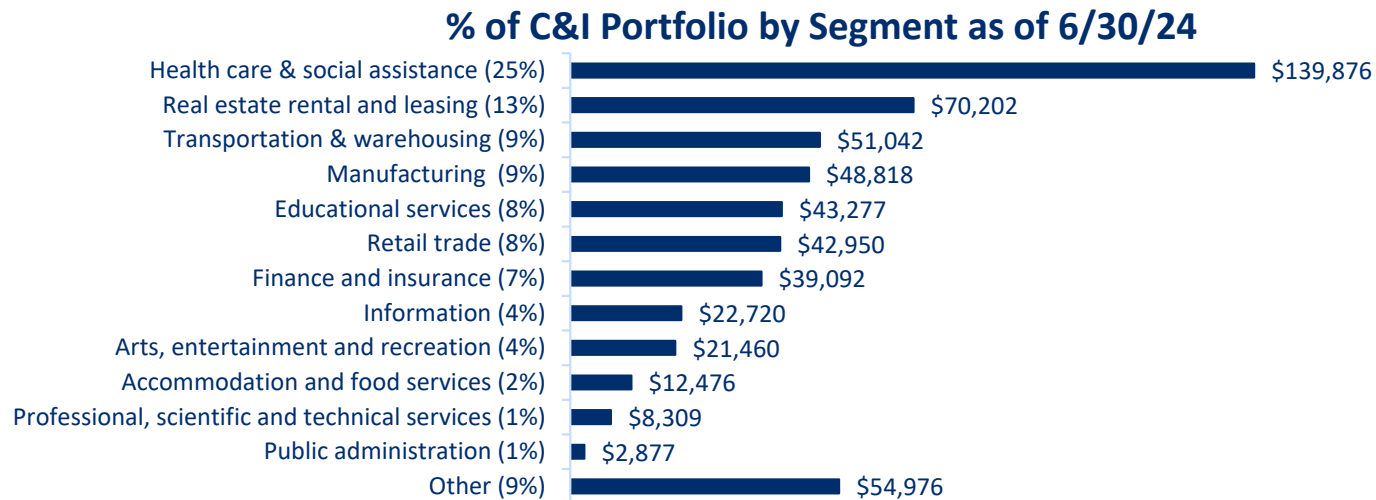
Commercial Lending Portfolio



Commercial real estate: \$2.2 billion



Commercial & Industrial (C&I): \$558.1 million



Office Portfolio



- Office portfolio consists of 49 loans with a Carry Value of \$301 million.
- Approximately 32% of the balance of total commercial real estate office balance will mature in two years.

	Balance ⁽²⁾⁽³⁾	Avg Loan Size ⁽⁴⁾	Weighted Average		Asset Quality			
			Loan to Value	Debt Service Coverage	Pass	Special Mention	Classified	Non-Accrual (included in Classified)
Non-Owner Occupied Commercial Real Estate Office (inclusive of Construction):								
Class A	\$113,215	\$9,505	59%	1.72X	\$106,903	\$6,312	\$-	\$-
Class B	93,270	4,469	66%	1.42X	71,428	-	21,842	18,390
Class C	12,655	2,109	58%	1.19X	12,655	-	-	-
Medical Office	56,332	7,551	63%	1.33X	56,332	-	-	-
Lab Space	25,399	23,475	91%	1.20X	5,632	-	19,767	-
Total Office ⁽¹⁾	\$300,871	\$6,692	66%	1.47X	\$252,950	\$6,312	\$41,609	\$18,390

\$ thousands; at June 30, 2024

(1) Approximately 68% of the total commercial real estate office balance of \$301 million is secured by income producing properties located in suburban areas. Additionally, approximately 32% of the total commercial real estate office balance is expected to mature in two years.

(2) The balance of commercial real estate office consists of 49 loans.

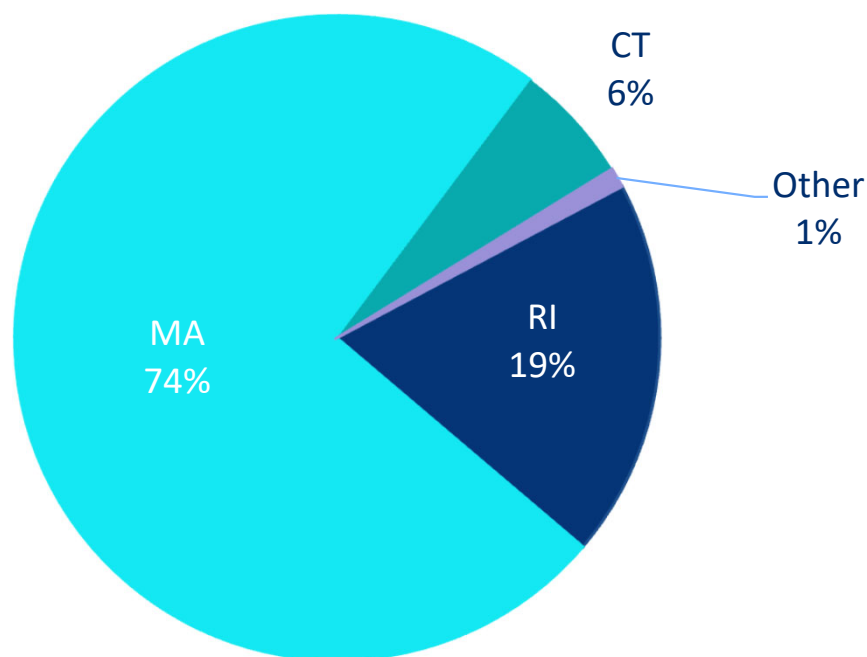
(3) Does not include \$27.0 million of unfunded commitments.

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

Residential & Home Equity



	<u>Residential</u>	<u>Home Equity</u>
Total portfolio (\$ millions)	\$ 2,558.5	\$ 302.0
FICO score*	764	759
Total delinquencies	0.33%	1.10%
Nonperforming	0.38%	0.56%
Net charge-offs to average loans	0.00%	0.00%
LTV ⁽¹⁾	55.1%	19.5%

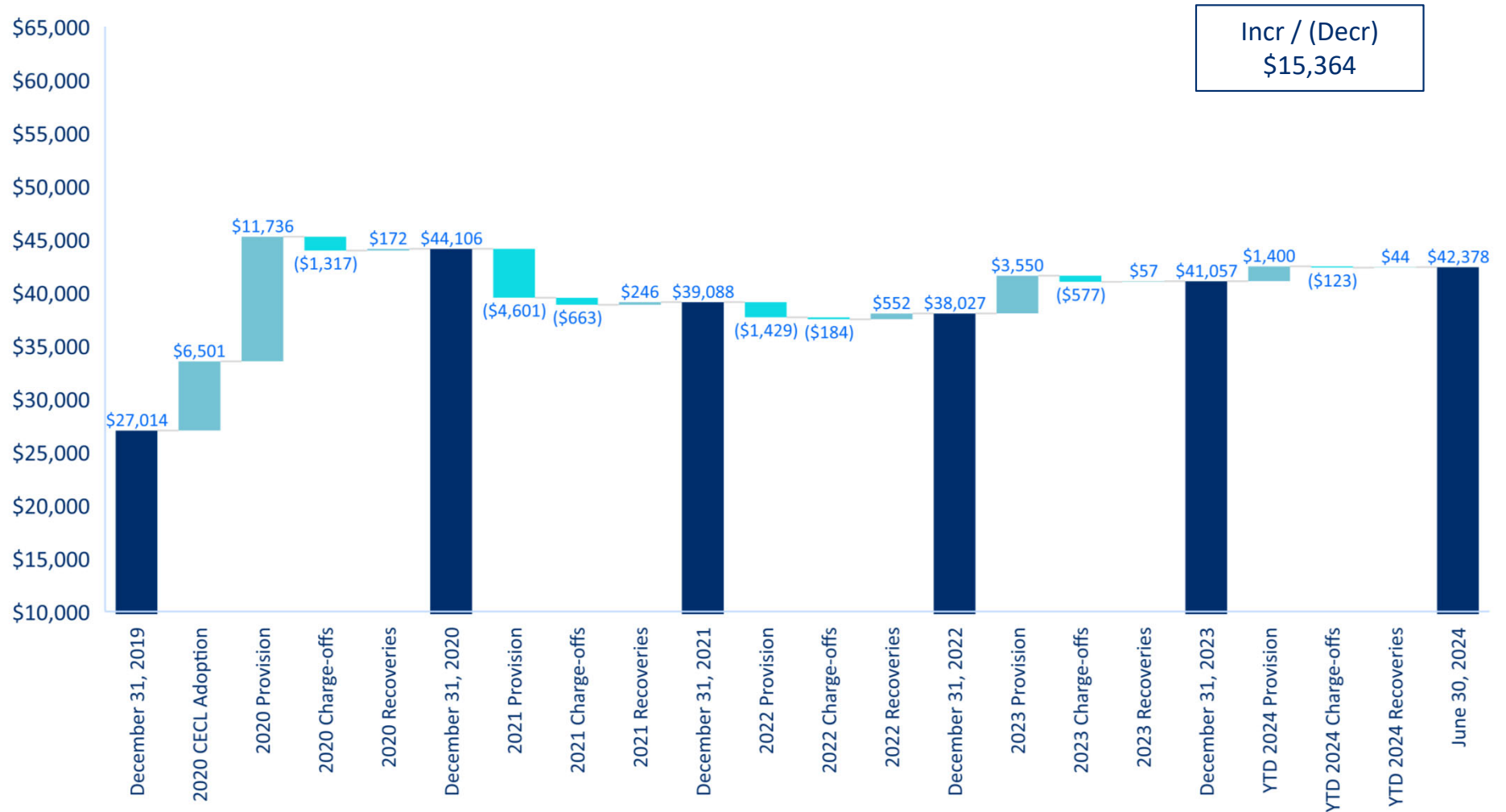


At or for the six months ended June 30, 2024

* Weighted average; refreshed March 31, 2024

(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



Income Statement



\$s in thousands	For the Quarter Ended				
	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Interest and dividend income	\$ 85,997	\$ 85,256	\$ 83,946	\$ 80,721	\$ 75,230
Interest expense	54,412	53,591	51,292	46,970	41,730
Net interest income	31,585	31,665	32,654	33,751	33,500
Provision for credit losses	500	700	1,200	500	700
Net interest income after provision for credit losses	31,085	30,965	31,454	33,251	32,800
Total noninterest income	16,660	17,163	13,306	15,226	14,325
Noninterest expense	33,910	34,363	32,587	34,390	33,016
Income before income taxes	13,835	13,765	12,173	14,087	14,109
Income tax expense (benefit)	3,020	2,829	(774)	2,926	2,853
Net income	\$ 10,815	\$ 10,936	\$ 12,947	\$ 11,161	\$ 11,256

Balance Sheet



\$s in thousands	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Assets:					
Cash and cash equivalents	\$ 107,531	\$ 105,588	\$ 90,184	\$ 113,009	\$ 128,316
Total securities	951,828	970,060	1,000,380	958,990	1,022,458
Total loans	5,629,102	5,685,232	5,647,706	5,611,115	5,381,113
Less allowance for credit losses on loans	42,378	41,905	41,057	40,213	39,343
Net loans	5,586,724	5,643,327	5,606,649	5,570,902	5,341,770
Other assets	538,277	530,149	505,634	540,574	519,216
Total assets	\$7,184,360	\$7,249,124	\$7,202,847	\$7,183,475	\$7,011,760
Liabilities and Shareholders' Equity:					
Total deposits	\$4,976,126	\$5,347,893	\$5,348,160	\$5,415,563	\$5,314,478
FHLB advances	1,550,000	1,240,000	1,190,000	1,120,000	1,040,000
Other liabilities	164,596	171,630	169,320	193,827	175,440
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Total shareholders' equity	470,957	466,920	472,686	431,404	459,161
Total liabilities and shareholders' equity	\$7,184,360	\$7,249,124	\$7,202,847	\$7,183,475	\$7,011,760

Non-GAAP Financial Measures



\$s in thousands, except per share amounts	Jun 30, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Calculation of tangible book value per share				
Total shareholders' equity at end of period	\$470,957	\$472,686	\$453,669	\$564,808
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,295	3,711	4,554	5,414
Total tangible shareholders' equity at end of period	\$403,753	\$405,066	\$385,206	\$495,485
Shares outstanding at end of period	17,058	17,031	17,183	17,331
Book value per share – GAAP	\$27.61	\$27.75	\$26.40	\$32.59
Tangible book value per share – Non-GAAP	\$23.67	\$23.78	\$22.42	\$28.59
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	\$403,753	\$405,066	\$385,206	\$495,485
Total assets at end of period	\$7,184,360	\$7,202,847	\$6,660,051	\$5,851,127
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,295	3,711	4,554	5,414
Total tangible assets at end of period	\$7,117,156	\$7,135,227	\$6,591,588	\$5,781,804
Equity to assets - GAAP	6.56%	6.56%	6.81%	9.65%
Tangible equity to tangible assets – Non-GAAP	5.67%	5.68%	5.84%	8.57%

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	For the six months ended		For the twelve months ended	
	Jun 30, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Calculation of return on average tangible assets:				
Net income, as reported	\$ 21,751	\$ 48,176	\$ 71,681	\$ 76,870
Total average assets, as reported	7,229,656	6,999,040	6,102,755	5,837,966
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,500	4,126	4,977	5,852
Total average tangible assets	\$7,162,247	\$6,931,005	\$6,033,869	\$5,768,205
Return on average assets - GAAP	0.61%	0.69%	1.17%	1.32%
Return on average tangible assets - Non-GAAP	0.61%	0.70%	1.19%	1.33%
Calculation of return on average tangible equity				
Net income available to common shareholders	\$21,731	\$48,091	\$71,479	\$76,648
Total average equity	\$466,028	\$455,044	\$493,252	\$546,193
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,500	4,126	4,977	5,852
Total tangible assets at end of period	\$398,619	\$387,009	\$424,366	\$476,432
Return on average equity - GAAP	9.38%	10.57%	14.49%	14.03%
Return on average tangible equity - Non-GAAP	10.96%	12.43%	16.84%	16.09%

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

As calculated by S&P Global Market Intelligence



	YTD Mar 31, 2024	Dec 31, 2023	FYE Dec 31, 2022	Dec 31, 2021
Calculation of adjusted return on average tangible equity				
Net income available to common shareholders	\$10,924	\$48,091	\$71,479	\$76,648
Adjustments:				
Amortization*	164	666	679	703
Adjusted net income available to common shareholders	11,088	48,757	72,158	77,351
Total average equity	471,096	455,044	\$493,252	\$546,193
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,604	4,126	4,977	5,852
Total tangible assets at end of period	403,583	387,009	424,366	476,432
Adjusted return on average tangible equity - Non-GAAP	10.99%	12.60%	17.00%	16.24%

* Tax effected

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Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence



	YTD Mar 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
\$s in thousands, except per share amounts						
Calculation of core return on average equity						
Net income, as reported	\$10,936	\$48,176	\$71,681	\$76,870	\$69,829	\$69,118
Adjustments:						
Amortization*	164	666	679	703	722	745
State tax credit	-	(3,252)	-	-	-	-
Non-recurring revenue*	(1,659)	-	-	(790)	(1,287)	(72)
Non-recurring expense*	-	-	-	5,475	1,116	42
Net income, adjusted	9,441	45,590	72,360	82,258	70,380	69,833
Total average equity	471,096	455,044	493,252	546,193	515,702	481,004
Core return on average equity	8.02%	10.02%	14.67%	15.06%	13.65%	14.52%
* Tax effected						
\$s in thousands, except per share amounts						
Calculation of return on average assets						
Net income, as reported	\$10,936	\$48,176	\$71,681	\$76,870	\$69,829	\$69,118
Adjustments:						
Amortization*	164	666	679	703	722	745
State tax credit	-	(3,252)	-	-	-	-
Non-recurring revenue*	(1,659)	-	-	(790)	(1,287)	(72)
Non-recurring expense*	-	-	-	5,475	1,116	42
Net income, adjusted	9,441	45,590	72,360	82,258	70,380	69,833
Average total assets	7,231,835	6,999,040	6,102,755	5,837,966	5,704,950	5,169,321
Core return on average assets	0.52%	0.65%	1.19%	1.41%	1.23%	1.35%

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

As calculated by S&P Global Market Intelligence



\$s in thousands, except per share amounts	YTD Mar 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Calculation of risk weighted core return on average assets						
Net income, as reported	\$10,936	\$48,176	\$71,681	\$76,870	\$69,829	\$69,118
Adjustments:						
Amortization*	164	666	679	703	722	745
State tax credit	-	(3,252)	-	-	-	-
Non-recurring revenue*	(1,659)	-	-	(790)	(1,287)	(72)
Non-recurring expense*	-	-	-	5,475	1,116	42
Net income, adjusted	9,441	45,590	72,360	82,258	70,380	69,833
Risk weighted assets	5,288,443	5,278,237	4,892,016	4,126,308	3,994,149	3,821,602
Risk weighted core return on average assets	0.71%	0.86%	1.48%	1.99%	1.76%	1.83%

* Tax effected

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.