

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
January 26, 2011

WASHINGTON TRUST BANCORP, INC.

(Exact Name of Registrant as Specified in Charter)

Rhode Island

(State or Other Jurisdiction
of Incorporation)

001-32991

(Commission
File Number)

05-0404671

(IRS Employer
Identification No.)

23 Broad Street, Westerly, Rhode Island 02891

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (401) 348-1200

Former name or address, if changed from last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On January 26, 2011, Washington Trust Bancorp, Inc. issued a press release in which it disclosed unaudited financial information related to fourth quarter 2010 consolidated earnings. A copy of the press release relating to such announcement, dated January 26, 2011, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Pursuant to General Instructions B.2 of Form 8-K, this information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.

Exhibit

99.1

Press Release dated January 26, 2011*

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WASHINGTON TRUST BANCORP, INC.

Date: January 26, 2011

By: /s/ David V. Devault

David V. Devault

Senior Executive Vice President,

Secretary and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

99.1

Exhibit

Press Release dated January 26, 2011*

* Filed herewith

Exhibit 99.1

[Graphic Omitted]

NASDAQ: WASH

Contact: Elizabeth B. Eckel

Senior Vice President, Marketing

Telephone: (401) 348-1309

E-mail: ebeckel@washtrust.com

Date: January 26, 2011

FOR IMMEDIATE RELEASE

Washington Trust Reports Record Quarterly Net Income Bank Announces Plans to Expand Mortgage and Branch Network

Westerly, Rhode Island...Washington Trust Bancorp, Inc. (NASDAQ Global Select®; symbol: WASH), parent company of The Washington Trust Company, today announced fourth quarter 2010 net income of \$7.2 million, or 44 cents per diluted share. This compares to third quarter 2010 net income of \$6.4 million, or 39 cents per diluted share, and fourth quarter 2009 net income of \$4.7 million, or 30 cents per diluted share. For the year 2010, net income totaled \$24.1 million, or \$1.49 per diluted share, up by 49% from the \$16.1 million, or \$1.00 per diluted share, reported for 2009.

Financial Highlights:

- Net interest margin amounted to 3.05% for the fourth quarter of 2010 compared to 3.01% for the third quarter and up by 49 basis points from the 2.56% reported for the fourth quarter of 2009.
- Wealth management revenues amounted to \$6.8 million for the fourth quarter of 2010, a 5% increase on a linked quarter basis and a 7% increase over the fourth quarter of 2009. Wealth management assets under administration reached an all-time high and stood at \$4.123 billion at December 31, 2010.
- Due to strong mortgage refinancing activity, net gains on loan sales and commissions on loans originated for others for the fourth quarter of 2010 increased by \$1.2 million on a linked quarter basis and by \$998 thousand over the fourth quarter of 2009.
- Total loans declined slightly on a linked quarter basis, and were up by \$76 million, or 4%, from the balance at December 31, 2009.
- Total in-market deposits remained level in the fourth quarter of 2010 and were up by \$155 million, or 8%, since the end of 2009.
- The overall level of nonperforming assets remained fairly stable in the quarter, with total nonperforming assets at 0.79% of total assets, unchanged from September 30, 2010.

“I’m pleased to report that Washington Trust’s fourth quarter 2010 net income was the highest level in our 210+ year history, and full-year 2010 results were also outstanding,” stated Joseph J. MarcAurele,

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Washington Trust Chairman, President and Chief Executive Officer. He continued, "We achieved a record level of mortgage originations during the year, while wealth management assets under administration also reached an all-time high. We are also announcing plans to expand our retail network by opening a mortgage production office in Burlington, Massachusetts and a full-service branch in East Providence, Rhode Island. We're pleased with our results and excited about the opportunities that lie ahead, but remain cautious about the challenges posed by local and national economic conditions."

Net Interest Income

Net interest income totaled \$20.3 million for the fourth quarter of 2010, essentially level with the third quarter of 2010 and up by \$3.3 million, or 20%, over the fourth quarter of 2009. For the year 2010, net interest income increased by \$11.3 million, or 17%, over 2009.

The net interest margin for the fourth quarter of 2010 was 3.05%, up by 4 basis points from the third quarter of 2010 and by 49 basis points over the fourth quarter of 2009. For the year 2010, the net interest margin was 2.93%, up by 45 basis points from 2009. The improvement in the net interest margin in 2010 as compared to 2009 was due in large part to lower funding costs. The cost of interest-bearing liabilities for the year 2010 declined by 68 basis points from 2009.

Noninterest Income

Noninterest income totaled \$13.4 million for the fourth quarter of 2010, level on a linked quarter basis and up by \$2.4 million, or 22%, over the fourth quarter a year ago.

Wealth management revenues for the fourth quarter of 2010 increased by \$353 thousand, or 5%, on a linked quarter basis and by \$468 thousand, or 7%, over the fourth quarter a year ago. Wealth management assets under administration rose to its highest level ever in the fourth quarter and totaled \$4.123 billion at December 31, 2010, up by \$230 million, or 6%, from September 30, 2010 and by \$353 million, or 9%, from December, 31, 2009.

Merchant processing fees for the fourth quarter of 2010 decreased by \$956 thousand, or 31%, on a linked quarter basis reflecting expected seasonal declines in transaction volume. Fourth quarter 2010 merchant processing fees were up by 17% from the fourth quarter of 2009 due to growth in the volume of transactions processed for existing and new customers. See discussion on the corresponding changes in merchant processing costs under the caption "Noninterest Expenses."

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Due to strong residential mortgage refinancing activity, net gains on loan sales and commissions on loans originated for others totaled \$2.2 million for the fourth quarter of 2010, compared to \$1.0 million for the third quarter of 2010 and \$1.2 million for the fourth quarter of 2009. The level of activity in the fourth quarter of 2010 was positively affected by the low mortgage interest rate environment. Mortgage refinancing activity has recently slowed as a result of a rise in market interest rates in the latter part of the fourth quarter.

There were no other-than-temporary impairment losses on investment securities recognized in the fourth quarter of 2010, compared to \$679 thousand in the fourth quarter of 2009. Impairment losses on investment securities totaled \$417 thousand in 2010, compared to \$3.1 million in 2009.

Noninterest Expenses

Noninterest expenses totaled \$21.8 million for the fourth quarter of 2010, down by \$1.1 million, or 5%, from the third quarter of 2010 and up by \$2.5 million, or 13%, over the fourth quarter of 2009. The decrease in noninterest expenses on a linked quarter basis reflected expected seasonal declines in merchant processing costs and third quarter debt prepayment penalty charge of \$752 thousand, offset in part by an increase of \$312 thousand in foreclosed property costs. The year over year increase in fourth quarter noninterest expenses was primarily attributable to higher commissions and incentives, which were being recognized at lower levels in 2009, and increased foreclosed property costs. Foreclosed property costs amounted to \$515 thousand for the fourth quarter of 2010, up by \$497 thousand from the fourth quarter of 2009 due primarily to valuation adjustments on OREO properties.

Income tax expense amounted to \$3.2 million and \$10.3 million, respectively, for the quarter and year ended December 31, 2010, compared to \$1.9 million and \$6.3 million, respectively, for the same periods in 2009. The effective tax rates for the quarter and year ended December 31, 2010 were 30.4% and 30.0%, respectively, compared to 28.7% and 28.3%, respectively, for the same periods in 2009. Based on the current status of federal and applicable state income tax statutes, the Corporation currently expects the first quarter 2011 effective tax rate to be approximately 30.5%.

Asset Quality

Nonperforming assets (nonaccrual loans, nonaccrual investment securities and property acquired through foreclosure or repossession) amounted to \$23.0 million, or 0.79% of total assets, at December 31, 2010, essentially unchanged on a linked quarter basis and down from \$30.5 million, or 1.06% of total assets, at December 31, 2009.

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Nonaccrual loans totaled \$18.5 million at December 31, 2010, down by \$1.1 million in the fourth quarter and by \$9.0 million from December 31, 2009. Property acquired through foreclosure or repossession amounted to \$3.6 million at December 31, 2010, up by \$1.0 million in the fourth quarter and up by \$1.7 million from the balance at December 31, 2009.

At December 31, 2010, total past due loans amounted to \$25.3 million, or 1.27% of total loans, up by \$397 thousand in the fourth quarter and down by \$6.3 million from December 31, 2009.

We believe that overall credit quality continues to be affected by weaknesses in national and regional economic conditions. These conditions, including relatively high unemployment levels, may continue for the next few quarters.

The loan loss provision charged to earnings amounted to \$1.5 million for the fourth quarter of 2010, unchanged from the third quarter 2010 level and down by \$500 thousand compared to the fourth quarter of 2009. Net charge-offs amounted to \$1.1 million in the fourth quarter of 2010, as compared to net charge-offs of \$1.3 million in the third quarter of 2010 and \$1.0 million in the fourth quarter of 2009. The loan loss provision charged to earnings for 2010 totaled \$6.0 million, down from \$8.5 million in 2009. Net charge-offs amounted \$4.8 million, or 0.24% of average loans, in 2010 and \$4.8 million, or 0.25% of average loans, in 2009.

The allowance for loan losses was \$28.6 million, or 1.43% of total loans, at December 31, 2010, compared to 1.40% of total loans at September 30, 2010 and 1.43% of total loans at December 31, 2009. Management will continue to assess the adequacy of the allowance for loan losses in accordance with its established policies.

Loans

Total loans amounted to \$2.0 billion at December 31, 2010, down by \$16 million, or 1%, on a linked quarter basis. The commercial loan portfolio was down \$22 million in the fourth quarter, with the largest decrease in commercial construction and development loans. The residential real estate portfolio grew by \$11 million, or 2%, in the fourth quarter, while the consumer loan portfolio decreased by \$5 million. Total loans have grown by \$76 million, or 4%, since December 31, 2009, with a \$43 million increase in the commercial loan portfolio, a \$39 million increase in the residential real estate portfolio and a \$6.0 million decline in consumer loans.

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Deposits

Deposits totaled \$2.0 billion at December 31, 2010, down by \$20 million, or 1%, from the balance at September 30, 2010 and up by \$113 million, or 6%, from the balance at December 31, 2009. Excluding out-of-market brokered certificates of deposit, in-market deposits were down slightly on a linked quarter basis and up by \$155 million, or 8%, from the end of 2009. Demand deposits and NOW account balances grew by \$74 million, or 19%, in 2010. Money market and savings account balances rose by \$22 million, or 4%, in 2010. In-market time deposits were up by \$58 million, or 7%, from the end of 2009.

Expansion Plans

Washington Trust also announces expansion plans for Rhode Island and Massachusetts in 2011. The Bank will open a mortgage loan production office in February 2011 in Burlington, Massachusetts, just north of Boston. This will be the Bank's second mortgage loan office in Massachusetts; Washington Trust opened a mortgage office in Sharon, Massachusetts in August 2009. The Bank will also open a new retail branch office later this year in the Shopperstown Plaza at 587 Taunton Avenue in East Providence, Rhode Island. The branch, which is subject to local and bank regulatory approval, will be the Bank's eighteenth branch office and its first in East Providence.

Dividends Declared

The Board of Directors declared a quarterly dividend of 21 cents per share for the quarter ended December 31, 2010. The dividend was paid on January 14, 2011 to shareholders of record on January 4, 2011.

Conference Call

Washington Trust will host a conference call on Thursday, January 27, 2011 at 8:30 a.m. Eastern Time to discuss fourth quarter results. This call is being webcast and can be accessed through the Investor Relations section of the Washington Trust web site, www.washtrust.com. Individuals may dial in to the call at 1-877-317-6789. The international dial-in number is 1-412-317-6789 and the Canada dial-in number is 1-866-605-3852.

A replay of the call will be posted in this same location on the web site shortly after the conclusion of the call. To listen to a replay of the conference call, dial 1-877-344-7529. For international access, dial 1-412-317-0088. The Conference Number for either replay is 447275. The replay will be available until 9:00 a.m. on February 11, 2011.

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Background

Washington Trust Bancorp, Inc. is the parent of The Washington Trust Company, a Rhode Island state-chartered bank founded in 1800. Washington Trust offers personal banking, business banking and wealth management services through its offices in Rhode Island, eastern Massachusetts and southeastern Connecticut. Washington Trust Bancorp, Inc.'s common stock trades on the NASDAQ Global Select® Market under the symbol "WASH." Investor information is available on the Corporation's web site: www.washtrust.com.

Forward-Looking Statements

This press release 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. All statements, other than statements of historical facts, including statements regarding our strategy, effectiveness of investment programs, evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, success of acquisitions, future operations, market position, financial position, and prospects, plans, goals and objectives of management are forward-looking statements. The actual results, performance or achievements of Washington Trust could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in general national, regional or international economic conditions or conditions affecting the banking or financial services industries or financial capital markets, volatility and disruption in national and international financial markets, government intervention in the U.S. financial system, reductions in net interest income resulting from interest rate volatility as well as changes in the balance and mix of loans and deposits, reductions in the market value of wealth management assets under administration, changes in the value of securities and other assets, reductions in loan demand, changes in loan collectibility, default and charge-off rates, changes in the size and nature of the Washington Trust's competition, changes in legislation or regulation and accounting principles, policies and guidelines, and changes in the assumptions used in making such forward-looking statements. In addition, the factors described under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as filed with the Securities and Exchange Commission and as updated by our Quarterly Reports on Form 10-Q, may result in these differences. 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 press release, 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.

Supplemental Information – Explanation of Non-GAAP Financial Measures

Reported amounts are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). 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.

Washington Trust Bancorp, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS (unaudited)

| (Dollars in thousands, except par value) | December 31, 2010 | December 31, 2009 |
|--|----------------------|----------------------|
| Assets: | | |
| Cash and due from banks | \$ 85,971 | \$ 51,853 |
| Other short-term investments | 6,765 | 5,407 |
| Mortgage loans held for sale | 13,894 | 9,909 |
| Securities available for sale, at fair value; amortized cost \$578,897 in 2010 and \$677,676 in 2009 | 594,100 | 691,484 |
| Federal Home Loan Bank stock, at cost | 42,008 | 42,008 |
| Loans: | | |
| Commercial and other | 1,027,065 | 984,550 |
| Residential real estate | 645,020 | 605,575 |
| Consumer | 323,553 | 329,543 |
| Total loans | 1,995,638 | 1,919,668 |
| Less allowance for loan losses | 28,583 | 27,400 |
| Net loans | 1,967,055 | 1,892,268 |
| Premises and equipment, net | 26,069 | 27,524 |
| Investment in bank-owned life insurance | 51,844 | 44,957 |
| Goodwill | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,852 | 8,943 |
| Other assets | 55,853 | 52,006 |
| Total assets | \$ 2,909,525 | \$ 2,884,473 |
| Liabilities: | | |
| Deposits: | | |
| Demand deposits | \$ 228,437 | \$ 194,046 |
| NOW accounts | 241,974 | 202,367 |
| Money market accounts | 396,455 | 403,333 |
| Savings accounts | 220,888 | 191,580 |
| Time deposits | 948,576 | 931,684 |
| Total deposits | 2,036,330 | 1,923,010 |
| Federal Home Loan Bank advances | 498,722 | 607,328 |
| Junior subordinated debentures | 32,991 | 32,991 |
| Other borrowings | 23,359 | 21,501 |
| Other liabilities | 49,259 | 44,697 |
| Total liabilities | 2,640,661 | 2,629,527 |
| Shareholders' Equity: | | |
| Common stock of \$.0625 par value; authorized 30,000,000 shares; issued 16,171,618 shares in 2010 and 16,061,748 shares in 2009 | 1,011 | 1,004 |
| Paid-in capital | 84,889 | 82,592 |
| Retained earnings | 178,939 | 168,514 |
| Accumulated other comprehensive income | 4,025 | 3,337 |
| Treasury stock, at cost; 19,185 shares in 2009 | — | (501) |
| Total shareholders' equity | 268,864 | 254,946 |
| Total liabilities and shareholders' equity | \$ 2,909,525 | \$ 2,884,473 |

Washington Trust Bancorp, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(Dollars and shares in thousands, except per share amounts)

| Periods ended December 31, | Three Months | | Twelve Months | |
|---|-----------------|-----------------|------------------|------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Interest income: | | | | |
| Interest and fees on loans | \$ 24,846 | \$ 24,207 | \$ 98,070 | \$ 96,796 |
| Interest on securities: Taxable | 4,709 | 6,358 | 21,824 | 29,423 |
| Nontaxable | 769 | 777 | 3,077 | 3,116 |
| Dividends on corporate stock and Federal Home Loan Bank stock | 34 | 55 | 198 | 245 |
| Other interest income | 26 | 11 | 85 | 50 |
| Total interest income | 30,384 | 31,408 | 123,254 | 129,630 |
| Interest expense: | | | | |
| Deposits | 4,465 | 7,033 | 20,312 | 32,638 |
| Federal Home Loan Bank advances | 4,993 | 6,739 | 22,786 | 28,172 |
| Junior subordinated debentures | 428 | 444 | 1,989 | 1,947 |
| Other interest expense | 245 | 246 | 976 | 981 |
| Total interest expense | 10,131 | 14,462 | 46,063 | 63,738 |
| Net interest income | 20,253 | 16,946 | 77,191 | 65,892 |
| Provision for loan losses | 1,500 | 2,000 | 6,000 | 8,500 |
| Net interest income after provision for loan losses | 18,753 | 14,946 | 71,191 | 57,392 |
| Noninterest income: | | | | |
| Wealth management services: | | | | |
| Trust and investment advisory fees | 5,448 | 4,887 | 20,670 | 18,128 |
| Mutual fund fees | 1,124 | 1,143 | 4,423 | 4,140 |
| Financial planning, commissions and other service fees | 266 | 340 | 1,299 | 1,518 |
| Wealth management services | 6,838 | 6,370 | 26,392 | 23,786 |
| Service charges on deposit accounts | 921 | 971 | 3,587 | 3,667 |
| Merchant processing fees | 2,094 | 1,790 | 9,156 | 7,844 |
| Income from bank-owned life insurance | 488 | 452 | 1,887 | 1,794 |
| Net gains on loan sales and commissions on loans originated for others | 2,163 | 1,165 | 4,052 | 4,352 |
| Net realized gains on securities | (8) | - | 729 | 314 |
| Net (losses) gains on interest rate swap contracts | 77 | 204 | (36) | 697 |
| Other income | 835 | 697 | 3,038 | 2,901 |
| Noninterest income, excluding other-than-temporary impairment losses | 13,408 | 11,649 | 48,805 | 45,355 |
| Total other-than-temporary impairment losses on securities | - | (113) | (245) | (6,650) |
| Portion of loss recognized in other comprehensive income (before taxes) | - | (566) | (172) | 3,513 |
| Net impairment losses recognized in earnings | - | (679) | (417) | (3,137) |
| Total noninterest income | 13,408 | 10,970 | 48,388 | 42,218 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 12,135 | 10,667 | 47,429 | 41,917 |
| Net occupancy | 1,188 | 1,210 | 4,851 | 4,790 |
| Equipment | 1,051 | 990 | 4,099 | 3,917 |
| Merchant processing costs | 1,802 | 1,516 | 7,822 | 6,652 |
| Outsourced services | 840 | 697 | 3,219 | 2,734 |
| FDIC deposit insurance costs | 724 | 795 | 3,163 | 4,397 |
| Legal, audit and professional fees | 449 | 558 | 1,813 | 2,443 |
| Advertising and promotion | 383 | 473 | 1,633 | 1,687 |
| Amortization of intangibles | 237 | 290 | 1,091 | 1,209 |
| Debt prepayment penalties | - | - | 752 | - |
| Other expenses | 2,987 | 2,061 | 9,354 | 7,422 |
| Total noninterest expense | 21,796 | 19,257 | 85,226 | 77,168 |
| Income before income taxes | 10,365 | 6,659 | 34,353 | 22,442 |
| Income tax expense | 3,154 | 1,911 | 10,302 | 6,346 |
| Net income | \$ 7,211 | \$ 4,748 | \$ 24,051 | \$ 16,096 |
| Weighted average common shares outstanding – basic | 16,160.6 | 16,035.4 | 16,113.9 | 15,994.9 |
| Weighted average common shares outstanding – diluted | 16,225.6 | 16,082.0 | 16,150.5 | 16,040.9 |
| Per share information: Basic earnings per common share | \$ 0.44 | \$ 0.30 | \$ 1.49 | \$ 1.01 |
| Diluted earnings per common share | \$ 0.44 | \$ 0.30 | \$ 1.49 | \$ 1.00 |
| Cash dividends declared per share | \$ 0.21 | \$ 0.21 | \$ 0.84 | \$ 0.84 |

Certain prior period amounts have been reclassified to conform to current period presentation.

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

| | At or for the Quarters Ended | | | | |
|--|------------------------------|-------------------|------------------|-----------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar 31, 2010 | Dec. 31, 2009 |
| (Dollars in thousands, except per share amounts) | | | | | |
| Financial Data | | | | | |
| Total assets | \$ 2,909,525 | \$ 2,909,003 | \$ 2,929,853 | \$ 2,896,425 | \$ 2,884,473 |
| Total loans | 1,995,638 | 2,011,148 | 1,972,498 | 1,937,524 | 1,919,668 |
| Total securities | 594,100 | 577,161 | 675,938 | 716,964 | 691,484 |
| Total deposits | 2,036,330 | 2,056,754 | 1,949,905 | 1,961,188 | 1,923,010 |
| Total shareholders' equity | 268,864 | 267,109 | 265,411 | 259,529 | 254,946 |
| Net interest income | 20,253 | 20,101 | 18,833 | 18,004 | 16,946 |
| Provision for loan losses | 1,500 | 1,500 | 1,500 | 1,500 | 2,000 |
| Noninterest income, excluding other-than-temporary impairment losses | 13,408 | 13,439 | 11,513 | 10,445 | 11,649 |
| Net impairment losses recognized in earnings | - | - | (354) | (63) | (679) |
| Noninterest expenses | 21,796 | 22,855 | 20,983 | 19,592 | 19,257 |
| Income tax expense | 3,154 | 2,815 | 2,211 | 2,122 | 1,911 |
| Net income | 7,211 | 6,370 | 5,298 | 5,172 | 4,748 |
| Share Data | | | | | |
| Basic earnings per common share | \$ 0.44 | \$ 0.39 | \$ 0.33 | \$ 0.32 | \$ 0.30 |
| Diluted earnings per common share | \$ 0.44 | \$ 0.39 | \$ 0.33 | \$ 0.32 | \$ 0.30 |
| Dividends declared per share | \$ 0.21 | \$ 0.21 | \$ 0.21 | \$ 0.21 | \$ 0.21 |
| Book value per share | \$ 16.63 | \$ 16.55 | \$ 16.46 | \$ 16.14 | \$ 15.89 |
| Tangible book value per share – Non-GAAP* | \$ 12.55 | \$ 12.45 | \$ 12.34 | \$ 11.99 | \$ 11.71 |
| Market value per share | \$ 21.88 | \$ 19.12 | \$ 17.04 | \$ 18.64 | \$ 15.58 |
| Shares outstanding at end of period | 16,171.6 | 16,135.4 | 16,120.7 | 16,079.1 | 16,042.6 |
| Weighted average common shares outstanding–basic | 16,160.6 | 16,131.4 | 16,104.6 | 16,057.7 | 16,035.4 |
| Weighted average common shares outstanding–diluted | 16,225.6 | 16,170.6 | 16,143.1 | 16,101.5 | 16,082.0 |
| Key Ratios | | | | | |
| Return on average assets | 0.99% | 0.87% | 0.73% | 0.71% | 0.66% |
| Return on average tangible assets – Non-GAAP* | 1.01% | 0.89% | 0.74% | 0.73% | 0.67% |
| Return on average equity | 10.70% | 9.53% | 8.05% | 8.00% | 7.47% |
| Return on average tangible equity – Non-GAAP* | 14.17% | 12.67% | 10.78% | 10.80% | 10.16% |
| Capital Ratios | | | | | |
| Tier 1 risk-based capital | 11.53% (i) | 11.24% | 11.22% | 11.24% | 11.14% |
| Total risk-based capital | 12.79% (i) | 12.50% | 12.47% | 12.50% | 12.40% |
| Tier 1 leverage ratio | 8.25% (i) | 8.04% | 7.94% | 7.89% | 7.82% |
| Equity to assets | 9.24% | 9.18% | 9.06% | 8.96% | 8.84% |
| Tangible equity to tangible assets – Non-GAAP* | 7.14% | 7.07% | 6.95% | 6.81% | 6.67% |
| (i) – estimated | | | | | |
| Wealth Management Assets Under Administration | | | | | |
| Balance at beginning of period | \$ 3,893,144 | \$ 3,659,383 | \$ 3,900,783 | \$ 3,770,193 | \$ 3,603,424 |
| Net investment appreciation (depreciation) & income | 234,460 | 253,372 | (249,214) | 95,855 | 88,690 |
| Net customer cash flows | (4,593) | (19,611) | 7,814 | 34,735 | 78,079 |
| Balance at end of period | \$ 4,123,011 | \$ 3,893,144 | \$ 3,659,383 | \$ 3,900,783 | \$ 3,770,193 |

* - See the section labeled “Supplemental Information – Non-GAAP Financial Measures” at the end of this document.

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

| | For the Years Ended | |
|--|---------------------|------------------|
| | Dec. 31, 2010 | Dec. 31, 2009 |
| (Dollars in thousands, except per share amounts) | | |
| Financial Data | | |
| Net interest income | \$ 77,191 | \$ 65,892 |
| Provision for loan losses | 6,000 | 8,500 |
| Noninterest income, excluding other-than-temporary impairment losses | 48,805 | 45,355 |
| Net impairment losses recognized in earnings | (417) | (3,137) |
| Noninterest expenses | 85,226 | 77,168 |
| Income tax expense | 10,302 | 6,346 |
| Net income | 24,051 | 16,096 |
| Share Data | | |
| Basic earnings per common share | \$ 1.49 | \$ 1.01 |
| Diluted earnings per common share | \$ 1.49 | \$ 1.00 |
| Dividends declared per share | \$ 0.84 | \$ 0.84 |
| Weighted average common shares outstanding – basic | 16,113.9 | 15,994.9 |
| Weighted average common shares outstanding – diluted | 16,150.5 | 16,040.9 |
| Key Ratios | | |
| Return on average assets | 0.82% | 0.55% |
| Return on average tangible assets – Non-GAAP* | 0.84% | 0.56% |
| Return on average equity | 9.09% | 6.56% |
| Return on average tangible equity – Non-GAAP* | 12.13% | 9.05% |
| Asset Quality Data | | |
| Allowance for Loan Losses | | |
| Balance at beginning of period | \$ 27,400 | \$ 23,725 |
| Provision charged to earnings | 6,000 | 8,500 |
| Charge-offs | (5,402) | (5,162) |
| Recoveries | 585 | 337 |
| Balance at end of period | \$ 28,583 | \$ 27,400 |
| Net Loan Charge-Offs | | |
| Commercial: | | |
| Mortgages | \$ 1,152 | \$ 1,578 |
| Construction and development | - | - |
| Other | 2,787 | 2,656 |
| Residential: | | |
| Mortgages | 413 | 389 |
| Homeowner construction | - | - |
| Consumer | 465 | 202 |
| Total | \$ 4,817 | \$ 4,825 |
| Net charge-offs to average loans (annualized) | 0.24% | 0.25% |
| Wealth Management Assets Under Administration | | |
| Balance at beginning of period | \$ 3,770,193 | \$ 3,147,649 |
| Net investment appreciation (depreciation) & income | 334,473 | 547,091 |
| Net customer cash flows | 18,345 | 75,453 |
| Balance at end of period | \$ 4,123,011 | \$ 3,770,193 |

* - See the section labeled “Supplemental Information – Non-GAAP Financial Measures” at the end of this document.

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

| | For the Quarters Ended | | | | |
|--|------------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 |
| Average Yield / Rate (taxable equivalent basis) | | | | | |
| Assets: | | | | | |
| Commercial and other loans | 5.22% | 5.29% | 5.23% | 5.31% | 5.19% |
| Residential real estate loans, including mortgage loans held for sale | 4.76% | 4.94% | 5.05% | 5.19% | 5.17% |
| Consumer loans | 3.96% | 3.99% | 4.00% | 3.99% | 4.06% |
| Total loans | 4.87% | 4.97% | 4.97% | 5.05% | 4.99% |
| Cash, federal funds sold and other short-term investments | 0.21% | 0.20% | 0.17% | 0.23% | 0.19% |
| FHLBB stock | —% | —% | —% | —% | —% |
| Taxable debt securities | 3.79% | 3.93% | 3.93% | 4.10% | 4.09% |
| Nontaxable debt securities | 5.76% | 5.76% | 5.83% | 5.89% | 5.74% |
| Corporate stocks | 7.52% | 7.56% | 7.55% | 7.74% | 7.58% |
| Total securities | 4.08% | 4.19% | 4.17% | 4.33% | 4.30% |
| Total interest-earning assets | 4.54% | 4.63% | 4.64% | 4.72% | 4.70% |
| Liabilities: | | | | | |
| NOW accounts | 0.12% | 0.12% | 0.12% | 0.13% | 0.18% |
| Money market accounts | 0.34% | 0.40% | 0.56% | 0.61% | 0.82% |
| Savings accounts | 0.14% | 0.14% | 0.17% | 0.18% | 0.22% |
| Time deposits | 1.65% | 1.74% | 1.94% | 2.13% | 2.52% |
| FHLBB advances | 4.13% | 4.16% | 4.08% | 4.26% | 4.35% |
| Junior subordinated debentures | 5.15% | 5.82% | 5.44% | 7.75% | 5.33% |
| Other | 4.44% | 4.59% | 4.63% | 4.66% | 4.68% |
| Total interest-bearing liabilities | 1.70% | 1.84% | 2.00% | 2.17% | 2.40% |
| Interest rate spread (taxable equivalent basis) | 2.84% | 2.79% | 2.64% | 2.55% | 2.30% |
| Net interest margin (taxable equivalent basis) | 3.05% | 3.01% | 2.86% | 2.78% | 2.56% |

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

| (Dollars in thousands) | | Period End Balances At | | | | |
|------------------------|-------------------------------|------------------------|--------------|--------------|--------------|--------------|
| | | 12/31/2010 | 9/30/2010 | 6/30/2010 | 3/31/2010 | 12/31/2009 |
| Loans | | | | | | |
| Commercial: | Mortgages | \$ 518,623 | \$ 522,355 | \$ 510,315 | \$ 493,102 | \$ 496,996 |
| | Construction and development | 47,335 | 62,820 | 67,215 | 77,787 | 72,293 |
| | Other | 461,107 | 464,294 | 441,827 | 427,870 | 415,261 |
| | Total commercial | 1,027,065 | 1,049,469 | 1,019,357 | 998,759 | 984,550 |
| Residential: | Mortgages | 634,739 | 622,975 | 610,245 | 597,481 | 593,981 |
| | Homeowner construction | 10,281 | 10,593 | 12,368 | 11,577 | 11,594 |
| | Total residential real estate | 645,020 | 633,568 | 622,613 | 609,058 | 605,575 |
| Consumer: | Home equity lines | 218,288 | 218,898 | 218,440 | 213,841 | 209,801 |
| | Home equity loans | 50,624 | 54,923 | 57,682 | 59,390 | 62,430 |
| | Other | 54,641 | 54,290 | 54,406 | 56,476 | 57,312 |
| | Total consumer | 323,553 | 328,111 | 330,528 | 329,707 | 329,543 |
| | Total loans | \$ 1,995,638 | \$ 2,011,148 | \$ 1,972,498 | \$ 1,937,524 | \$ 1,919,668 |

(Dollars in thousands)

| Commercial Real Estate Loans by Property Location | | At Dec. 31, 2010 | |
|--|--|------------------|------------|
| | | Balance | % of Total |
| Rhode Island, Connecticut, Massachusetts | | \$ 512,173 | 90.5% |
| New York, New Jersey, Pennsylvania | | 40,232 | 7.1% |
| New Hampshire | | 11,846 | 2.1% |
| Other | | 1,707 | 0.3% |
| Total commercial real estate loans (1) | | \$ 565,958 | 100.0% |

(1) Commercial real estate loans consist of commercial mortgages and construction and development loans. Commercial mortgages are loans secured by income producing property.

(Dollars in thousands)

| Residential Mortgages by Property Location | | At Dec. 31, 2010 | |
|--|--|------------------|------------|
| | | Balance | % of Total |
| Rhode Island, Connecticut, Massachusetts | | \$ 612,419 | 94.9% |
| New York, Virginia, New Jersey, Maryland, Pennsylvania, District of Columbia | | 13,921 | 2.2% |
| Ohio | | 8,086 | 1.3% |
| California, Washington, Oregon | | 4,562 | 0.7% |
| Colorado, Texas, New Mexico, Utah | | 2,613 | 0.4% |
| Georgia | | 1,680 | 0.3% |
| New Hampshire | | 1,263 | 0.2% |
| Wyoming | | 476 | 0.0% |
| Total residential mortgages | | \$ 645,020 | 100.0% |

| (Dollars in thousands) | | Period End Balances At | | | | |
|--|--|------------------------|--------------|--------------|--------------|--------------|
| | | 12/31/2010 | 9/30/2010 | 6/30/2010 | 3/31/2010 | 12/31/2009 |
| Deposits | | | | | | |
| Demand deposits | | \$ 228,437 | \$ 242,455 | \$ 225,494 | \$ 204,317 | \$ 194,046 |
| NOW accounts | | 241,974 | 236,775 | 234,014 | 196,905 | 202,367 |
| Money market accounts | | 396,455 | 408,828 | 378,004 | 397,896 | 403,333 |
| Savings accounts | | 220,888 | 210,271 | 209,616 | 202,236 | 191,580 |
| Time deposits | | 948,576 | 958,425 | 902,777 | 959,834 | 931,684 |
| Total deposits | | \$ 2,036,330 | \$ 2,056,754 | \$ 1,949,905 | \$ 1,961,188 | \$ 1,923,010 |
| Out-of-market brokered certificates of deposits included in time deposits | | \$ 52,347 | \$ 69,385 | \$ 94,641 | \$ 88,748 | \$ 93,684 |
| In-market deposits, excluding out of market brokered certificates of deposit | | \$ 1,983,983 | \$ 1,987,369 | \$ 1,855,264 | \$ 1,872,440 | \$ 1,829,326 |

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

(Dollars in thousands)

| | At December 31, 2010 | | | |
|---|-----------------------|---------------------|----------------------|---------------|
| | Amortized Cost (1) | Unrealized Gains | Unrealized Losses | Fair Value |
| Securities Available for Sale | | | | |
| Obligations of U.S. government-sponsored enterprises | \$ 36,900 | \$ 4,094 | \$ — | \$ 40,994 |
| Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises | 411,087 | 19,068 | (384) | 429,771 |
| States and political subdivisions | 79,455 | 1,975 | (375) | 81,055 |
| Trust preferred securities: | | | | |
| Individual name issuers | 30,601 | — | (7,326) | 23,275 |
| Collateralized debt obligations | 4,466 | — | (3,660) | 806 |
| Corporate bonds | 13,874 | 1,338 | — | 15,212 |
| Common stocks | 660 | 149 | — | 809 |
| Perpetual preferred stocks | 1,854 | 324 | — | 2,178 |
| Total securities available for sale | \$ 578,897 | \$ 26,948 | \$ (11,745) | \$ 594,100 |

(Dollars in thousands)

| | At December 31, 2009 | | | |
|---|-----------------------|---------------------|----------------------|---------------|
| | Amortized Cost (1) | Unrealized Gains | Unrealized Losses | Fair Value |
| Securities Available for Sale | | | | |
| Obligations of U.S. government-sponsored enterprises | \$ 41,565 | \$ 3,675 | \$ — | \$ 45,240 |
| Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises | 503,115 | 20,808 | (477) | 523,446 |
| States and political subdivisions | 80,183 | 2,093 | (214) | 82,062 |
| Trust preferred securities: | | | | |
| Individual name issuers | 30,563 | — | (9,977) | 20,586 |
| Collateralized debt obligations | 4,966 | — | (3,901) | 1,065 |
| Corporate bonds | 13,272 | 1,434 | — | 14,706 |
| Common stocks | 658 | 111 | — | 769 |
| Perpetual preferred stocks | 3,354 | 396 | (140) | 3,610 |
| Total securities available for sale | \$ 677,676 | \$ 28,517 | \$ (14,709) | \$ 691,484 |

(1) Net of other-than-temporary impairment losses recognized in earnings.

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

(Dollars in thousands)

| | For the Quarters Ended | | | | |
|----------------------------------|------------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 |
| Asset Quality Data | | | | | |
| Allowance for Loan Losses | | | | | |
| Balance at beginning of period | \$ 28,165 | \$ 27,985 | \$ 27,711 | \$ 27,400 | \$ 26,431 |
| Provision charged to earnings | 1,500 | 1,500 | 1,500 | 1,500 | 2,000 |
| Charge-offs | (1,396) | (1,468) | (1,263) | (1,275) | (1,215) |
| Recoveries | 314 | 148 | 37 | 86 | 184 |
| Balance at end of period | \$ 28,583 | \$ 28,165 | \$ 27,985 | \$ 27,711 | \$ 27,400 |

Net Loan Charge-Offs (Recoveries)

| | | | | | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Commercial: | | | | | |
| Mortgages | \$ 226 | \$ (96) | \$ 531 | \$ 491 | \$ 333 |
| Construction and development | — | — | — | — | — |
| Other | 695 | 1,026 | 558 | 508 | 627 |
| Residential: | | | | | |
| Mortgages | (99) | 301 | 90 | 121 | 29 |
| Homeowner construction | — | — | — | — | — |
| Consumer | 260 | 89 | 47 | 69 | 42 |
| Total | \$ 1,082 | \$ 1,320 | \$ 1,226 | \$ 1,189 | \$ 1,031 |

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

(Dollars in thousands)

| | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 |
|---------------------------------------|------------------|-------------------|------------------|------------------|------------------|
| Asset Quality Data | | | | | |
| Past Due Loans | | | | | |
| Loans 30–59 Days Past Due | | | | | |
| Commercial real estate | \$ 2,185 | \$ 1,685 | \$ 3,898 | \$ 2,302 | \$ 1,909 |
| Other commercial loans | 1,862 | 2,632 | 3,284 | 2,362 | 1,831 |
| Residential mortgages | 3,073 | 2,828 | 2,680 | 1,549 | 2,409 |
| Consumer loans | 2,005 | 2,218 | 3,364 | 2,019 | 1,258 |
| Loans 30–59 days past due | \$ 9,125 | \$ 9,363 | \$ 13,226 | \$ 8,232 | \$ 7,407 |
| Loans 60–89 Days Past Due | | | | | |
| Commercial real estate | \$ 514 | \$ – | \$ 19 | \$ 2,390 | \$ 1,648 |
| Other commercial loans | 953 | 492 | 1,195 | 519 | 292 |
| Residential mortgages | 1,477 | 430 | 861 | 1,035 | 1,383 |
| Consumer loans | 448 | 420 | 195 | 202 | 591 |
| Loans 60–89 days past due | \$ 3,392 | \$ 1,342 | \$ 2,270 | \$ 4,146 | \$ 3,914 |
| Loans 90 Days or more Past Due | | | | | |
| Commercial real estate | \$ 5,322 | \$ 4,952 | \$ 3,695 | \$ 8,374 | \$ 11,227 |
| Other commercial loans | 3,376 | 4,240 | 2,919 | 3,142 | 4,829 |
| Residential mortgages | 4,041 | 4,696 | 5,942 | 5,559 | 4,028 |
| Consumer loans | 11 | 277 | 634 | 635 | 164 |
| Loans 90 days or more past due | \$ 12,750 | \$ 14,165 | \$ 13,190 | \$ 17,710 | \$ 20,248 |
| Total Past Due Loans | | | | | |
| Commercial real estate | \$ 8,021 | \$ 6,637 | \$ 7,612 | \$ 13,066 | \$ 14,784 |
| Other commercial loans | 6,191 | 7,364 | 7,398 | 6,023 | 6,952 |
| Residential mortgages | 8,591 | 7,954 | 9,483 | 8,143 | 7,820 |
| Consumer loans | 2,464 | 2,915 | 4,193 | 2,856 | 2,013 |
| Total past due loans | \$ 25,267 | \$ 24,870 | \$ 28,686 | \$ 30,088 | \$ 31,569 |

Washington Trust Bancorp, Inc. and Subsidiaries
SELECTED FINANCIAL HIGHLIGHTS (unaudited)

(Dollars in thousands)

| Asset Quality Data | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 |
|---|------------------|-------------------|------------------|------------------|------------------|
| Nonperforming Assets | | | | | |
| Commercial mortgages | \$ 6,624 | \$ 6,426 | \$ 6,680 | \$ 8,933 | \$ 11,588 |
| Commercial construction and development | — | — | — | — | — |
| Other commercial | 5,259 | 6,256 | 8,418 | 8,225 | 9,075 |
| Residential real estate mortgages | 6,414 | 6,080 | 6,850 | 6,395 | 6,038 |
| Consumer | 213 | 824 | 789 | 827 | 769 |
| Total nonaccrual loans | \$ 18,510 | \$ 19,586 | \$ 22,737 | \$ 24,380 | \$ 27,470 |
| Nonaccrual investment securities | 806 | 841 | 872 | 1,154 | 1,065 |
| Property acquired through foreclosure or repossession | 3,644 | 2,612 | 2,338 | 1,974 | 1,974 |
| Total nonperforming assets | \$ 22,960 | \$ 23,039 | \$ 25,947 | \$ 27,508 | \$ 30,509 |

| | | | | | |
|---|---------|---------|---------|---------|--------|
| Total past due loans to total loans | 1.27% | 1.24% | 1.45% | 1.55% | 1.64% |
| Nonperforming assets to total assets | 0.79% | 0.79% | 0.89% | 0.95% | 1.06% |
| Nonaccrual loans to total loans | 0.93% | 0.97% | 1.15% | 1.26% | 1.43% |
| Allowance for loan losses to nonaccrual loans | 154.42% | 143.80% | 123.08% | 113.66% | 99.75% |
| Allowance for loan losses to total loans | 1.43% | 1.40% | 1.42% | 1.43% | 1.43% |

Troubled Debt Restructured Loans

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Accruing troubled debt restructured loans | | | | | |
| Commercial mortgages | \$ 11,736 | \$ 11,812 | \$ 6,176 | \$ 5,813 | \$ 5,566 |
| Other commercial | 4,594 | 2,498 | 2,224 | 1,217 | 540 |
| Residential real estate mortgages | 2,863 | 2,870 | 2,234 | 2,622 | 2,736 |
| Consumer | 509 | 817 | 997 | 1,398 | 858 |
| Accruing troubled debt restructured loans | 19,702 | 17,997 | 11,631 | 11,050 | 9,700 |
| Nonaccrual troubled debt restructured loans | | | | | |
| Commercial mortgages | 1,302 | 1,473 | 986 | 2,238 | — |
| Other commercial | 431 | 213 | 301 | 247 | 228 |
| Residential real estate mortgages | 948 | 823 | 381 | 887 | 336 |
| Consumer | 41 | 43 | 43 | 44 | 45 |
| Nonaccrual troubled debt restructured loans | 2,722 | 2,552 | 1,711 | 3,416 | 609 |
| Total troubled debt restructured loans | \$ 22,424 | \$ 20,549 | \$ 13,342 | \$ 14,466 | \$ 10,309 |

The following tables present average balance and interest rate information. Tax-exempt income is converted to a fully taxable equivalent basis using the statutory federal income tax rate adjusted for applicable state income taxes, net of the related federal tax benefit. For dividends on corporate stocks, the 70% federal dividends received deduction is also used in the calculation of tax equivalency. Unrealized gains (losses) on available for sale securities are excluded from the average balance and yield calculations. Nonaccrual and renegotiated loans, as well as interest earned on these loans (to the extent recognized in the Consolidated Statements of Income) are included in amounts presented for loans.

Washington Trust Bancorp, Inc. and Subsidiaries
CONSOLIDATED AVERAGE BALANCE SHEETS (unaudited)

| Three months ended December 31, | 2010 | | | 2009 | | |
|--|--------------------|-----------|----------------|--------------------|-----------|----------------|
| (Dollars in thousands) | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets | | | | | | |
| Commercial and other loans | \$ 1,044,263 | \$ 13,741 | 5.22% | \$ 983,087 | \$ 12,861 | 5.19% |
| Residential real estate loans, including mortgage loans held for sale | 661,108 | 7,936 | 4.76% | 616,184 | 8,035 | 5.17% |
| Consumer loans | 324,703 | 3,239 | 3.96% | 328,020 | 3,359 | 4.06% |
| Total loans | 2,030,074 | 24,916 | 4.87% | 1,927,291 | 24,255 | 4.99% |
| Cash, federal funds sold and other short-term investments | 49,381 | 26 | 0.21% | 22,222 | 11 | 0.19% |
| FHLBB stock | 42,008 | — | —% | 42,008 | — | —% |
| Taxable debt securities | 492,684 | 4,709 | 3.79% | 616,206 | 6,358 | 4.09% |
| Nontaxable debt securities | 79,457 | 1,154 | 5.76% | 80,501 | 1,164 | 5.74% |
| Corporate stocks | 2,512 | 47 | 7.52% | 4,013 | 77 | 7.58% |
| Total securities | 574,653 | 5,910 | 4.08% | 700,720 | 7,599 | 4.30% |
| Total interest-earning assets | 2,696,116 | 30,852 | 4.54% | 2,692,241 | 31,865 | 4.70% |
| Non interest-earning assets | 216,654 | | | 194,800 | | |
| Total assets | \$ 2,912,770 | | | \$ 2,887,041 | | |
| Liabilities and shareholders' equity | | | | | | |
| NOW accounts | \$ 245,857 | \$ 74 | 0.12% | \$ 189,185 | \$ 85 | 0.18% |
| Money market accounts | 414,425 | 357 | 0.34% | 392,156 | 806 | 0.82% |
| Savings accounts | 211,513 | 72 | 0.14% | 190,770 | 108 | 0.22% |
| Time deposits | 951,545 | 3,962 | 1.65% | 948,544 | 6,034 | 2.52% |
| FHLBB advances | 479,703 | 4,993 | 4.13% | 614,909 | 6,739 | 4.35% |
| Junior subordinated debentures | 32,991 | 428 | 5.15% | 32,991 | 444 | 5.33% |
| Other | 21,965 | 245 | 4.44% | 20,879 | 246 | 4.68% |
| Total interest-bearing liabilities | 2,357,999 | 10,131 | 1.70% | 2,389,434 | 14,462 | 2.40% |
| Demand deposits | 239,100 | | | 197,327 | | |
| Other liabilities | 46,101 | | | 46,069 | | |
| Shareholders' equity | 269,570 | | | 254,211 | | |
| Total liabilities and shareholders' equity | \$ 2,912,770 | | | \$ 2,887,041 | | |
| Net interest income (FTE) | | \$ 20,721 | | | \$ 17,403 | |
| Interest rate spread | | | 2.84% | | | 2.30% |
| Net interest margin | | | 3.05% | | | 2.56% |

Interest income amounts presented in the preceding table include the following adjustments for taxable equivalency:

(Dollars in thousands)

| Three months ended December 31, | 2010 | 2009 |
|---------------------------------|--------|--------|
| Commercial and other loans | \$ 70 | \$ 48 |
| Nontaxable debt securities | 385 | 387 |
| Corporate stocks | 13 | 22 |
| Total | \$ 468 | \$ 457 |

Washington Trust Bancorp, Inc. and Subsidiaries
CONSOLIDATED AVERAGE BALANCE SHEETS (unaudited)

| Years ended December 31, | 2010 | | | 2009 | | |
|--|--------------------|-----------|----------------|--------------------|-----------|----------------|
| (Dollars in thousands) | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets | | | | | | |
| Commercial and other loans | \$ 1,019,304 | \$ 53,628 | 5.26% | \$ 941,833 | \$ 50,092 | 5.32% |
| Residential real estate loans, including mortgage loans held for sale | 634,735 | 31,609 | 4.98% | 629,035 | 33,410 | 5.31% |
| Consumer loans | 327,770 | 13,062 | 3.98% | 323,576 | 13,494 | 4.17% |
| Total loans | 1,981,809 | 98,299 | 4.96% | 1,894,444 | 96,996 | 5.12% |
| Cash, federal funds sold and other short-term investments | 41,407 | 85 | 0.21% | 20,201 | 50 | 0.25% |
| FHLBB stock | 42,008 | — | —% | 42,008 | — | —% |
| Taxable debt securities | 553,531 | 21,824 | 3.94% | 694,248 | 29,423 | 4.24% |
| Nontaxable debt securities | 79,491 | 4,618 | 5.81% | 80,629 | 4,662 | 5.78% |
| Corporate stocks | 3,595 | 274 | 7.60% | 4,420 | 339 | 7.68% |
| Total securities | 636,617 | 26,716 | 4.20% | 779,297 | 34,424 | 4.42% |
| Total interest-earning assets | 2,701,841 | 125,100 | 4.63% | 2,735,950 | 131,470 | 4.81% |
| Non interest-earning assets | 213,644 | | | 185,345 | | |
| Total assets | \$ 2,915,485 | | | \$ 2,921,295 | | |
| Liabilities and shareholders' equity | | | | | | |
| NOW accounts | \$ 220,875 | \$ 268 | 0.12% | \$ 181,171 | \$ 327 | 0.18% |
| Money market accounts | 403,489 | 1,918 | 0.48% | 375,175 | 3,960 | 1.06% |
| Savings accounts | 205,767 | 318 | 0.15% | 187,862 | 530 | 0.28% |
| Time deposits | 955,222 | 17,808 | 1.86% | 957,449 | 27,821 | 2.91% |
| FHLBB advances | 547,974 | 22,786 | 4.16% | 687,210 | 28,172 | 4.10% |
| Junior subordinated debentures | 32,991 | 1,989 | 6.03% | 32,991 | 1,947 | 5.90% |
| Other | 21,321 | 976 | 4.58% | 21,476 | 981 | 4.57% |
| Total interest-bearing liabilities | 2,387,639 | 48,063 | 1.93% | 2,443,334 | 63,738 | 2.61% |
| Demand deposits | 221,350 | | | 187,800 | | |
| Other liabilities | 41,804 | | | 44,712 | | |
| Shareholders' equity | 264,692 | | | 245,449 | | |
| Total liabilities and shareholders' equity | \$ 2,915,485 | | | \$ 2,921,295 | | |
| Net interest income (FTE) | | \$ 79,037 | | | \$ 67,732 | |
| Interest rate spread | | | 2.70% | | | 2.20% |
| Net interest margin | | | 2.93% | | | 2.48% |

Interest income amounts presented in the preceding table include the following adjustments for taxable equivalency:

(Dollars in thousands)

| Years ended December 31, | 2010 | 2009 |
|----------------------------|----------|----------|
| Commercial and other loans | \$ 229 | \$ 200 |
| Nontaxable debt securities | 1,541 | 1,546 |
| Corporate stocks | 76 | 94 |
| Total | \$ 1,846 | \$ 1,840 |

Washington Trust Bancorp, Inc. and Subsidiaries
SUPPLEMENTAL INFORMATION – Non-GAAP Financial Measures (unaudited)

| (Dollars in thousands, except per share amounts) | At or for the Quarters Ended | | | | |
|--|------------------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 |
| Calculation of tangible book value per share | | | | | |
| Total shareholders' equity at end of period | \$ 268,864 | \$ 267,109 | \$ 265,411 | \$ 259,529 | \$ 254,946 |
| Less: | | | | | |
| Goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,852 | 8,089 | 8,362 | 8,652 | 8,943 |
| Total tangible shareholders' equity at end of period | \$ 202,898 | \$ 200,906 | \$ 198,935 | \$ 192,763 | \$ 187,889 |
| Shares outstanding at end of period | 16,171.6 | 16,135.4 | 16,120.7 | 16,079.1 | 16,042.6 |
| Book value per share – GAAP | \$ 16.63 | \$ 16.55 | \$ 16.46 | \$ 16.14 | \$ 15.89 |
| Tangible book value per share – Non-GAAP | \$ 12.55 | \$ 12.45 | \$ 12.34 | \$ 11.99 | \$ 11.71 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Calculation of tangible equity to tangible assets | | | | | |
| Total tangible shareholders' equity at end of period | \$ 202,898 | \$ 200,906 | \$ 198,935 | \$ 192,763 | \$ 187,889 |
| Total assets at end of period | \$ 2,909,525 | \$ 2,909,003 | \$ 2,929,853 | \$ 2,896,425 | \$ 2,884,473 |
| Less: | | | | | |
| Goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,852 | 8,089 | 8,362 | 8,652 | 8,943 |
| Total tangible assets at end of period | \$ 2,843,559 | \$ 2,842,800 | \$ 2,863,377 | \$ 2,829,659 | \$ 2,817,416 |
| Equity to assets - GAAP | 9.24% | 9.18% | 9.06% | 8.96% | 8.84% |
| Tangible equity to tangible assets – Non-GAAP | 7.14% | 7.07% | 6.95% | 6.81% | 6.67% |

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Calculation of return on average tangible assets | | | | | |
| Net income | \$ 7,211 | \$ 6,370 | \$ 5,298 | \$ 5,172 | \$ 4,748 |
| Total average assets | \$ 2,912,770 | \$ 2,931,816 | \$ 2,920,838 | \$ 2,896,156 | \$ 2,887,041 |
| Less: | | | | | |
| Average goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,967 | 8,216 | 8,503 | 8,794 | 9,084 |
| Total average tangible assets | \$ 2,846,689 | \$ 2,865,486 | \$ 2,854,221 | \$ 2,829,248 | \$ 2,819,843 |
| Return on average assets - GAAP | 0.99% | 0.87% | 0.73% | 0.71% | 0.66% |
| Return on average tangible assets – Non-GAAP | 1.01% | 0.89% | 0.74% | 0.73% | 0.67% |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Calculation of return on average tangible equity | | | | | |
| Net income | \$ 7,211 | \$ 6,370 | \$ 5,298 | \$ 5,172 | \$ 4,748 |
| Total average shareholders' equity | \$ 269,570 | \$ 267,431 | \$ 263,138 | \$ 258,478 | \$ 254,211 |
| Less: | | | | | |
| Average goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,967 | 8,216 | 8,503 | 8,794 | 9,084 |
| Total average tangible shareholders' equity | \$ 203,489 | \$ 201,101 | \$ 196,521 | \$ 191,570 | \$ 187,013 |
| Return on average shareholders' equity - GAAP | 10.70% | 9.53% | 8.05% | 8.00% | 7.47% |
| Return on average tangible shareholders' equity – Non-GAAP | 14.17% | 12.67% | 10.78% | 10.80% | 10.16% |

Washington Trust Bancorp, Inc. and Subsidiaries
SUPPLEMENTAL INFORMATION – Non-GAAP Financial Measures (unaudited)

| | For the Years Ended | |
|---|---------------------|------------------|
| | Dec. 31, 2010 | Dec. 31, 2009 |
| (Dollars in thousands) | | |
| Calculation of return on average tangible assets | | |
| Net income | \$ 24,051 | \$ 16,096 |
| Total average assets | \$ 2,915,485 | \$ 2,921,295 |
| Less: | | |
| Average goodwill | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 8,368 | 9,533 |
| Total average tangible assets | \$ 2,849,003 | \$ 2,853,648 |
| Return on average assets - GAAP | 0.82% | 0.55% |
| Return on average tangible assets – Non-GAAP | 0.84% | 0.56% |

| | | |
|--|------------|------------|
| Calculation of return on average tangible equity | | |
| Net income | \$ 24,051 | \$ 16,096 |
| Total average shareholders' equity | \$ 264,692 | \$ 245,449 |
| Less: | | |
| Average goodwill | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 8,368 | 9,533 |
| Total average tangible shareholders' equity | \$ 198,210 | \$ 177,802 |
| Return on average shareholders' equity - GAAP | 9.09% | 6.56% |
| Return on average tangible shareholders' equity – Non-GAAP | 12.13% | 9.05% |