UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **MARCH 31, 2006** or

☐Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ______ to ______.

Commission file number: 000-13091

WASHINGTON TRUST BANCORP, INC.

(Exact name of registrant as specified in its charter)

RHODE ISLAND (State or other jurisdiction of incorporation or organization)	**05-0404671** (I.R.S. Employer Identification No.)
23 BROAD STREET **WESTERLY, RHODE ISLAND** (Address of principal executive offices)	**02891** (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☒Yes ☐No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Mark one):
Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐Yes ☒No

The number of shares of common stock of the registrant outstanding as of April 30, 2006 was 13,423,890.

FORM 10-Q
WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
For the Quarter Ended March 31, 2006

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This report 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. The actual results, performance or achievements of the Corporation could differ materially from those projected in the forward-looking statements as a result, among other factors, of changes in general national or regional economic conditions, changes in interest rates, reductions in the market value of wealth management and trust assets under administration, reductions in loan demand, reductions in deposit levels necessitating increased borrowing to fund loans and investments, changes in loan default and charge-off rates, changes in the size and nature of the Corporation’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. The Corporation assumes no obligation to update forward-looking statements or update the reasons actual results, performance or achievements could differ materially from those provided in the forward-looking statements, except as required by law.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES **(Dollars in thousands)**

CONSOLIDATED BALANCE SHEETS

	(Unaudited) March 31, 2006	December 31, 2005
Assets:		
Cash and due from banks	$ 42,781	$ 48,997
Federal funds sold and other short-term investments	29,794	17,166
Mortgage loans held for sale	2,211	439
Securities:		
Available for sale, at fair value; amortized cost $627,902 in 2006 and $620,638 in 2005	621,516	619,234
Held to maturity, at cost; fair value $161,571 in 2006 and $162,756 in 2005	165,158	164,707
Total securities	786,674	783,941
Federal Home Loan Bank stock, at cost	34,966	34,966
Loans:		
Commercial and other	558,826	554,734
Residential real estate	591,409	582,708
Consumer	268,547	264,466
Total loans	1,418,782	1,401,908
Less allowance for loan losses	18,247	17,918
Net loans	1,400,535	1,383,990
Premises and equipment, net	24,106	23,737
Accrued interest receivable	11,238	10,594
Investment in bank-owned life insurance	30,639	30,360
Goodwill	39,963	39,963
Identifiable intangible assets, net	14,004	14,409
Other assets	15,854	13,441
Total assets	$ 2,432,765	$ 2,402,003
Liabilities:		
Deposits:		
Demand deposits	$ 181,345	$ 196,102
NOW accounts	179,027	178,677
Money market accounts	227,433	223,255
Savings accounts	202,395	212,499
Time deposits	870,420	828,725
Total deposits	1,660,620	1,639,258
Dividends payable	2,551	2,408
Federal Home Loan Bank advances	556,051	545,323
Junior subordinated debentures	22,681	22,681
Other borrowings	6,108	9,774
Accrued expenses and other liabilities	24,874	24,113
Total liabilities	2,272,885	2,243,557
Shareholders' Equity:		
Common stock of $.0625 par value; authorized 30,000,000 shares; issued 13,425,573 shares in 2006 and 13,372,295 in 2005	839	836
Paid-in capital	34,006	32,778
Retained earnings	130,257	126,735
Accumulated other comprehensive loss	(4,903)	(1,653)
Treasury stock, at cost; 12,843 shares in 2006 and 10,519 shares in 2005	(319)	(250)
Total shareholders' equity	159,880	158,446
Total liabilities and shareholders' equity	$ 2,432,765	$ 2,402,003

The accompanying notes are an integral part of these consolidated financial statements.

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WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

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

Three Months Ended March 31,		(Unaudited) 2006		2005
Interest income:				
Interest and fees on loans	$	21,897	$	17,825
Interest on securities:				
Taxable		8,412		8,434
Nontaxable		328		185
Dividends on corporate stock and Federal Home Loan Bank stock		677		619
Interest on federal funds sold and other short-term investments		115		55
Total interest income		31,429		27,118
Interest expense:				
Deposits		10,238		6,932
Federal Home Loan Bank advances		5,359		5,549
Junior subordinated debentures		338		-
Other		79		16
Total interest expense		16,014		12,497
Net interest income		15,415		14,621
Provision for loan losses		300		300
Net interest income after provision for loan losses		15,115		14,321
Noninterest income:				
Wealth management and trust services		5,882		3,212
Service charges on deposit accounts		1,119		1,011
Merchant processing fees		1,047		778
Income from bank-owned life insurance		279		272
Net gains on loan sales		276		487
Net realized gains on securities		59		-
Other income		858		319
Total noninterest income		9,520		6,079
Noninterest expense:				
Salaries and employee benefits		9,619		7,459
Net occupancy		954		853
Equipment		799		882
Merchant processing costs		887		636
Outsourced services		518		413
Advertising and promotion		437		303
Legal, audit and professional fees		376		392
Amortization of intangibles		405		147
Other		1,709		1,359
Total noninterest expense		15,704		12,444
Income before income taxes		8,931		7,956
Income tax expense		2,858		2,546
Net income	$	6,073	$	5,410
Weighted average shares outstanding - basic		13,386.8		13,282.7
Weighted average shares outstanding - diluted		13,698.6		13,617.3
Per share information:				
Basic earnings per share	$	0.45	$	0.41
Diluted earnings per share	$	0.44	$	0.40
Cash dividends declared per share	$	0.19	$	0.18

The accompanying notes are an integral part of these consolidated financial statements.

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WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES **(Dollars in thousands)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31,	(Unaudited) 2006	2005
Cash flows from operating activities:		
Net income	6,073	$ 5,410
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	300	300
Depreciation of premises and equipment	729	758
Net amortization of premium and discount	416	603
Net amortization of intangibles	405	147
Share-based compensation	181	70
Earnings from bank-owned life insurance	(279)	(272)
Net gains on loan sales	(276)	(487)
Net realized gains on securities	(59)	-
Proceeds from sales of loans	6,819	12,244
Loans originated for sale	(8,364)	(12,797)
Increase in accrued interest receivable, excluding purchased interest	(567)	(357)
(Increase) decrease in other assets	(681)	11
Increase (decrease) in accrued expenses and other liabilities	761	(598)
Other, net	(69)	23
Net cash provided by operating activities	5,389	5,055
Cash flows from investing activities:		
Purchases of: Investment securities available for sale	(18,608)	(4,233)
Mortgage backed securities available for sale	(12,851)	(15,000)
Investment securities held to maturity	(6,141)	(5,552)
Mortgage backed securities held to maturity	-	(17,505)
Proceeds from sale of: Investment securities available for sale	193	-
Maturities and principal payments of: Investment securities available for sale	-	22,000
Mortgage backed securities available for sale	23,787	26,719
Investment securities held to maturity	1,335	330
Mortgage backed securities held to maturity	4,291	6,849
Purchase of Federal Home Loan Bank stock	-	(593)
Principal collected on loans under loan originations	(349)	(13,296)
Purchases of loans, including purchased interest	(16,616)	(31,323)
Purchases of premises and equipment	(1,098)	(312)
Net cash used in investing activities	(26,057)	(31,916)
Cash flows from financing activities:		
Net increase in deposits	21,363	71,165
Net decrease in other borrowings	(3,666)	(882)
Proceeds from Federal Home Loan Bank advances	160,204	205,112
Repayment of Federal Home Loan Bank advances	(149,463)	(237,967)
Purchases of treasury stock, net	(69)	29
Proceeds from the issuance of common stock under dividend reinvestment plan	313	-
Proceeds from the exercise of share options	605	108
Tax benefit from share option exercises	201	-
Cash dividends paid	(2,408)	(2,257)
Net cash provided by financing activities	27,080	35,308
Net increase (decrease) in cash and cash equivalents	6,412	8,447
Cash and cash equivalents at beginning of year	66,163	52,081
Cash and cash equivalents at end of period	$ 72,575	$ 60,528
Noncash Investing and Financing Activities: Loans charged off	$ 38	$ 104
Supplemental Disclosures: Interest payments	14,727	12,340
Income tax payments (refunds)	240	(9)

The accompanying notes are an integral part of these consolidated financial statements.

General
Washington Trust Bancorp, Inc. (the “Bancorp”) is a publicly-owned registered bank holding company and financial holding company. The Bancorp owns all of the outstanding common stock of The Washington Trust Company (the “Bank”), a Rhode Island chartered commercial bank founded in 1800. Through its subsidiaries, the Bancorp offers a complete product line of financial services to individuals and businesses including commercial, residential and consumer lending, retail and commercial deposit products, and wealth management and trust services through its branch offices in Rhode Island, Massachusetts and southeastern Connecticut, ATMs, and its Internet web site (www.washtrust.com).

(1) Basis of Presentation
The consolidated financial statements include the accounts of the Bancorp and its subsidiaries (collectively, the “Corporation” or “Washington Trust”). All significant intercompany transactions have been eliminated. Certain prior year amounts have been reclassified to conform to the current year classification. Such reclassifications have no effect on previously reported net income or shareholders’ equity.

The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America (“GAAP”) and to general practices of the banking industry. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to change are the determination of the allowance for loan losses and the review of goodwill and other intangible assets for impairment.

In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) and disclosures necessary to present fairly the Corporation’s financial position as of March 31, 2006 and December 31, 2005, respectively, and the results of operations and cash flows for the interim periods presented. The unaudited consolidated financial statements of the Corporation presented herein have been prepared pursuant to the rules of the Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in Washington Trust’s Annual Report on Form 10-K for the year ended December 31, 2005.

(2) New Accounting Pronouncements
In May 2005, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 154, “Accounting Changes and Error Corrections”. SFAS No 154 replaces Accounting Principles Board (“APB”) Opinion No. 20, “Accounting Changes”, and FASB Statement No. 3, “Reporting Accounting Changes in Interim Financial Statements”, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. APB Opinion 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This Statement requires retrospective application to prior periods’ financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. This Statement defines retrospective application as the application of a different accounting principle to prior accounting periods as if that principle had always been used or as the adjustment of previously issued financial statements to reflect a change in the reporting entity. This Statement also redefines restatement as the revising of previously issued financial statements to reflect the correction of an error. This Statement requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. This Statement carries forward without change the guidance contained in APB Opinion 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. This Statement also carries forward the guidance in APB Opinion 20 requiring justification of a change in accounting principle on the basis of preferability. This Statement was effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of SFAS No. 154 did not have a material impact on the Corporation’s financial position or results of operations.

In November 2005, the FASB issued FASB Staff Position (FSP) 115-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." This FSP provides additional guidance on when an investment in a debt or equity security should be considered impaired, and when that impairment should be considered other-than-temporary and recognized as a loss in earnings. Specifically, the guidance clarifies that an investor should recognize an impairment loss no later than when the impairment is deemed other-than-temporary, even if a decision to sell has not been made. The FSP also requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. This FSP was effective for reporting periods beginning after December 15, 2005. The adoption of FSP 115-1 did not have a material impact on the Corporation's financial position or results of operations.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140." This Statement eliminates the exemption from applying SFAS No. 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. This Statement also allows a preparer to elect fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a remeasurement event, on an instrument-by-instrument basis, in cases in which a derivative would otherwise have to be bifurcated. SFAS No. 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. Provisions of this Statement may be applied to instruments that an entity holds at the date of adoption on an instrument-by-instrument basis. Prior periods should not be restated. The Corporation believes the adoption of SFAS No. 155 will not have a material impact on the Corporation's financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140." This Statement requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value. SFAS No. 156 permits, but does not require, the subsequent measurement of servicing assets and servicing liabilities at fair value. An entity that used derivative instruments to mitigate the risks inherent in servicing assets and servicing liabilities is required to account for those derivative instruments at fair value. SFAS No. 156 is effective as of the beginning of the first fiscal year that begins after September 15, 2006. The Corporation believes the adoption of SFAS No. 156 will not have a material impact on the Corporation's financial position or results of operations.

(3) Share-Based Compensation Arrangements

Washington Trust has three share-based compensation plans, which are described below. Effective January 1, 2006, the fair value recognition provisions of SFAS 123R, "Share-Based Payment", were adopted on a modified prospective basis. Prior to this date, the provisions of APB No. 25 and related interpretations were applied for option grant accounting.

In the Corporation's consolidated financial statements for the three months ended March 31, 2005, the following pro forma net income and earnings per share information was disclosed in accordance with SFAS No. 123 and SFAS No. 148:

(Dollars in thousands, except per share amounts)

Three months ended March 31,			2005
Net income	As reported	$	5,410
Less total share-based compensation determined under the fair value method for all awards, net of tax			(138)
Pro forma		$	5,272
Basic earnings per share	As reported	$	0.41
Pro forma		$	0.40
Diluted earnings per share	As reported	$	0.40
Pro forma		$	0.39

The Bancorp's 2003 Stock Incentive Plan, as amended (the "2003 Plan"), which is shareholder approved, permits the granting of share options and other equity incentives to officers, employees, directors, and other key persons. Up to

600,000 shares of the Bancorp’s common stock may be used from authorized but unissued shares, treasury stock, shares reacquired by the Corporation, or shares available from expired or terminated awards. No more than 200,000 shares may be issued in the form of awards other than share options or stock appreciation rights. Share options are designated as either non-qualified or incentive share options. Incentive share option awards may be granted at any time until February 20, 2013.

The Bancorp’s 1997 Equity Incentive Plan, as amended (the “1997 Plan”), which is shareholder approved, permits the granting of share options and other equity incentives to key employees, directors, advisors, and consultants. Up to 1,012,500 shares of the Bancorp’s common stock may be used from authorized but unissued shares, treasury stock, shares reacquired by the Corporation, or shares available from expired or terminated awards. Share options are designated as either non-qualified or incentive share options. Incentive share option awards may be granted at any time until April 29, 2007.

The Amended and Restated 1988 Stock Option Plan (the “1988 Plan”), which was shareholder approved, provided for the granting of share options to directors, officers and key employees. The 1988 Plan permitted share options to be granted at any time until December 31, 1997. The 1988 Plan provided for shares of the Bancorp’s common stock to be used from authorized but unissued shares, treasury stock, or shares available from expired awards. Share options were designated as either non-qualified or incentive share options.

The 1988 Plan, the 1997 Plan and the 2003 Plan (collectively, “the Plans”) permit options to be granted with stock appreciation rights ("SARs"), however, no share options have been granted with SARs. Pursuant to the Plans, the exercise price of each share option may not be less than fair market value of the common stock on the date of the grant. In general, the share option price is payable in cash, by the delivery of shares of common stock already owned by the grantee, or a combination thereof. Nonvested share units and shares are valued at the fair market value of the common stock as of the award date. No option, share unit or share awards made prior to January 1, 2003 had requisite vesting periods remaining as of January 1, 2006. Share options awarded during 2003, 2004 and 2005 were granted with a variety of vesting terms including immediate vesting, graded vesting over three-year periods and cliff vesting over three-year periods. Nonvested share units or shares awarded during 2004 and 2005 were granted with vesting terms ranging from two to five years. Share option and share awards provide for accelerated vesting if there is a change in control (as defined in the Plans).

No share options, nonvested share units or nonvested shares were awarded during the three-month periods ended March 31, 2006 and 2005.

For the three months ended March 31, 2006 and 2005, the Corporation recognized share-based compensation expense (for share option, nonvested share unit and nonvested share awards) of $181 thousand and $70 thousand, respectively. The amount of related income tax benefit recognized for the three months ended March 31, 2006 and 2005, totaled $51 thousand and $24 thousand, respectively.

A summary of share option activity under the Plans as of March 31, 2006, and changes during the three months ended March 31, 2006, is presented below:

(Dollars in thousands)	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2006	1,198,111	$ 20.31	-	-
Granted	-	-	-	-
Exercised	50,181	15.11	-	-
Forfeited or expired	1,483	26.78	-	-
Outstanding at March 31, 2006	1,146,447	$ 20.53	6.0 years	$ 8,655
Exercisable at March 31, 2006	1,029,113	$ 20.36	5.9 years	$ 7,950

The total intrinsic value of share options exercised during the three months ended March 31, 2006 was $598 thousand.

A summary of the status of Washington Trust's nonvested shares as of March 31, 2006, and changes during the three months ended March 31, 2006, is presented below:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2006	55,850	$ 24.77
Granted	-	-
Vested	-	-
Forfeited	(200)	23.61
Nonvested at March 31, 2006	55,650	$ 24.78

As of March 31, 2006, there was $902 thousand of total unrecognized compensation cost related to nonvested share-based compensation arrangements (including share option and nonvested share awards) granted under the Plans. That cost is expected to be recognized over a weighted average period of 2.0 years.

(4) Securities
Securities available for sale are summarized as follows:

(Dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2006				
U.S. Treasury obligations and obligations				
of U.S. government-sponsored agencies	$ 123,148	$ 404	$ (1,497)	$ 122,055
Mortgage-backed securities	425,857	866	(12,424)	414,299
Corporate bonds	63,562	273	(662)	63,173
Corporate stocks	15,335	6,831	(177)	21,989
Total	627,902	8,374	(14,760)	621,516
December 31, 2005				
U.S. Treasury obligations and obligations				
of U.S. government-sponsored agencies	107,135	1,332	(816)	107,651
Mortgage-backed securities	436,142	1,019	(8,987)	428,174
Corporate bonds	63,565	346	(716)	63,195
Corporate stocks	13,796	6,573	(155)	20,214
Total	$ 620,638	$ 9,270	$ (10,674)	$ 619,234

WASHINGTON TRUST BANCORP INC. AND SUBSIDIARIES **(Continued)**
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Securities held to maturity are summarized as follows:

(Dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2006				
U.S. Treasury obligations and obligations of U.S. government-sponsored agencies	$ 47,250	$ -	$ (890)	$ 46,360
Mortgage-backed securities	80,614	557	(2,344)	78,827
States and political subdivisions	37,294	39	(949)	36,384
Total	165,158	596	(4,183)	161,571
December 31, 2005				
U.S. Treasury obligations and obligations of U.S. government-sponsored agencies	47,250	-	(797)	46,453
Mortgage-backed securities	84,960	768	(1,527)	84,201
States and political subdivisions	32,497	72	(467)	32,102
Total	$ 164,707	$ 840	$ (2,791)	$ 162,756

Securities available for sale and held to maturity with a fair value of $566.5 million and $564.3 million were pledged in compliance with state regulations concerning trust powers and to secure Treasury Tax and Loan deposits, borrowings, and certain public deposits at March 31, 2006 and December 31, 2005, respectively. In addition, securities available for sale and held to maturity with a fair value of $12.6 million and $13.8 million were collateralized for the discount window at the Federal Reserve Bank at March 31, 2006 and December 31, 2005, respectively. There were no borrowings with the Federal Reserve Bank at either date. Securities available for sale with a fair value of $2.1 million and $2.2 million were designated in a rabbi trust for a nonqualified retirement plan at March 31, 2006 and December 31, 2005, respectively.

At March 31, 2006 and December 31, 2005, the securities portfolio included $10.0 million and $3.4 million of net pretax unrealized losses, respectively. Included in these net amounts were gross unrealized losses amounting to $18.9 million and $13.5 million at March 31, 2006 and December 31, 2005, respectively.

The following tables summarize, for all securities in an unrealized loss position at March 31, 2006 and December 31, 2005, respectively, the aggregate fair value and gross unrealized loss by length of time those securities have been continuously in an unrealized loss position.

(Dollars in thousands)	Less than 12 Months			12 Months or Longer			Total		
At March 31, 2006	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses
U.S. Treasury obligations and obligations of U.S. government-sponsored agencies	16	$ 88,905	$ 1,507	6	$ 43,370	$ 880	22	$132,275	$ 2,387
Mortgage-backed securities	43	144,104	2,993	62	267,752	11,775	105	411,856	14,768
States and political subdivisions	43	26,876	784	7	4,027	165	50	30,903	949
Corporate bonds	5	13,176	153	10	28,247	509	15	41,423	662
Subtotal, debt securities	107	273,061	5,437	85	343,396	13,329	192	616,457	18,766
Corporate stocks	8	6,095	155	1	489	22	9	6,584	177
Total temporarily impaired securities	115	$279,156	$ 5,592	86	$343,885	$ 13,351	201	$623,041	$ 18,943

(Dollars in thousands)	Less than 12 Months			12 Months or Longer			Total		
At December 31, 2005	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses
U.S. Treasury obligations and obligations of U.S. government-sponsored agencies	12	$ 70,586	$ 827	6	$ 43,464	$ 786	18	$114,050	$ 1,613
Mortgage-backed securities	56	178,688	2,565	47	238,844	7,949	103	417,532	10,514
States and political subdivisions	33	19,129	349	5	3,557	118	38	22,686	467
Corporate bonds	5	10,929	75	9	25,019	641	14	35,948	716
Subtotal, debt securities	106	279,332	3,816	67	310,884	9,494	173	590,216	13,310
Corporate stocks	6	2,617	126	1	483	28	7	3,100	155
Total temporarily impaired securities	112	$281,949	$ 3,942	68	$311,367	$ 9,522	180	$593,316	$ 13,465

For those debt securities whose amortized cost exceeds fair value, the primary cause is related to interest rates. The majority of debt securities reported in an unrealized loss position at March 31, 2006 were purchased during 2005, 2004 and 2003, during which time interest rates were at or near historical lows. The relative increase in short and medium term interest rates towards the end of 2005 resulted in a decline in market value for these debt securities. Other contributing factors for debt securities reported in an unrealized loss position at March 31, 2006 include widening of investment spreads on certain variable rate asset classes, which have resulted in relative declines in market value compared to amortized cost. The Corporation believes that the nature and duration of impairment on its debt security holdings are primarily a function of future interest rate movements and changes in investment spreads, and does not consider full repayment of principal on the reported debt obligations to be at risk. The debt securities in an unrealized loss position at March 31, 2006 consisted of 192 debt security holdings. The largest loss percentage of any single holding was 7.90% of its amortized cost.

Causes of conditions whereby the fair value of corporate stock equity securities is less than cost include the timing of purchase and changes in valuation specific to individual industries or issuers. The relationship between the level of market interest rate and the dividend rates paid on individual equity securities may also be a contributing factor. The Corporation believes that th nature and duration of impairment on its equity securities holdings are considered to be a function of general financial marke movements and industry conditions. The equity securities in an unrealized loss position at March 31, 2006 consisted of nin holdings of financial and commercial entities. The largest loss percentage position of any single holding was 7.13% of its cost.

(5) Loan Portfolio
The following is a summary of loans:

(Dollars in thousands)	March 31, 2006 Amount	%	December 31, 2005 Amount	%
Commercial:				
Mortgages (1)	$ 277,851	20%	$ 291,292	21%
Construction and development (2)	35,599	3%	37,190	3%
Other (3)	245,376	17%	226,252	16%
Total commercial	558,826	40%	554,734	40%
Residential real estate:				
Mortgages (4)	573,262	40%	565,680	40%
Homeowner construction	18,147	2%	17,028	2%
Total residential real estate	591,409	42%	582,708	42%
Consumer				
Home equity lines	157,769	11%	161,100	11%
Home equity loans	76,107	5%	72,288	5%
Other	34,671	2%	31,078	2%
Total consumer	268,547	18%	264,466	18%
Total loans (5)	$ 1,418,782	100%	$ 1,401,908	100%

(1) Amortizing mortgages, primarily secured by income producing property.
(2) Loans for construction of residential and commercial properties and for land development.
(3) Loans to businesses and individuals, a substantial portion of which are fully or partially collateralized by real estate.
(4) A substantial portion of these loans is used as qualified collateral for FHLB borrowings (See Note 9 for additional discussion of FHLB borrowings).
(5) Net of unamortized loan origination fees, net of costs, totaling $411 thousand and $373 thousand at March 31, 2006 and December 31, 2005, respectively. Also includes $597 thousand and $753 thousand of premium, net of discount, on purchased loans at March 31, 2006 and December 31, 2005, respectively.

(6) Allowance For Loan Losses
The following is an analysis of the allowance for loan losses:

(Dollars in thousands)

Three months ended March 31,	2006	2005
Balance at beginning of period	$ 17,918	$ 16,771
Provision charged to expense	300	300
Subtotal	18,218	17,071
Charge-offs	(38)	(104)
Recoveries	67	91
Net recoveries (charge-offs)	29	(13)
Balance at end of period	$ 18,247	$ 17,058
Allowance for loan losses to total loans	1.29%	1.32%

(7) Goodwill and Other Intangibles
The changes in the carrying value of goodwill and other intangible assets for the three months ended March 31, 2006 are as follows:

Goodwill

(Dollars in thousands)	Commercial Banking Segment	Wealth Management Service Segment	Total
Balance at December 31, 2005	$ 22,591	$ 17,372	$ 39,963
Goodwill acquired during the period	-	-	-
Impairment recognized	-	-	-
Balance at March 31, 2006	$ 22,591	$ 17,372	$ 39,963

Other Intangible Assets

	Core Deposit Intangible	Advisory Contracts	Non-compete Agreements	Total
Balance at December 31, 2005	$ 911	$ 13,220	$ 278	$ 14,409
Amortization	65	328	12	405
Balance at March 31, 2006	$ 846	$ 12,892	$ 266	$ 14,004

Amortization of intangible assets for the three months ended March 31, 2006, totaled $405 thousand. Estimated annual amortization expense of current intangible assets with finite useful lives, absent any impairment or change in estimated useful lives, is summarized below.

(Dollars in thousands)

	Core Deposits	Advisory Contracts	Non-compete Agreements	Total
Estimated amortization expense:				
2006 (full year)	$ 261	$ 1,283	$ 49	$ 1,593
2007	140	1,194	49	1,383
2008	120	1,111	49	1,280
2009	120	1,040	49	1,209
2010	120	922	49	1,091

The components of intangible assets at March 31, 2006 are as follows:

(Dollars in thousands)

	Core Deposits	Advisory Contracts	Non-compete Agreements	Total
Gross carrying amount	$ 2,997	$ 13,657	$ 1,147	$ 17,801
Accumulated amortization	2,151	765	881	3,797
Net amount	$ 846	$ 12,892	$ 266	$ 14,004

(8) Financial Instruments With Off-Balance Sheet Risk and Derivative Financial Instruments
The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to manage the Corporation’s exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, and commitments to originate and commitments to sell fixed rate mortgage loans. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Corporation’s Consolidated Balance Sheets. The contract or notional amounts of these instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments. The Corporation uses the same credit policies in making commitments and

conditional obligations as it does for on-balance sheet instruments. The contractual and notional amounts of financial instruments with off-balance sheet risk are as follows:

(Dollars in thousands)	March 31, 2006	December 31, 2005
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit:		
Commercial loans	$ 105,347	$ 105,971
Home equity lines	178,456	174,073
Other loans	13,578	17,271
Standby letters of credit	10,629	10,986
Financial instruments whose notional amounts exceed the amount of credit risk:		
Forward loan commitments:		
Commitments to originate fixed rate mortgage loans to be sold	3,146	2,188
Commitments to sell fixed rate mortgage loans	5,357	2,626

Commitments to Extend Credit
Commitments to extend credit are agreements to lend to a customer as long as there are no violations of any conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained is based on management's credit evaluation of the borrower.

Standby Letters of Credit
Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. Under the standby letters of credit, the Corporation is required to make payments to the beneficiary of the letters of credit upon request by the beneficiary contingent upon the customer's failure to perform under the terms of the underlying contract with the beneficiary. Standby letters of credit extend up to five years. At March 31, 2006 and December 31, 2005, the maximum potential amount of undiscounted future payments, not reduced by amounts that may be recovered, totaled $10.6 million and $11.0 million, respectively. At March 31, 2006 and December 31, 2005, there was no liability to beneficiaries resulting from standby letters of credit.

At March 31, 2006, a substantial portion of the standby letters of credit were supported by pledged collateral. The collateral obtained is determined based on management's credit evaluation of the customer. Should the Corporation be required to make payments to the beneficiary, repayment from the customer to the Corporation is required.

Forward Loan Commitments
Commitments to originate and commitments to sell fixed rate mortgage loans are derivative financial instruments. Accordingly, the fair value of these commitments is recognized in other assets on the balance sheet and changes in fair value of such commitments are recorded in current earnings in the income statement. The carrying value of such commitments as of March 31, 2006 and December 31, 2005 and the respective changes in fair values for the three months ended March 31, 2006 and 2005 were insignificant.

(9) Borrowings
Federal Home Loan Bank Advances
Advances payable to the Federal Home Loan Bank ("FHLB") are summarized as follows:

(Dollars in thousands)	March 31, 2006	December 31, 2005
FHLB advances	$ 556,051	$ 545,323

In addition to outstanding advances, the Corporation also has access to an unused line of credit amounting to $8.0 million at March 31, 2006 and December 31, 2005. Under agreement with the FHLB, the Corporation is required to maintain qualified collateral, free and clear of liens, pledges, or encumbrances that, based on certain percentages of book and market values, has a value equal to the aggregate amount of the line of credit and outstanding advances ("FHLB borrowings"). The FHLB maintains a security interest in various assets of the Corporation including, but not limited to, residential mortgages loans, U.S. government or agency securities, U.S. government-sponsored agency securities, and amounts maintained on deposit at the FHLB. The Corporation maintained qualified collateral in excess of the amount required to collateralize the line of credit and outstanding advances at March 31, 2006 and December 31, 2005. Included in the collateral were securities available for sale and held to maturity with a fair value of $497.1 million and $498.0 million that were specifically pledged to secure FHLB borrowings at March 31, 2006 and December 31, 2005, respectively. Unless there is an event of default under the agreement with the FHLB, the Corporation may use, encumber or dispose of any portion of the collateral in excess of the amount required to secure FHLB borrowings, except for that collateral that has been specifically pledged.

Junior Subordinated Debentures
In connection with the Weston Financial Group, Inc. ("Weston Financial") acquisition, trust preferred securities totaling $22 million were issued in the third quarter of 2005 by WT Capital Trust I ("Trust I") and WT Capital Trust II ("Trust II"), capital trusts created by the Bancorp. In accordance with FASB Interpretation 46-R, "Consolidation of Variable Interest Entities - Revised", Trust I and Trust II are not consolidated into the Corporation's financial statements; however, the Corporation reflects the amounts of junior subordinated debentures payable to Trust I and Trust II as debt in its financial statements. At March 31, 2006 and December 31, 2005, junior subordinated debentures payable amounted to $22.7 million.

Other Borrowings
The following is a summary of other borrowings:

(Dollars in thousands)	March 31, 2006	December 31, 2005
Treasury, Tax and Loan demand note balance	$ 114	$ 3,794
Deferred acquisition obligations	5,530	5,469
Other	464	511
Other borrowings	$ 6,108	$ 9,774

There were no securities sold under repurchase agreements outstanding at March 31, 2006 and December 31, 2005. Securities sold under repurchase agreements generally mature within 90 days. The securities underlying the agreements are held in safekeeping by the counterparty in the name of the Corporation and are repurchased when the agreement matures. Accordingly, these underlying securities are included in securities available for sale and the obligations to repurchase such securities are reflected as a liability.

(10) Defined Benefit Pension Plans
The Corporation's noncontributory tax-qualified defined benefit pension plan covers substantially all employees. Benefits are based on an employee's years of service and highest 3-year compensation. The plan is funded on a current basis, in compliance with the requirements of the Employee Retirement Income Security Act of 1974, as amended. The Corporation also has non-qualified retirement plans to provide supplemental retirement benefits to certain employees, as defined in the plans.

The actuarial assumptions used for the non-qualified retirement plans are the same as those used for the Corporation's tax-qualified pension plan. The non-qualified retirement plans provide for the designation of assets in rabbi trusts. At March 31, 2006 and December 31, 2005, securities available for sale and other assets designated for this purpose with a carrying value of $2.7 million and $2.8 million, respectively, were included in the Corporation's Consolidated Balance Sheets.

Components of Net Periodic Benefit Costs:

(Dollars in thousands)	Qualified Pension Plan		Non-Qualified Retirement Plans	
Three months ended March 31,	2006	2005	2006	2005
Service cost	$ 517	$ 468	$ 88	$ 77
Interest cost	413	380	116	109
Expected return on plan assets	(450)	(421)	–	–
Amortization of transition asset	(1)	(1)	–	–
Amortization of prior service cost	(9)	7	16	20
Recognized net actuarial loss	79	31	54	113
Net periodic benefit cost	$ 549	$ 464	$ 274	$ 319

Assumptions:
The measurement date and weighted-average assumptions used to determine net periodic benefit cost for the three months ended March 31, 2006 and 2005 were as follows:

	Qualified Pension Plan		Non-Qualified Retirement Plans	
	2006	2005	2006	2005
Measurement date	Sept. 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
Discount rate	5.50%	6.00%	5.50%	6.00%
Expected long-term return on plan assets	8.25%	8.25%	–	–
Rate of compensation increase	4.25%	4.25%	4.25%	4.25%

Employer Contributions:
The Corporation previously disclosed in its financial statements for the year ended December 31, 2005 that it expected to contribute $1.3 million to its qualified pension plan and $326 thousand in benefit payments to its non-qualified retirement plans in 2006. As of March 31, 2006, $1.3 million of contributions have been made to the qualified pension plan and $84 thousand in benefit payments have been made to the non-qualified retirement plans. The Corporation presently anticipates contributing an additional $251 thousand in benefit payments to the non-qualified retirement plans in 2006.

(11) Litigation
The Corporation is involved in various claims and legal proceedings arising out of the ordinary course of business. Management is of the opinion, based on its review with counsel of the development of such matters to date, that the ultimate disposition of such matters will not materially affect the consolidated financial position or results of operations of the Corporation.

(12) Shareholders' Equity

The following table presents the Corporation's and the Bank's actual capital amounts and ratios at March 31, 2006 and December 31, 2005, as well as the corresponding minimum regulatory amounts and ratios:

(Dollars in thousands)	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of March 31, 2006:						
Total Capital (to Risk-Weighted Assets):						
Corporation	$ 152,952	10.72%	$ 114,127	8.00%	$ 142,659	10.00%
Bank	$ 156,154	10.95%	$ 114,055	8.00%	$ 142,569	10.00%
Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	$ 132,116	9.26%	$ 57,063	4.00%	$ 85,595	6.00%
Bank	$ 135,330	9.49%	$ 57,028	4.00%	$ 85,541	6.00%
Tier 1 Capital (to Average Assets): (1)						
Corporation	$ 132,116	5.64%	$ 93,719	4.00%	$ 117,148	5.00%
Bank	$ 135,330	5.78%	$ 93,686	4.00%	$ 117,108	5.00%
As of December 31, 2005:						
Total Capital (to Risk-Weighted Assets):						
Corporation	$ 147,454	10.51%	$ 112,221	8.00%	$ 140,277	10.00%
Bank	$ 151,383	10.80%	$ 112,152	8.00%	$ 140,190	10.00%
Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	$ 127,023	9.06%	$ 56,111	4.00%	$ 84,166	6.00%
Bank	$ 130,962	9.34%	$ 56,076	4.00%	$ 84,114	6.00%
Tier 1 Capital (to Average Assets): (1)						
Corporation	$ 127,023	5.45%	$ 93,285	4.00%	$ 116,606	5.00%
Bank	$ 130,962	5.62%	$ 93,254	4.00%	$ 116,568	5.00%

(1) Leverage ratio

As previously disclosed, in connection with the Weston Financial acquisition, trust preferred securities totaling $22 million were issued in the third quarter of 2005 by Trust I and Trust II, capital trusts created by the Bancorp. In accordance with FASB Interpretation 46-R, "Consolidation of Variable Interest Entities - Revised", Trust I and Trust II are not consolidated into the Corporation's financial statements; however, the Corporation reflects the amounts of junior subordinated debentures payable to Trust I and Trust II as debt in its financial statements. The trust preferred securities qualify as Tier 1 capital.

The Corporation's capital ratios at March 31, 2006 place the Corporation in the "well-capitalized" category according to regulatory standards. On March 1, 2005, the Federal Reserve Board issued a final rule that would retain trust preferred securities in Tier 1 capital of bank holding companies, but with stricter quantitative limits and clearer standards. Under the proposal, after a five-year transition period that would end on March 31, 2009, the aggregate amount of trust preferred securities would be limited to 25% of Tier 1 capital elements, net of goodwill. The Corporation has evaluated the potential impact of such a change on its Tier 1 capital ratio and has concluded that the regulatory capital treatment of the trust preferred securities in the Corporation's total capital ratio would be unchanged.

(13) Comprehensive Income

(Dollars in thousands)

Three months ended March 31,	2006	2005
Net income	$ 6,073	$ 5,410
Unrealized holding losses on securities available for sale, net of tax	(3,211)	(5,873)
Reclassification adjustments for gains arising during the period, net of tax	(39)	-
Total comprehensive income (loss)	$ 2,823	$ (463)

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(14) Earnings Per Share
Basic earnings per share ("EPS") is calculated by dividing net income by the weighted average common stock outstanding, excluding options and other equity instruments. The dilutive effect of options, restricted stock units and other items is calculated using the treasury stock method for purposes of weighted average dilutive shares. Diluted EPS is computed by dividing net income by the average number of common stock and common stock equivalents outstanding.

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

Three months ended March 31,	2006	2005
Net income	$ 6,073	$ 5,410
Weighted average basic shares	13,386.8	13,282.7
Dilutive effect of:		
Options	276.2	316.3
Other	35.6	18.3
Weighted average diluted shares	13,698.6	13,617.3
Earnings per share:		
Basic	$ 0.45	$ 0.41
Diluted	$ 0.44	$ 0.40

(15) Business Segments
Washington Trust segregates financial information in assessing its results among two operating segments: Commercial Banking and Wealth Management Services. The amounts in the Corporate column include activity not related to the segments, such as the investment securities portfolio, wholesale funding activities and administrative units. The Corporate column is not considered to be an operating segment. The methodologies and organizational hierarchies that define the business segments are periodically reviewed and revised. Results may be restated, when necessary, to reflect changes in organizational structure or allocation methodology. The following table presents the statement of operations and total assets for Washington Trust's reportable segments.

Three months ended March 31, 2006 (Dollars in thousands)	Commercial Banking	Wealth Management Services	Corporate	Consolidated Total
Net interest income (expense)	$ 13,142	$ (24)	$ 2,297	$ 15,415
Noninterest income	2,749	6,440	331	9,520
Total income	15,891	6,416	2,628	24,935
Provision for loan losses	300	-	-	300
Depreciation and amortization expense	558	419	157	1,134
Other noninterest expenses	8,315	4,342	1,913	14,570
Total noninterest expenses	9,173	4,761	2,070	16,004
Income before income taxes	6,718	1,655	558	8,931
Income tax expense	2,342	653	(137)	2,858
Net income	$ 4,376	$ 1,002	$ 695	$ 6,073
Total assets at period end	$ 1,499,729	$ 33,145	$ 899,891	$ 2,432,765
Expenditures for long-lived assets	788	254	56	1,098

WASHINGTON TRUST BANCORP INC. AND SUBSIDIARIES **(Continued)**
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2005 (Dollars in thousands)	Commercial Banking	Wealth Management Services	Corporate	Consolidated Total
Net interest income (expense)	$ 12,671	$ (19)	$ 1,969	$ 14,621
Noninterest income	2,574	3,212	293	6,079
Total income	15,245	3,193	2,262	20,700
Provision for loan losses	300	-	-	300
Depreciation and amortization expense	673	178	54	905
Other noninterest expenses	7,842	2,080	1,617	11,539
Total noninterest expenses	8,815	2,258	1,671	12,744
Income before income taxes	6,430	935	591	7,956
Income tax expense (benefit)	2,247	330	(29)	2,546
Net income	$ 4,183	$ 605	$ 620	$ 5,410
Total assets at period end	$ 1,374,597	$ 4,419	$ 963,122	$ 2,342,138
Expenditures for long-lived assets	218	19	75	312

Management uses certain methodologies to allocate income and expenses to the business lines. A funds transfer pricing methodology is used to assign interest income and interest expense to each interest-earning asset and interest-bearing liability on a matched maturity funding basis. Certain indirect expenses are allocated to segments. These include support unit expenses such as technology and processing operations and other support functions. Taxes are allocated to each segment based on the effective rate for the period shown.

Commercial Banking
The Commercial Banking segment includes commercial, commercial real estate, residential and consumer lending activities; mortgage banking, secondary market and loan servicing activities; deposit generation; merchant credit card services; cash management activities; and direct banking activities, which include the operation of ATMs, telephone and internet banking services and customer support and sales.

Wealth Management Services
Wealth Management Services includes asset management services provided for individuals and institutions; personal trust services, including services as executor, trustee, administrator, custodian and guardian; corporate trust services, including services as trustee for pension and profit sharing plans; and other financial planning and advisory services. The increase in revenues and expenses for this segment in the first quarter of 2006 is primarily attributable to the acquisition of Weston Financial completed on August 31, 2005.

Corporate
Corporate includes the Treasury Unit, which is responsible for managing the wholesale investment portfolio and wholesale funding needs. It also includes income from bank-owned life insurance as well as administrative and executive expenses not allocated to the business lines and the residual impact of methodology allocations such as funds transfer pricing offsets.

With respect to the unaudited consolidated financial statements of Washington Trust Bancorp, Inc. and Subsidiaries at March 31, 2006 and for the three months ended March 31, 2006 and 2005, KPMG LLP has made a review (based on the standards of the Public Company Accounting Oversight Board (United States)) and not an audit, set forth in their separate report dated May 9, 2006 appearing below. That report does not express an opinion on the interim unaudited consolidated financial information. KPMG LLP has not carried out any significant or additional audit tests beyond those which would have been necessary if their report had not been included. Accordingly, such report is not a “report” or “part of the Registration Statement” within the meaning of Sections 7 and 11 of the Securities Act of 1933, as amended, and the liability provisions of Section 11 of the Securities Act do not apply.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Washington Trust Bancorp, Inc.:

We have reviewed the accompanying consolidated balance sheet of Washington Trust Bancorp, Inc. and Subsidiaries (the “Corporation”) as of March 31, 2006, the related consolidated statements of income for the three-month periods ended March 31, 2006 and 2005 and the related consolidated statements of cash flows for the three-month periods ended March 31, 2006 and 2005. These consolidated financial statements are the responsibility of the Corporation’s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards established by the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Washington Trust Bancorp, Inc. and Subsidiaries as of December 31, 2005, and the related consolidated statements of income, changes in shareholders’ equity and cash flows for the year then ended (not presented herein); and in our report dated March 15, 2006, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the consolidated balance sheet as of December 31, 2005, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

Providence, Rhode Island
May 9, 2006

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report contains statements that are "forward-looking statements." We may also make written or oral forward-looking statements in other documents we file with the SEC, in our annual reports to shareholders, in press releases and other written materials, and in oral statements made by our officers, directors or employees. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions which predict or indicate future events and trends and which do not relate to historical matters. You should not rely on forward-looking statements, because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Corporation. These risks, uncertainties and other factors may cause the actual results, performance or achievements of the Corporation to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Some of the factors that might cause these differences include the following: changes in general national or regional economic conditions, changes in interest rates, reductions in the market value of wealth management and trust assets under administration, reductions in loan demand, reductions in deposit levels necessitating increased borrowing to fund loans and investments, changes in loan defaults and charge-off rates, changes in the size and nature of the Corporation'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 Washington Trust's Annual Report on Form 10-K for the year ended December 31, 2005 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 report, and we assume no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Critical Accounting Policies

Accounting policies involving significant judgments and assumptions by management, which have, or could have, a material impact on the carrying value of certain assets and impact income, are considered critical accounting policies. The Corporation's accounting and reporting policies comply with accounting principles generally accepted in the United States and conform to general practices within the banking industry. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. The financial position and results of operations can be affected by these estimates and assumptions, which are important in understanding the reported results. Management has discussed the development and the selection of critical accounting policies with the Audit Committee of our board of directors. As discussed in our 2005 Annual Report on Form 10-K, we have identified the allowance for loan losses, accounting for acquisitions and review of goodwill and intangible assets for impairment, other-than-temporary impairment, interest income recognition, and tax estimates as critical accounting policies. There have been no significant changes in the methods or assumptions used in the accounting policies that require material estimates and assumptions.

Results of Operations

Overview

Net income for the first quarter of 2006 was $6.1 million, an increase of 12% from the $5.4 million reported for the first quarter of 2005. On a per diluted share basis, the Corporation earned $0.44 for the first quarter of 2006, up $0.04, or 10%, from the same quarter in 2005.

The rates of return on average equity and average assets for the three months ended March 31, 2006 were 15.09% and 1.01%, up from 14.20% and 0.94%, respectively, for the same period in 2005.

Selected financial highlights are presented in the table below.

(Dollars in thousands, except per share amounts)

Three months ended March 31,	2006	2005
Earnings:		
Net income	$ 6,073	$ 5,410
Diluted earnings per share	0.44	0.40
Dividends declared per common share	0.19	0.18
Book value per share	11.92	11.23
Tangible book value per common share	7.90	9.44
Weighted average shares - Basic	13,386.8	13,282.7
Weighted average shares - Diluted	13,698.6	13,617.3
Select Ratios:		
Return on average assets	1.01%	0.94%
Return on average shareholders equity	15.09%	14.20%
Interest rate spread (taxable equivalent basis)	2.53%	2.49%
Net interest margin (taxable equivalent basis)	2.84%	2.76%

On August 31, 2005, the Corporation completed the acquisition of Weston Financial Group, Inc. ("Weston Financial"), a registered investment advisor and financial planning company located in Wellesley, Massachusetts, with broker-dealer and insurance agency subsidiaries. The results of Weston Financial's operations have been included in the Consolidated Statements of Income since that date. The acquisition of Weston Financial increased the size and range of products and services offered by Washington Trust's wealth management group.

Net Interest Income

Net interest income is the difference between interest earned on loans and investments and interest paid on deposits and other borrowings, and continues to be the primary source of Washington Trust's operating income. Included in interest income are loan prepayment fees and certain other fees, such as late charges. Net interest income is affected by the level of interest rates, changes in interest rates and changes in the amount and composition of interest-earnings assets and interest-bearing liabilities. Net interest income totaled $15.4 million for the first quarter of 2006, up 5% from the first quarter a year ago.

The following discussion presents net interest income on a fully taxable equivalent (FTE) basis by adjusting income and yields on tax-exempt loans and securities to be comparable to taxable loans and securities. (See additional information in tabular presentation on pages 24 and 25).

FTE net interest income for the three months ended March 31, 2006 amounted to $15.7 million, up 6% from the same period a year ago. The increase in net interest income was primarily attributable to growth in average earning assets and a higher amount of loans as a percentage of total interest-earning assets. The rise in short-term rates in the first quarter of 2006 caused deposit costs to rise, however, this was offset in part by higher yields on loans and securities. The net interest margin (annualized tax-equivalent net interest income as a percentage of average interest-earning assets) amounted to 2.84% for the first quarter of 2006, unchanged from the fourth quarter of 2005, and up 8 basis points from the first quarter of 2005.

Average interest-earning assets for the quarter ended March 31, 2006 increased $58.0 million over the amount reported for the same period last year. This increase was mainly due to growth in the loan portfolio, which was partially offset by reductions in the securities portfolio. Growth in average loan balances resulted from internal growth in commercial and consumer loans as well as from purchases of primarily adjustable rate residential mortgage loans. The yield on total loans for the three months ended March 31, 2006 increased 61 basis points from the comparable 2005 period. The contribution of loan prepayment and other fees to the yield on total loans was insignificant for both the three months ended March 31, 2006 and 2005. Total average securities for the three months ended March 31, 2006 decreased $81.1 million from the same period last year, as the flattening of the yield curve has made reinvestment of maturing balances relatively unattractive during these periods. The FTE rate of return on securities for the three months ended March 31, 2006 increased 55 basis points. The increase in the total yield on securities reflects a combination of higher yields on variable rate securities tied to short-term interest rates, runoff of lower yielding securities and higher marginal rates on reinvestment of cash flows in 2006 relative to the prior year.

For the quarter ended March 31, 2006, average interest-bearing liabilities rose $69.3 million over the amount reported for the comparable period last year. The Corporation experienced growth in time deposits and money market accounts, and declines in NOW accounts, savings accounts and FHLB advances. The increase in average interest-bearing liabilities was principally due to $162.4 million of growth in time deposits for the first quarter of 2006. The average rate paid on time deposits for the three months ended March 31, 2006 increased 62 basis points from the comparable 2005 period. Included in time deposits were brokered certificates of deposit, which are utilized by the Corporation as part of its overall funding program along with other sources. Average brokered certificates of deposit for the three months ended March 31, 2006 increased $17.6 million over the amount reported for the same period last year. The balance of average FHLB advances for the quarter ended March 31, 2006 decreased $108.2 million, while the average rate paid on FHLB advances increased 54 basis points from the same quarter a year ago.

Average Balances / Net Interest Margin - Fully Taxable Equivalent Basis (FTE)

The following table presents average balance and interest rate information. Tax-exempt income is converted to a fully taxable equivalent ("FTE") basis using the statutory federal income tax rate. 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.

Three months ended March 31,	2006			2005		
(Dollars in thousands)	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:						
Residential real estate loans	$ 589,837	$ 7,404	5.09%	$ 530,845	$ 6,505	4.97%
Commercial and other loans	556,013	10,254	7.48%	512,260	8,426	6.67%
Consumer loans	267,068	4,289	6.51%	230,728	2,939	5.17%
Total loans	1,412,918	21,947	6.30%	1,273,833	17,870	5.69%
Federal funds sold and other short-term investments	10,178	115	4.62%	10,670	55	2.10%
Taxable debt securities	737,563	8,412	4.63%	830,738	8,434	4.12%
Nontaxable debt securities	35,177	504	5.81%	19,132	284	6.01%
Corporate stocks and FHLB stock	49,344	761	6.26%	52,852	723	5.54%
Total securities	832,262	9,793	4.77%	913,392	9,496	4.22%
Total interest-earning assets	2,245,180	31,739	5.73%	2,187,225	27,366	5.07%
Non interest-earning assets	149,361			126,180		
Total assets	$ 2,394,541			$ 2,313,405		
Liabilities and Shareholders' Equity:						
NOW accounts	$ 170,421	$ 67	0.16%	$ 171,108	$ 78	0.18%
Money market accounts	228,305	1,607	2.85%	196,577	841	1.73%
Savings deposits	204,768	287	0.57%	248,957	377	0.61%
Time deposits	851,298	8,277	3.94%	688,878	5,636	3.32%
FHLB advances	547,391	5,359	3.97%	655,564	5,549	3.43%
Junior subordinated debentures	22,681	338	6.04%	-	-	-%
Other borrowed funds	7,017	79	4.64%	1,507	16	4.24%
Total interest-bearing liabilities	2,031,881	16,014	3.20%	1,962,591	12,497	2.58%
Demand deposits	179,954			182,281		
Other liabilities	21,759			16,113		
Shareholders' equity	160,947			152,420		
Total liabilities and shareholders' equity	$ 2,394,541			$ 2,313,405		
Net interest income (FTE)		$ 15,725			$ 14,869	
Interest rate spread			2.53%			2.49%
Net interest margin			2.84%			2.76%

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

(Dollars in thousands)

Three months ended March 31,	2006	2005
Commercial and other loans	$ 50	$ 45
Nontaxable debt securities	176	99
Corporate stocks	84	104

The following table presents certain information on a fully taxable equivalent basis regarding changes in our interest income and interest expense for the periods indicated. The net change attributable to both volume and rate has been allocated proportionately.

(Dollars in thousands)	Three months ended March 31, 2005 vs. 2004 — Increase (decrease) due to: Volume	Rate	Net Change
Interest on interest-earning assets:			
Residential real estate loans	$ 739	$ 160	$ 899
Commercial and other loans	755	1,073	1,828
Consumer loans	510	840	1,350
Federal funds sold and other short-term investments	(3)	64	61
Taxable debt securities	(1,004)	982	(22)
Nontaxable debt securities	230	(10)	220
Corporate stocks and FHLB stock	(50)	88	38
Total interest income	$ 1,177	$ 3,197	$ 4,374
Interest on interest-bearing liabilities:			
NOW accounts	$ -	$ (11)	$ (11)
Money market accounts	374	392	766
Savings deposits	(65)	(25)	(90)
Time deposits	1,473	1,167	2,640
FHLB advances	(991)	801	(190)
Junior subordinated debentures	338	-	338
Other borrowed funds	63	2	65
Total interest expense	1,192	2,326	3,518
Net interest income	$ (15)	$ 871	$ 856

Provision and Allowance for Loan Losses

The Corporation’s loan loss provision charged to earnings amounted to $300 thousand for the first quarter of 2006, unchanged from both the fourth quarter of 2005 and the first quarter of 2005. The allowance for loan losses was $18.2 million, or 1.29% of total loans, at March 31, 2006, compared to $17.9 million, or 1.28%, at December 31, 2005.

Noninterest Income

Noninterest income is an important source of revenue for Washington Trust. Noninterest income, excluding gains on securities, comprised 38% of total revenue for first quarter of 2006, compared with 29% for the same period in 2005. Primary sources of noninterest income are wealth management and trust services fees, service charges on deposit accounts, merchant credit card processing fees and net gains on sales of loans. Noninterest income amounted to $9.5 million for the three months ended March 31, 2006, an increase of 56% over the first quarter of 2005. This increase is primarily attributable to higher revenues from wealth management and trust services, mainly due to the acquisition of Weston Financial in the third quarter of 2005.

The following table presents a noninterest income comparison for the three months ended March 31, 2006 and 2005:

(Dollars in thousands)

Three months ended March 31	2006	2005	$ Change	% Change
Noninterest income:				
Wealth management and trust services	$ 5,882	$ 3,212	$ 2,670	83%
Service charges on deposit accounts	1,119	1,011	108	11%
Merchant processing fees	1,047	778	269	35%
Income from bank-owned life insurance	279	272	7	3%
Net gains on loan sales	276	487	(211)	(43)%
Other income	858	319	539	169%
Subtotal	9,461	6,079	3,382	56%
Net realized gains on securities	59	-	59	-%
Total noninterest income	$ 9,520	$ 6,079	$ 3,441	57%

Revenues from wealth management and trust services for the first quarter of 2006 rose by $2.7 million, or 83%, over the first quarter of 2005. This increase was primarily attributable to the acquisition of Weston Financial completed on August 31, 2005. Revenue from wealth management and trust services is largely dependent on the value of assets under administration and is closely tied to the performance of the financial markets. Assets under administration totaled $3.443 billion at March 31, 2006, up $171 million, or 5%, from $3.272 billion at December 31, 2005. This increase was due to business development efforts and financial market appreciation. Assets under administration amounted to $1.831 billion at March 31, 2005.

For the three months ended March 31, 2006, service charges on deposits totaled $1.1 million, up 11% from the same period a year ago.

Merchant processing fees for the quarter ended March 31, 2006 increased 35% from the corresponding period a year ago due to increases in the volume of transactions processed. Merchant processing fees represent charges to merchants for credit card transactions processed.

For the three months ended March 31, 2006, net gains on loan sales totaled $276 thousand, down 43% from the comparable 2005 period due to decreased sales of Small Business Administration (“SBA”) loans and residential mortgage loans.

Income from bank-owned life insurance (“BOLI”) amounted to $279 thousand and $272 thousand, respectively, for the quarters ended March 31, 2006 and 2005. BOLI represents life insurance on the lives of certain employees who have consented to allowing the Bank to be the beneficiary of such policies. The Corporation expects to benefit from the BOLI contracts as a result of the tax-free growth in cash surrender value and death benefits that are expected to be generated over time. The cash surrender value of BOLI was $30.6 million at March 31, 2006 compared to $30.4 million at December 31, 2005. The BOLI investment provides a means to mitigate increasing employee benefit costs.

The Corporation recognized a small amount of realized securities gains of in the first quarter 2006.

Other income consists of loan servicing fees, safe deposit rents, wire transfer fees, fees on letters of credit, financial advisory services fees, commissions on annuities and other fees. Other income amounted to $858 thousand for the three months ended March 31, 2006, up 169% from the first quarter a year ago largely due to the addition of Weston Financial in the third quarter of 2005.

Noninterest Expense

For the first quarter of 2006, total noninterest expense amounted to $15.7 million, up $3.3 million, or 26% from the first quarter a year ago. Approximately $1.9 million, or 59% of the increase, was attributable to the addition of Weston Financial.

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The following table presents a noninterest expense comparison for the three months ended March 31, 2006 and 2005:

(Dollars in thousands)

Three months ended March 31	2006	2005	$ Change	% Change
Noninterest expense:				
Salaries and employee benefits	$ 9,619	$ 7,459	$ 2,160	29%
Net occupancy	954	853	101	12%
Equipment	799	882	(83)	(9)%
Merchant processing costs	887	636	251	39%
Outsourced services	518	413	105	25%
Advertising and promotion	437	303	134	44%
Legal, audit and professional fees	376	392	(16)	(4)%
Amortization of intangibles	405	147	258	176%
Other	1,709	1,359	350	26%
Total noninterest expense	$ 15,704	$ 12,444	$ 3,260	26%

Salaries and employee benefit expense, the largest component of noninterest expense, totaled $9.6 million for the three months ended March 31, 2006, up $2.2 million, or 29%, from the first quarter of 2005. Approximately $1.3 million, or 61%, of this increase was attributable to the operating expenses of Weston Financial. The remaining increase of $844 thousand included increases in salaries and wages, higher defined benefit plan costs, increases in performance-based compensation and higher share-based compensation. See Note 3 to the Consolidated Financial Statement for additional discussion on share-based compensation.

Net occupancy expense in the first quarter of 2006 increased 12% over the same quarter in 2005. This increased reflected higher rental expense for leased premises and included operating expenses of Weston Financial. Equipment expense decreased 9% in the first three months of 2006, primarily due to lower depreciation expense on furniture and equipment.

Merchant processing costs amounted to $887 million for the three months ended March 31, 2006, up 39% from the comparable period in 2005 due to increases in the volume of transactions processed. Merchant processing costs represent third-party costs incurred that are directly attributable to handling merchant credit card transactions.

Outsourced services for the first quarter of 2006 increased 25% over the same quarter as year ago due to higher costs for data processing services and third party vendor costs. Legal, audit and professional fees totaled $376 thousand for the three months ended March 31, 2006, down slightly from the same period last year. Advertising and promotion expense totaled $437 thousand for the first three months of 2006, up $137 thousand, or 44%, from the comparable period in 2005.

Amortization of intangibles amounted to $405 thousand and $147 thousand, respectively, in the three months ended March 31, 2006 and 2005. See Note 7 to the Consolidated Financial Statements for additional information on identifiable intangible assets.

Other noninterest expense increased $350 thousand, or 26%, in the first quarter of 2006 compared to the same period last year, including approximately $110 thousand of operating costs for Weston Financial

Income Taxes

Income tax expense amounted to $2.9 million and $2.5 million, respectively, for the three months ended March 31, 2006 and 2005. The Corporation's effective tax rate for the first quarter of 2006 was 32.0%, unchanged from the first quarter of 2005 and down from the 32.7% rate recorded in the fourth quarter of 2005. These rates differed from the federal rate of 35% due to the benefits of tax-exempt income, the dividends received deduction and income from BOLI.

Financial Condition

Summary

At March 31, 2006, total assets amounted to $2.433 billion, up $30.8 million from December 31, 2005, mainly due to an increase in total loans. Total liabilities increased $29.3 million in the first quarter of 2006, with the largest increase in total deposits. Shareholders' equity totaled $159.9 million at March 31, 2006, up $1.4 million in the first quarter of 2006.

Securities

Washington Trust's securities portfolio is managed to generate interest income, to implement interest rate risk management strategies, and to provide a readily available source of liquidity for balance sheet management. At March 31, 2006 the securities portfolio totaled $786.7 million, or 32.3% of total assets, compared with $783.9 million, or 32.6% of total assets, at December 31, 2005. As a result of increases in interest rates, the net unrealized losses on securities available for sale amounted to $10.0 million at March 31, 2006, compared to $3.4 million at December 31, 2005. See Note 4 to the Consolidated Financial Statements for detail of unrealized gains and losses on securities.

Loans

Total loans increased $16.9 million, or 1.2%, in the first three months of 2006 amounting to $1.419 billion at March 31, 2006.

The Corporation originates residential mortgages, for both portfolio and sale, and purchases mortgages from other financial institutions. Residential real estate loans totaled $591.4 million at March 31, 2006, increasing $8.7 million, or 1.5%, during the first three months of 2006, including the effect of $11.8 million in purchased adjustable rate mortgages.

Consumer loans rose by $4.1 million, or 1.5%, in the first quarter of 2006, led by growth in home equity loans.

Commercial loans, including commercial real estate and construction loans, totaled $558.8 million at March 31, 2006, up $4.1 million, or 0.7%, in the first quarter of 2006.

Asset Quality

Allowance for Loan Losses

Arriving at an appropriate level of allowance for loan losses necessarily involves a high degree of judgment. The Corporation uses a methodology to systematically measure the amount of estimated loan loss exposure inherent in the loan portfolio for purposes of establishing a sufficient allowance for loan losses. For a more detailed discussion on the allowance for loan losses, see additional information in Item 7 under the caption "Application of Critical Accounting Policies and Estimates" of Washington Trust's 2005 Annual Report on Form 10-K.

The allowance for loan losses is management's best estimate of the probable loan losses incurred as of the balance sheet date. The allowance is increased by provisions charged to earnings and by recoveries of amounts previously charged off, and is reduced by charge-offs on loans.

At March 31, 2006, the allowance for loan losses was $18.2 million, or 1.29% of total loans, and 805% of total nonaccrual loans. This compares with an allowance of $17.1 million, or 1.32% of total loans, and 718% of nonaccrual loans at March 31, 2005. Loan recoveries, net of charge-offs, amounted to $29 thousand in the first quarter of 2006, compared to net charge-offs of $13 thousand in the same period a year ago.

Nonperforming Assets
Nonperforming assets are summarized in the following table:

(Dollars in thousands)	March 31, 2006	December 31, 2005
Nonaccrual loans 90 days or more past due	$ 1,209	$ 1,257
Nonaccrual loans less than 90 days past due	1,059	1,157
Total nonaccrual loans	2,268	2,414
Other real estate owned, net	-	-
Total nonperforming assets	$ 2,268	$ 2,414
Nonaccrual loans as a percentage of total loans	0.16%	0.17%
Nonperforming assets as a percentage of total assets	0.09%	0.10%
Allowance for loan losses to nonaccrual loans	804.54%	742.25%
Allowance for loan losses to total loans	1.29%	1.28%

Nonperforming assets amounted to $2.3 million, or 0.09% of total assets, at March 31, 2006, compared to $2.4 million, or 0.10%, at December 31, 2005.

There were no accruing loans 90 days or more past due at March 31, 2006 or December 31, 2005.

Impaired loans consist of all nonaccrual commercial loans. At March 31, 2006, the recorded investment in impaired loans was $1.0 million, which had a related allowance of $65 thousand. Also during the three-month period ended March 31, 2006, interest income recognized on impaired loans amounted to approximately $72 thousand. Interest income on impaired loans is recognized on a cash basis only.

The following is an analysis of nonaccrual loans by loan category:

(Dollars in thousands)	March 31, 2006	December 31, 2005
Residential real estate	$ 1,040	$ 1,147
Commercial:		
Mortgages	328	394
Construction and development	-	-
Other	705	624
Consumer	195	249
Total nonaccrual loans	$ 2,268	$ 2,414

Deposits
In the first three months of 2006, total deposits rose by $21.4 million, or 1.3%. Excluding a $22.0 million increase in brokered certificates of deposit, in-market deposits were down slightly by $641 thousand during the first quarter of 2006. This decrease reflects a seasonality trend whereby the Corporation has experienced outflow of demand deposit balances during the first quarter in recent years. Due to increases in short-term interest rates, the Corporation also experienced a continuation of a shift in the mix of deposits away from savings accounts and into premium money market accounts and certificates of deposit.

Demand deposits amounted to $181.3 million at March 31, 2006, down $14.8 million, or 7.5%, from December 31, 2005. NOW account balances totaled $179.0 million at March 31, 2006, essentially unchanged from the end of 2005. Money market account balances totaled $227.4 million at March 31, 2006, up $4.2 million, or 1.9%, from December 31, 2005. During the three months ended March 31, 2006, savings deposits declined $10.1 million, or 4.8%, and amounted to $202.4 million. Time deposits (including brokered certificates of deposit) amounted to $870.4 million, up $41.7 million, or 5.0%, during the first three months of 2006. The Corporation utilizes brokered time deposits as part of its overall funding program along with other sources. Brokered time deposits amounted to $222.1 million, up $22.0 million, or 11%, during the three months ended March 31, 2006. Excluding the brokered time deposits, time deposits rose $19.7 million, or 3.1%, in the first three months of 2006 due to growth in consumer and commercial certificates of deposit.

Borrowings

The Corporation utilizes advances from the FHLB as well as other borrowings as part of its overall funding strategy. FHLB advances are used to meet short-term liquidity needs, to purchase securities and to purchase loans from other institutions. During the first three months of 2006, FHLB advances increased by $10.7 million. See Note 9 to the Consolidated Financial Statements for additional information on borrowings.

Liquidity and Capital Resources

Liquidity is the ability of a financial institution to meet maturing liability obligations and customer loan demand. Washington Trust's primary source of liquidity is deposits. Deposits (demand, NOW, money market, savings and time deposits) funded approximately 61% of total average assets in the first three months of 2006. Other sources of funding include discretionary use of purchased liabilities (e.g., FHLB term advances and other borrowings), cash flows from the Corporation's securities portfolios and loan repayments. In addition, securities designated as available for sale may be sold in response to short-term or long-term liquidity needs.

The Corporation's Asset/Liability Committee ("ALCO") establishes and monitors internal liquidity measures to manage liquidity exposure. Liquidity remained well within target ranges established by the ALCO during the first quarter of 2006. Net loans as a percentage of total assets amounted to 58% at March 31, 2006, unchanged from December 31, 2005. Total securities as a percentage of total assets amounted to 32% at March 31, 2006, compared to 33% at December 31, 2005.

For the three months ended March 31, 2006, net cash provided by financing activities amounted to $27.0 million and was generated primarily from overall growth in deposits and net increase in FHLB advances. Net cash used in investing activities was $26.1 million in the first quarter of 2006. The Corporation purchased $16.6 million of residential and consumer loans in the three months ended March 31, 2006. Net cash provided by operating activities amounted to $5.5 million in the first quarter of 2006, generated primarily by net income of $6.1 million. See the Corporation's Consolidated Statements of Cash Flows for further information about sources and uses of cash.

Total shareholders' equity amounted to $159.9 million at March 31, 2006, up approximately $1.4 million since December 31, 2005. Included in this change was a decrease in accumulated other comprehensive income of $3.3 million. The decrease in accumulated other comprehensive income in the first quarter of 2006 was due to increases in net unrealized losses on securities available for sale. Dividends payable at March 31, 2006 amounted to $2.6 million, representing a $.19 per share dividend, which was paid to shareholders on April 14, 2006. This was an increase from the $.18 per share rate paid throughout 2005 and represents the fourteenth consecutive year with a dividend increase. The source of funds for dividends paid by the Bancorp is dividends received from the Bank. The Bank is a regulated enterprise, and as such its ability to pay dividends to the Bancorp is subject to regulatory review and restriction.

The ratio of total equity to total assets amounted to 6.6% at March 31, 2006, unchanged from December 31, 2005. Book value per share as of March 31, 2006 and December 31, 2005 amounted to $11.92 and $11.86, respectively. The tangible book value per share was $7.90 at March 31, 2006, compared to $7.79 at the end of 2005.

Pursuant to the Stock Purchase Agreement dated March 18, 2005, by and among the Corporation, Weston Financial and Weston Financial's shareholders, the Corporation purchased all of the outstanding shares of capital stock of Weston Financial in exchange for an aggregate amount of cash equal to $20.3 million plus certain future payments. The future payments include minimum payments of $2 million per year in each of the years 2007, 2008 and 2009. The present value of these minimum payments amounting to $5.5 million is included in Other Borrowings in the Consolidated Balance Sheet. In addition, the transaction is structured to provide for the contingent payment of additional amounts up to a maximum of $18.5 million based on operating results in each of the years during a three-year earn-out period ending December 31, 2008. Contingent payments will be added to goodwill and recorded as liabilities at the time the payments are determinable beyond a reasonable doubt.

In connection with the Weston Financial acquisition, trust preferred securities totaling $22 million were issued in the third quarter of 2005 by capital trusts created by the Corporation. In accordance with FIN 46-R, the capital trusts that issued the trust preferred securities are not consolidated into the Corporation's financial statements, however, the Corporation reflects the amounts of junior subordinated debentures payable to the capital trusts as debt in its financial statements. The trust preferred securities qualify as Tier 1 capital.

The Corporation’s capital ratios at March 31, 2006 place the Corporation in the “well-capitalized” category according to regulatory standards. On March 1, 2005, the Federal Reserve Board issued a final rule that would retain trust preferred securities in Tier 1 capital of bank holding companies, but with stricter quantitative limits and clearer standards. Under the proposal, after a five-year transition period that would end on March 31, 2009, the aggregate amount of trust preferred securities would be limited to 25% of Tier 1 capital elements, net of goodwill. The Corporation has evaluated the potential impact of such a change on its Tier 1 capital ratio and has concluded that the regulatory capital treatment of the trust preferred securities in the Corporation’s total capital ratio would be unchanged.

Contractual Obligations and Commitments

The Corporation has entered into numerous contractual obligations and commitments. The following table summarizes our contractual cash obligation and other commitments at March 31, 2006.

(Dollars in thousands)	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Contractual Obligations:					
FHLB advances (1)	$ 556,051	$ 153,644	$ 227,306	$ 106,778	$ 68,323
Junior subordinated debentures	22,681	-	-	-	22,681
Operating lease obligations	2,013	840	849	296	28
Software licensing arrangements	533	330	103	96	4
Treasury, tax and loan demand note	114	114	-	-	-
Other borrowed funds	5,994	1,986	3,660	64	284
Total contractual obligations	$ 587,386	$ 156,914	$ 231,918	$ 107,234	$ 91,320

(1) All FHLB advances are shown in the period corresponding to their scheduled maturity.

(Dollars in thousands)	Amount of Commitment Expiration - Per Period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Other Commitments:					
Commercial loans	$ 105,347	$ 78,968	$ 13,711	$ 5,165	$ 7,503
Home equity lines	178,456	2,204	7,993	10,654	157,605
Other loans	13,578	10,953	443	2,182	-
Standby letters of credit	10,629	1,301	8,838	490	-
Forward loan commitments to:					
Originate loans	3,146	3,146	-	-	-
Sell loans	5,357	5,357	-	-	-
Total commitments	$ 316,513	$ 101,929	$ 30,985	$ 18,491	$ 165,108

See additional discussion under the caption “Off-Balance Sheet Arrangements” and Note 8 to the Consolidated Financial Statements for more information regarding the nature and business purpose of financial instruments with off-balance sheet risk and derivative financial instruments.

Asset/Liability Management and Interest Rate Risk

The ALCO is responsible for establishing policy guidelines on liquidity and acceptable exposure to interest rate risk. Interest rate risk is the risk of loss to future earnings due to changes in interest rates. The objective of the ALCO is to manage assets and funding sources to produce results that are consistent with Washington Trust’s liquidity, capital adequacy, growth, risk and profitability goals.

The ALCO manages the Corporation’s interest rate risk using income simulation to measure interest rate risk inherent in the Corporation’s on-balance sheet and off-balance sheet financial instruments at a given point in time by showing the effect of interest rate shifts on net interest income over a 12-month horizon, the month 13 to month 24 horizon and a 60-month horizon. The simulations assume that the size and general composition of the Corporation’s balance sheet remain static over the simulation horizons and take into account the specific repricing, maturity, call options, and prepayment characteristics of differing financial instruments that may vary under different interest rate scenarios. The characteristics of financial instrument classes are reviewed periodically by the ALCO to ensure their accuracy and consistency.

The ALCO reviews simulation results to determine whether the Corporation's exposure to a decline in net interest income remains within established tolerance levels over the simulation horizons and to develop appropriate strategies to manage this exposure. As of March 31, 2006 and December 31, 2005, net interest income simulations indicated that exposure to changing interest rates over the simulation horizons remained within tolerance levels established by the Corporation. The Corporation defines maximum unfavorable net interest income exposure to be a change of no more than 5% in net interest income over the first 12 months, no more than 10% over the second 12 months, and no more than 10% over the full 60-month simulation horizon. All changes are measured in comparison to the projected net interest income that would result from an "unchanged" rate scenario where both interest rates and the composition of the Corporation's balance sheet remain stable for a 60-month period. In addition to measuring the change in net interest income as compared to an unchanged interest rate scenario, the ALCO also measures the trend of both net interest income and net interest margin over a 60-month horizon to ensure the stability and adequacy of this source of earnings in different interest rate scenarios.

The ALCO reviews a variety of interest rate shift scenario results to evaluate interest risk exposure, including scenarios showing the effect of steepening or flattening changes in the yield curve shape as well as parallel changes in interest rates. Because income simulations assume that the Corporation's balance sheet will remain static over the simulation horizon, the results do not reflect adjustments in strategy that the ALCO could implement in response to rate shifts.

The following table sets forth the estimated change in net interest income from an unchanged interest rate scenario over the periods indicated for parallel changes in market interest rates using the Corporation's on and off-balance sheet financial instruments as of March 31, 2006 and December 31, 2005. Interest rates are assumed to shift by a parallel 100 or 200 basis points upward or 100 basis points downward over the periods indicated, except for core savings deposits, which are assumed to shift by lesser amounts due to their historical insensitivity to rate changes. Further, deposits are assumed to have certain minimum rate levels below which they will not fall. It should be noted that the rate scenarios shown do not necessarily reflect the ALCO's view of the "most likely" change in interest rates over the periods indicated.

	March 31, 2006		December 31, 2005	
	Months 1 - 12	Months 13 - 24	Months 1 - 12	Months 13 - 24
100 basis point rate decrease	-0.05%	0.37%	-0.08%	-1.18%
100 basis point rate increase	0.68%	-0.77%	0.93%	-0.14%
200 basis point rate increase	1.32%	-2.07%	1.59%	-1.31%

The ALCO estimates that the negative exposure of net interest income to falling rates as compared to an unchanged rate scenario results from the difficulty of reducing rates paid on core savings deposits significantly below current levels. If rates were to fall and remain low for a sustained period, core savings deposit rates would likely not fall as fast as other market rates, while asset yields would decline as current asset holdings mature or reprice. The pace of asset cash flows would also be likely to increase in a falling rate environment due to more rapid mortgage-related prepayments and redemption of callable securities.

The modest positive exposure of net interest income to rising rates in Year 1 as compared to an unchanged rate scenario results from a more rapid relative rate of increase in asset yields than funding costs over the near term. For simulation purposes, core savings rate changes are anticipated to lag other market rates related to loan and investment yields in both timing and magnitude. The ALCO's estimate of interest rate risk exposure to rising rate environments, including those involving a further flattening or inversion of the yield curve, incorporates certain assumptions regarding the shift in mix from low-cost core savings deposits to higher-cost time deposits, which has altered the composition of the balance sheet in the current rising interest rate cycle.

The negative exposure of net interest income to rising rates in Year 2 as compared to an unchanged rate scenario is primarily attributable to an increase in funding costs associated with retail deposits. With the flattening of the yield curve, consumer demand for time deposits has increased more rapidly than growth in other lower-cost deposit categories. For modeling purposes, this trend is expected to continue even if interest rates remain unchanged, since the ALCO believes that a shift in deposit mix more heavily weighted towards time deposits accurately reflects current operating conditions. Although asset yields would also increase in a rising interest rate environment, the cumulative impact of relative growth in the rate-sensitive time deposit category suggests that by Year 2 of rising interest rate scenarios, the increase in the Corporation's cost of funds could result in a relative decline in net interest margin compared to an unchanged rate scenario.

While the ALCO reviews simulation assumptions to ensure that they are reasonable and current, income simulation may not always prove to be an accurate indicator of interest rate risk or future net interest margin since the repricing, maturity and prepayment characteristics of financial instruments and the composition of the Corporation's balance sheet may change to a different degree than estimated. Firstly, simulation modeling assumes a static balance sheet, with the exception of certain modeled deposit mix shifts from low-cost core savings deposits to higher-cost time deposits noted above. The static balance sheet assumption does not necessarily reflect the Corporation's expectation for future balance sheet growth, which is a function of the business environment and customer behavior. Another significant simulation assumption is the sensitivity of core savings deposits to fluctuations in interest rates. Income simulation results assume that changes in both core savings deposit rates and balances are related to changes in short-term interest rates. The assumed relationship between short-term interest rate changes and core deposit rate and balance changes used in income simulation may differ from the ALCO's estimates. Lastly, mortgage-backed securities and mortgage loans involve a level of risk that unforeseen changes in prepayment speeds may cause related cash flows to vary significantly in differing rate environments. Such changes could affect the level of reinvestment risk associated with cash flow from these instruments, as well as their market value. Changes in prepayment speeds could also increase or decrease the amortization of premium or accretion of discounts related to such instruments, thereby affecting interest income.

The Corporation also monitors the potential change in market value of its available for sale debt securities in changing interest rate environments. The purpose is to determine market value exposure that may not be captured by income simulation, but which might result in changes to the Corporation's capital position. Results are calculated using industry-standard analytical techniques and securities data. Available for sale equity securities are excluded from this analysis because the market value of such securities cannot be directly correlated with changes in interest rates. The following table summarizes the potential change in market value of the Corporation's available for sale debt securities as of March 31, 2006 and December 31, 2005 resulting from immediate parallel rate shifts:

(Dollars in thousands) Security Type	Down 100 Basis Points	Up 200 Basis Points
U.S. Treasury and government-sponsored agency securities (noncallable)	2,392	(4,354)
U.S. government-sponsored agency securities (callable)	1,721	(4,928)
Mortgage-backed securities	11,102	(24,164)
Corporate securities	576	(1,129)
Total change in market value as of March 31, 2006	$ 15,791	($34,575)
Total change in market value as of December 31, 2005	$ 13,533	($34,327)

See additional discussion in Note 8 to the Corporation's Consolidated Financial Statements for more information regarding the nature and business purpose of financial instruments with off-balance sheet risk and derivative financial instruments.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Information regarding quantitative and qualitative disclosures about market risk appears under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the caption "Asset/Liability Management and Interest Rate Risk."

ITEM 4. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Corporation carried out an evaluation under the supervision and with the participation of the Corporation’s management, including the Corporation’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation’s disclosure controls and procedures as of the end of the quarter ended March 31, 2006. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation’s disclosure controls and procedures are adequate and designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. The Corporation will continue to review and document its disclosure controls and procedures and consider such changes in future evaluations of the effectiveness of such controls and procedures, as it deems appropriate. There has been no change in our internal control over financial reporting during the period ended March 31, 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. In the third quarter of 2005, the Corporation completed its acquisition of Weston Financial, as discussed previously. The Corporation has not yet completed the documentation, evaluation and testing of Weston Financial’s internal controls over financial reporting, which is ongoing.

PART II

Other Information

Item 1. Legal Proceedings

The Corporation is involved in various claims and legal proceedings arising out of the ordinary course of business. Management is of the opinion, based on its review with counsel of the development of such matters to date, that the ultimate disposition of such matters will not materially affect the consolidated financial position or results of operations of the Corporation.

Item 1A. Risk Factors

There have been no material changes in the risk factors described in Item 1A of Washington Trust’s Annual Report on Form 10-K for the year ended December 31, 2005.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information as of and for the quarter ended March 31, 2006 regarding shares of common stock of the Corporation that were repurchased under the Deferred Compensation Plan, the Stock Repurchase Plan, the Amended and Restated 1988 Stock Option Plan, the Bancorp's 1997 Equity Incentive Plan, as amended, and the Bancorp's 2003 Stock Incentive Plan, as amended.

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plan(s)	Maximum number of shares that may yet be purchased under the plan (s)
Deferred Compensation Plan (1)				
Balance at beginning of period				11,458
1/1/2006 to 1/31/2006	274	$ 27.74	274	11,184
2/1/2006 to 2/28/2006	3,549	27.20	3,549	7,635
3/1/2006 to 3/31/2006	237	27.87	237	7,398
Total Deferred Compensation Plan	4,060	$ 27.27	4,060	7,398
Stock Repurchase Plan (2)				
Balance at beginning of period				162,000
1/1/2006 to 1/31/2006	-	-	-	162,000
2/1/2006 to 2/28/2006	-	-	-	162,000
3/1/2006 to 3/31/2006	-	-	-	162,000
Total Stock Repurchase Plan	-	-	-	162,000
Other (3)				
Balance at beginning of period				N/A
1/1/2006 to 1/31/2006	7,139	$ 9.78	7,139	N/A
2/1/2006 to 2/28/2006	-	-	-	N/A
3/1/2006 to 3/31/2006	1,481	19.24	1,481	N/A
Total Other	8,620	$ 11.40	8,620	N/A
Total Purchases of Equity Securities	12,680	$ 16.48	12,680	

(1) The Deferred Compensation Plan was established on January 1, 1999. A maximum of 25,000 shares were authorized under the plan. This plan allows directors and officers to defer a portion of their compensation. The deferred compensation is contributed to a rabbi trust that invests the assets of the trust into selected mutual funds as well as shares of the Bancorp's common stock pursuant to the direction of the plan participants. All shares are purchased in the open market.

(2) The Stock Repurchase Plan was established in September 2001. A maximum of 250,000 shares were authorized under the plan. The Bancorp plans to hold the repurchased shares as treasury stock for general corporate purposes.

(3) Pursuant to the Corporation's share-based compensation plans, employees may deliver back shares of stock previously issued in payment of the exercise price of stock options. While required to be reported in this table, such transactions are not reported as share repurchases in the Corporation's Consolidated Financial Statements. The Corporation's share-based compensation plans (the 1988 Plan, the 1997 Plan and the 2003 Plan) have expiration dates of December 31, 1997, April 29 2007 and April 29, 2013, respectively.

Item 6. Exhibits

(a) Exhibits. The following exhibits are included as part of this Form 10-Q:

Exhibit Number	
4.1	Transfer Agency and Registrar Services Agreement, between Registrant and American Stock Transfer & Trust Company, dated February 15, 2006.
4.2	Agreement of Substitution and Amendment of Amended and Restated Rights Agreement, between Registrant and American Stock Transfer & Trust Company, dated February 15, 2006.
10.1	Second Amendment to Registrant's Supplemental Executive Retirement Plan.
15.1	Letter re: Unaudited Interim Financial Information.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

WASHINGTON TRUST BANCORP, INC.
(Registrant)

Date: May 9, 2006	By:	/s/ John C. Warren John C. Warren Chairman and Chief Executive Officer (principal executive officer)
Date: May 9, 2006	By:	/s/ David V. Devault David V. Devault Executive Vice President, Secretary, Treasurer and Chief Financial Officer (principal financial and accounting officer)

Exhibit 4.1

TRANSFER AGENCY AND REGISTRAR SERVICES AGREEMENT

by and between:

WASHINGTON TRUST BANCORP, INC.

and

AMERICAN STOCK TRANSFER & TRUST COMPANY

Dated: February 15, 2006

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TRANSFER AGENCY AND REGISTRAR SERVICES AGREEMENT

This Transfer Agency and Registrar Services Agreement (the "Agreement"), dated as of February 15, 2006 is between Washington Trust Bancorp, Inc., a Rhode Island corporation (the "Company") and American Stock Transfer & Trust Company, a New York corporation ("AST").

WHEREAS, the Company desires the appointment of AST as transfer agent and registrar;

WHEREAS, AST desires to accept such appointment and perform the services related to such appointment;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follow:

Section 1. Appointment of Agent

1.01 The Company hereby appoints AST to act as sole transfer agent and registrar for the common stock of the Company and for any such other shares as the Company may request in writing ("the Shares") in accordance with the terms and conditions hereof, and AST hereby accepts such appointment.

1.02 In connection with the appointment of AST as transfer agent and registrar for the Company, the Company shall provide AST:

(a) A Certificate of Appointment in substantially the form furnished by AST (and a Supplemental Certificate each time there is any material change to the information contained in the original Certificate of Appointment). It is agreed, however, that any provisions explicitly addressed in this Agreement shall govern the relationship between the parties in the event of a conflict between the Certificate of Appointment and this Agreement;

(b) Specimens of all forms of outstanding stock certificates, in the forms approved by the Board of Directors of the Company, with a certificate of the Secretary of the Company as to such approval;

(c) Specimens of the signatures of the officers of the Company authorized to sign stock certificates and specimens of the signatures of the individuals authorized to sign written instructions and requests;

(d) A copy of the Articles of Incorporation and by-laws of the Company and, on a continuing basis, copies of all material amendments to the Articles of Incorporation or by-laws made after the date of this Agreement (such amendments to be provided promptly after such amendments are made); and

(e) A sufficient supply of blank certificates signed by (or bearing the facsimile signature of) the officers of the Company authorized to sign stock certificates and bearing the Company's corporate seal (if required). AST may use certificates bearing the signature of a person who at the time of use is no longer an officer of the Company.

Section 2. Standard Services

2.01 In accordance with the procedures established from time to time by agreement between the Company and AST, AST shall provide the following services:

(a) Create and maintain shareholder accounts for all Shares;

(b) Provide online access capability for the Company's personnel, including "read-only" access to individual shareholder files;

(c) Review transfer documents and certificates for acceptability;

(d) Complete transfer debit and credit transactions;

(e) Provide for the original issuance of shares as directed by the Company ;

(f) Maintain Treasury accounts in book entry;

(g) Furnish clear, simple, and detailed instructions to shareholders throughout the transfer process, as well as clear and concise written explanations of rejected transfers;

(h) Post transfers to the record system daily;

(i) Prepare a list of shareholders entitled to vote at the annual meeting as requested by the Company;

(j) As required by the Company, mail all proxy materials to shareholders of record as of the proxy record date or provide a list of the names (and other relevant information) of such shareholders of record to a designated third party for purposes of such mailing (it being understood, however, that production of such external files shall be billable as an expense at AST's standard rates for the production of external tapes);

(k) Tabulate returned proxy cards, telephonic votes and internet votes;

(l) Provide the Company with access to shareholder voting records via online access or by written report, prior to the Company's annual meeting;

(m) Provide appropriate responses to electronic, telephonic and written inquiries from the Company's shareholders;

(n) Provide an 800 toll-free number and toll number in conjunction with an interactive telephone system capable of providing information and handling shareholder requests without talking to a representative;

(o) Prepare and submit appropriate tax and other reports required by State and Federal agencies, principal stock exchanges, and shareholders, as requested by the Company;

(p) Issue replacement certificates for those certificates alleged to have been lost, stolen or destroyed, unless AST has received notice that such certificates were acquired by a bona fide purchaser. AST shall be entitled to demand an open penalty surety bond satisfactory to AST holding AST and the Company harmless. AST shall be entitled to demand payment of the premium and processing fee for such open penalty surety bond from the shareholder. AST, at its option, may issue replacement certificates in place of mutilated stock certificates upon presentation thereof without such indemnity;

(q) Compute quarterly dividend payment for each account as of the record date, balanced to the official share position;

(r) Prepare and transmit payments for dividends and distributions declared by the Company, provided good funds for said dividends or distributions are received by AST prior to the scheduled mailing date for said dividends or distributions;

(s) Code lost accounts to suppress printing and mailing of checks in accordance with applicable policies and guidelines;

(t) Replace lost or stolen dividend checks at a shareholder's request;

(u) Withhold taxes on dividends at the appropriate rate when applicable; and

(v) Administer an Investors Choice Direct Stock Purchase and Sale program (if requested).

2.02 The Company shall have the obligation to discharge all applicable escheat and notification obligations. Notwithstanding the foregoing, upon request, AST will assist the Company in discharging these obligations.

2.03 AST may, at its election, outsource any of the services to be provided hereunder, but shall retain ultimate responsibility for any of the services so provided.

2.04 AST may provide further services to, or on behalf of, the Company as may be agreed upon between the Company and AST.

Section 3. Fees and Expenses

3.01 Fees

The Company agrees to pay AST fees for the services performed pursuant to this Agreement in the amount of $2,000.00. per month. Notwithstanding the foregoing, in the event that the scope of services to be provided by AST is increased substantially, the parties shall negotiate in good faith to determine reasonable compensation for such additional services.

3.02 Out-of-Pocket Expenses

(a) In addition to the fees paid under Section 3.01 above, the Company agrees to reimburse AST for all reasonable expenses or other charges incurred by AST in connection with the provision of services to the Company (including reasonable attorneys fees) at AST’s rates then in effect.

(b) Notwithstanding Section 3.03 below, AST reserves the right to request, which request shall include proper documentation, advance payment for substantial out-of-pocket expenditures.

3.03. Payment of Fees and Expenses

The Company agrees to pay all fees and reimbursable expenses within twenty (20) days following the receipt of a billing notice. Interest charges will accrue on unpaid balances outstanding for more than sixty (60) days.

3.04. Services Required by Legislation

Services required by legislation or regulatory mandate that become effective after the effective date of this Agreement shall not be part of the standard services, and shall be billed by agreement of the parties.

Section 4. Representations and Warranties of AST

AST represents and warrants to the Company that:

It is a corporation duly organized and validly existing in good standing under the laws of the State of New York;

It is duly qualified to carry on its business in the State of New York;

It is empowered under applicable laws and by its Charter and By-laws to enter into and perform this Agreement; and

All requisite corporate proceedings have been taken to authorize it to enter into and perform this Agreement,

It has developed and implemented policies and procedures designed to assure compliance with applicable federal securities laws and will act in accordance with such policies and procedures; and

It is registered as a transfer agent under the Securities and Exchange Act of 1934, as amended, (the "Exchange Act").

Section 5. Representations and Warranties of the Company

The Company represents and warrants to AST that:

It is a corporation duly organized and validly existing and in good standing under the laws of Rhode Island;

It is empowered under applicable laws and governing instruments to enter into and perform this Agreement;

All corporate proceedings required by said governing instruments and applicable law have been taken to authorize it to enter into and perform this Agreement;

All certificates representing Shares that were not issued pursuant to an effective registration statement under the Securities Act of 1933, as amended, bear a legend in substantially the following form:

> “The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the ”Act”). The shares may not be sold, transferred or assigned in the absence of an effective registration for these shares under the Act or an opinion of the Company’s counsel that registration is not required under the Act.”

All Shares not so registered were issued or transferred in a transaction or series of transactions exempt from the registration provisions of the Act, and in each such issuance or transfer, the Corporation was so advised by its legal counsel.

Section 6. Reliance and Indemnification

6.01 AST may rely on any written or oral instructions received from any person it believes in good faith to be an officer, authorized agent or employee of the Company, unless, prior thereto, (a) the Company shall have advised AST in writing that it is entitled to rely only on written instructions of designated officers of the Company; (b) the Company furnishes AST with an appropriate incumbency certificate for such officers and their signatures; and (c) the Company thereafter keeps such designation current with an annual (or more frequent, if required) re-filing. AST may also rely on advice, opinions or instructions received from the Company’s legal counsel. AST may, in any event, rely on advice received from its legal counsel; provided that, AST shall notify the Company as to the advice or instructions it has received from its legal counsel. AST may rely (a) on any writing or other instruction believed by it in good faith to have been furnished by or on behalf of the Company or a shareholder; (b) on any statement of fact contained in any such writing or other instruction that it in good faith does not believe to be inaccurate; (c) on the apparent authority of any person to act on behalf of the Company or a shareholder as having actual authority to the extent of such apparent authority; (d) on the authenticity of any signature (manual or facsimile) appearing on any writing; and (e) on the conformity to original of any copy. AST shall further be entitled to rely on any information, records and documents provided to AST by a former transfer agent or former registrar on behalf of the Company.

6.02 AST shall not be responsible for, and the Company shall indemnify and hold AST harmless from and against, any and all losses, damages, costs, charges, judgments, fines, amounts paid in settlement, reasonable counsel fees and expenses, payments, general expenses and/or liability arising out of or attributable to:

(a) AST’s (and/or its agents’ or subcontractors’) actions performed in its capacity as transfer agent and/or registrar, provided that such actions are taken in good faith and without gross negligence or willful misconduct or material violation of law;

(b) The Company’s lack of good faith, negligence or willful misconduct or the breach of any representation or warranty of the Company hereunder;

(c) Any action(s) taken in accordance with section 6.01 above;

(d) Any action(s) performed pursuant to a direction or request issued by a statutory, regulatory, governmental or quasi-governmental body (AST shall, however, provide the Company with prior notice when practicable, unless AST is not permitted to do so); and

(e) Any reasonable expenses, including attorney fees, incurred in seeking to enforce the foregoing indemnities.

6.03 The Company shall not be responsible for, and AST shall indemnify and hold the Company harmless from and against, any and all losses, damages, costs, charges, judgments, fines, amounts paid in settlement, reasonable counsel fees and expenses, payments, general expenses and/or liability arising out of or attributable to AST’s (and/or its agents’ or subcontractors’) actions performed in its capacity as transfer agent and/or registrar taken in bad faith and with gross negligence, willful misconduct or material violation of law.

6.04 AST will research the records delivered to it on its appointment as agent if it receives a stock certificate not reflected in said records. If neither the Company nor AST is able to reconcile said certificate with said records (so that the transfer of said certificate on the records maintained by AST would create an overissue), the Company shall either increase the number of its issued shares, or acquire and cancel a sufficient number of issued shares, to correct the overissue.

6.05 The foregoing indemnities shall not terminate on termination of AST’s acting as transfer agent and/or registrar, and they are irrevocable; provided, however, that such indemnities shall apply only to those actions taken during the term of the Agreement and in connection with each party’s performance thereunder. AST’s acceptance of its appointment as transfer agent and/or registrar, evidenced by its acting as such for any period, shall be deemed sufficient consideration for the foregoing indemnities.

Section 7. Standard of Care

AST shall, at all times, act in good faith. AST agrees to use its best efforts, within reasonable time limits, to ensure the accuracy of all services performed under this Agreement.

Section 8. Limitations on AST’s Responsibilities

AST shall not be responsible for the validity of the issuance, presentation or transfer of stock; the genuineness of endorsements; the authority of presentors; or the collection or payment of charges or taxes incident to the issuance or transfer of stock. AST may, however, delay or decline an issuance or transfer if it deems it to be in its or the Company’s best interests to receive evidence or assurance of such validity, authority, collection or payment. AST shall not be responsible for any discrepancies in its records or between its records and those of the Company, if it is a successor transfer agent or successor registrar, unless no discrepancy existed in the records of the Company and any predecessor transfer agent or predecessor registrar. AST shall not be deemed to have notice of, or to be required to inquire regarding, any provision of the Company’s charter, Articles of Incorporation, or by-laws, any court or administrative order, or any other document, unless it is specifically advised of such in a writing from the Company, which writing shall set forth the manner in which it affects the Shares. In no event shall AST be responsible for any transfer or issuance not effected by it.

IN NO EVENT SHALL AST HAVE ANY LIABILITY FOR ANY INCIDENTAL, SPECIAL, STATUTORY, INDIRECT OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS, REVENUE, DATA OR COST OF COVER.

AST’S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AGGREGATE AMOUNT OF ALL FEES (EXCLUDING EXPENSES) PAID OR PAYABLE UNDER THIS AGREEMENT IN THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE FIRST EVENT GIVING RISE TO LIABILITY.

Section 9. Covenants of the Company and AST

9.01 AST agrees to establish and maintain facilities and procedures reasonably acceptable to the Company for the safekeeping of stock certificates.

9.02 AST shall keep records relating to the services to be performed hereunder, in the form and manner as it may deem advisable. AST agrees that all such records prepared or maintained by it relating to the services performed hereunder are the property of the Company and will be preserved, maintained and made available to the Company in accordance with the requirements of law, and will be surrendered promptly to the Company on and in accordance with its request provided that the Company has satisfactorily performed its obligations under Sections 3.01, 3.02, 10.03 and 10.05 hereof, to the extent applicable. Notwithstanding the foregoing, AST shall be entitled to destroy or otherwise dispose of records belonging to the Company in accordance with AST's standard document and record retention practices and/or procedures, but in all cases in accordance with Rules 17Ad-6 and 17 Ad-7 promulgated under the Exchange Act.

9.03 AST and the Company agree that all confidential books, records, information and data pertaining to the business of the other party which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law or as permitted by AST's privacy policy as then in effect.

9.04 AST agrees to allow the Company to inspect its on-premise technology security controls from time to time at the convenience of AST.

9.05 AST agrees to obtain a Type II SAS 70 Report no less than annually and provide the Company with a copy of its annual SAS 70 Report within 30 days of receipt.

9.06 In the event that AST becomes aware of either of the following conditions, AST will notify the Company within 30 days of becoming aware of the condition: (i) a significant change in the controls covered by the SAS 70 Report, or (ii) a significant error or material weakness in the internal controls covered by the SAS 70 Report.

9.07 In the event that AST becomes aware of a breach of this Agreement relating to the treatment of confidential information, AST will notify the Company within 24 hours of the discovery of the breach. AST will provide the Company with any and all known information related to the breach.

9.08 AST agrees to provide annual audited financial statements to the Company within 120 days of its year-end close of business.

9.09 AST agrees to provide any amendments to its privacy policy to the Company within 30 days of such amendment.

Section 10. Term and Termination

10.01 The initial term of this Agreement shall be three (3) years from the date first referenced above and the appointment shall automatically be renewed for further one year successive terms without further action of the parties, unless written notice is provided by either party at least 90 days prior to the end of the initial three year or any subsequent one year period. The term of this appointment shall be governed in accordance with this paragraph, notwithstanding the cessation of active trading in the capital stock of the Company.

10.02 In the event that AST commits any continuing breach of its material obligations under this Agreement, and such breach remains uncured for more than sixty (60) days after written notice by the Company (which notice shall explicitly reference this provision of the Agreement), the Company shall be entitled to terminate this agreement with no further payments other than (a) payment of any amounts then outstanding under this Agreement and (b) payment of any amounts required pursuant to Section 10.05 hereof.

10.03 In the event that the Company terminates this Agreement other than pursuant to Sections 10.01 and 10.02 above, the Company shall be obligated to immediately pay all amounts that would have otherwise accrued during the term of the Agreement pursuant to Section 3 above, as well as the charges accruing pursuant to Section 10.05 below.

10.04 In the event that the Company commits any breach of its material obligations to AST, including non-payment of any amount owing to AST, and such breach remains uncured for more than sixty (60) days after written notice by AST (which notice shall expressly reference this provision of the Agreement), AST shall have the right, upon notice to the Company, to terminate this Agreement or suspend its services for a period of time not to exceed sixty (60) days. During such time as AST may suspend its services, AST shall have no obligation to act as transfer agent and/or registrar on behalf of the Company, and shall not be deemed its agent for such purposes. Such suspension shall not affect AST’s rights under the Certificate of Appointment or this Agreement.

10.05 Should the Company elect not to renew this Agreement or otherwise terminate this Agreement, AST shall be entitled to reasonable additional compensation for the service of preparing records for delivery to its successor or to the Company, and for forwarding and maintaining records with respect to certificates received after such termination. AST shall be entitled to retain all transfer records and related documents until all amounts owing to AST have been paid in full. AST will perform its services in assisting with the transfer of records in a diligent and professional manner.

Section 11. Assignment

Neither this Agreement, nor any rights or obligations hereunder, may be assigned by either party without the written consent of the other party.

Section 12. Notices

Any notice or communication by AST or the Company to the other is duly given if in writing and delivered in person or mailed by first class mail (postage prepaid), telex, telecopier or overnight air courier to the other's address:

If to the Company:

Mr. David V. Devault
Executive Vice President, Secretary, Treasurer and Chief Financial Officer
Washington Trust Bancorp, Inc.
23 Broad Street
Westerly, RI 02891
Telecopy no: 401-348-1565

With a copy to:

Mr. Paul W. Lee
Goodwin Procter LLP
Exchange Place
Boston, MA 02109-2881
Telecopy No.: (617) 523-1231

If to AST:

Mr. George Karfunkel
American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
Telecopy No.: (718) 236-4588

With a copy to:

American Stock Transfer & Trust Company
Attn: General Counsel
59 Maiden Lane
New York, NY 10038

AST and the Company may, by notice to the other, designate additional or different addresses for subsequent notices or communications.

Section 13. Successors

All the covenants and provisions of this Agreement by or for the benefit of the Company or AST shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 14. Amendment

This Agreement may be amended or modified by a written amendment executed by both parties hereto.

Section 15. Severability

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. To the extent that any provision hereof is deemed to be unenforceable under applicable law, it shall be deemed replaced by an enforceable provision to the same or nearest possible effect.

Section 16. Governing Law

This Agreement shall be governed by the laws of the State of New York.

Section 17. Descriptive Headings

Descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 18. Third Party Beneficiaries

The provisions of this Agreement are intended to benefit only AST and the Company and their respective successors and assigns. No rights shall be granted to any other person by virtue of this Agreement, and there are no third party beneficiaries hereof.

Section 19. Survival

All provisions regarding indemnification, liability and limits thereon shall survive the termination of this Agreement.

Section 20. Merger of Agreement

This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject matter hereof, whether oral or written.

Section 21. Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by an officer thereunto duly authorized, all as of the date first written above.

WASHINGTON TRUST BANCORP, INC.

By./s/ David V. Devault	By./s/ Elizabeth E. Eckel
Name: David V. Devault	Name: Elizabeth B. Eckel
Title: Executive Vice President, Secretary, Treasurer and Chief Financial Officer	Title: Senior Vice President, Marketing

AMERICAN STOCK TRANSFER & TRUST COMPANY

By:/s/ Herbert J. Lemmer

Name: Herbert J. Lemmer

Title: Vice President

Exhibit 4.2
AGREEMENT OF SUBSTITUTION AND AMENDMENT OF AMENDED AND RESTATED RIGHTS AGREEMENT

This Agreement of Substitution and Amendment of Amended and Restated Rights Agreement (the "Agreement") is entered into as of February 15, 2006, by and between Washington Trust Bancorp, Inc., a Rhode Island corporation (the "Company"), and American Stock Transfer and Trust Company, a New York banking corporation ("AST").

RECITALS

A. On or about March 1, 2002, the Company entered into Amended and Restated Rights Agreement (the "Rights Agreement") with Mellon Investor Services LLC, a New Jersey limited liability company (the "Predecessor Agent") as rights agent. All capitalized terms used herein and not otherwise defined shall having the meaning ascribed to them in the Rights Agreement.

B. The Company wishes to remove the Predecessor Agent and substitute AST as rights agent pursuant to Section 21 of the Rights Agreement.

C. The Company has given the Predecessor Agent notice of removal of the Predecessor Agent as rights agent.

D. Pursuant to Section 27 of the Rights Agreement, the Company may from time to time, supplement or amend the Rights Agreement without the approval of any holders of Right Certificates in order to, among other things, to make any change to or delete any provision thereof or to adopt any other provisions with respect to the Rights which the Company may deem necessary or desirable.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and of other consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 21 of the Rights Agreement is hereby amended to provide that any successor Rights Agent shall, at the time of its appointment as Rights Agent, have a combined capital and surplus of at least $25 million, rather than $100 million.

2. The Company hereby appoints AST as Rights Agent pursuant to Section 21 of the Rights Agreement, to serve in that capacity for the consideration and subject to all of the terms and conditions of the Rights Agreement.

3. AST hereby accepts the appointment as Rights Agent pursuant to Section 21 of the Rights Agreement and agrees to serve in that capacity for the consideration and subject to all of the terms and conditions of the Rights Agreement.

4. From and after the effective date hereof, each and every reference in the Rights Agreement to a "Rights Agent" shall be deemed to be a reference to AST.

5. Section 26 of the Rights Agreement is amended to provide that notices or demands shall be addressed as follows (until another address is filed):

If to the Company: Washington Trust Bancorp, Inc.
23 Broad Street
Westerly, Rhode Island 02891
Attention: Secretary

with a copy to:

Goodwin Procter LLP
Exchange Place
Boston, Massachusetts 02109
Attention: Paul W. Lee

If to AST: American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
Attention: Corporate Trust Department

6. Except as expressly modified herein, the Right Agreement shall remain in full force and effect.

7. This Agreement may be executed in one or more counterparts, each of which shall together constitute one and the same document.

remainder of page intentionally left blank

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the dated indicated above.

WASHINGTON TRUST BANCORP, INC.

By: /s/ David V. Devault
Name: David V. Devault
Title: Executive Vice President, Secretary, Treasurer and Chief Financial Officer

AMERICAN STOCK TRANSFER &
TRUST COMPANY

By: /s/ Herbert J. Lemmer
Name: Herbert J. Lemmer
Title: Vice President

EXHIBIT 15.1

Washington Trust Bancorp, Inc.
Letter regarding unaudited interim financial information

To the Board of Directors and Shareholders of
Washington Trust Bancorp, Inc.:

Re: Registration Statements on Form S-8
File No. 333-107141, 333-72277, 333-48315, 333-13167, and 033-23048

Registration Statements on Form S-3
File No. 333-13821, 033-28065, and 333-42502

With respect to the subject Registration Statements, we acknowledge our awareness of the use therein of our report dated May 9, 2006 related to our review of interim financial information.

Pursuant to Rule 436(c) under the Securities Act of 1933 (the “Act”), such report is not considered a part of a registration statement prepared or certified by an independent registered public accounting firm or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

Providence, Rhode Island
May 9, 2006

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Warren, Chairman and Chief Executive Officer of Washington Trust Bancorp, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q, for the quarterly period ended March 31, 2006, of Washington Trust Bancorp, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries (except such disclosure controls and procedures and internal control over financial reporting of Weston Financial Group, Inc., which was acquired by the Registrant during 2005), is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: May 9, 2006

By: /s/ John C. Warren
John C. Warren
Chairman and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David V. Devault, Executive Vice President, Secretary, Treasurer and Chief Financial Officer of Washington Trust Bancorp, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q, for the quarterly period ended March 31, 2006, of Washington Trust Bancorp, Inc. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries (except such disclosure controls and procedures and internal control over financial reporting of Weston Financial Group, Inc., which was acquired by the Registrant during 2005), is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls over financial reporting.

Date: May 9, 2006

By: /s/ David V. Devault
David V. Devault
Executive Vice President, Secretary, Treasurer and Chief Financial Officer
(principal financial and accounting officer)

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Washington Trust Bancorp, Inc. (the "Corporation"), hereby certifies that the Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: May 9, 2006

By: /s/ John C. Warren
John C. Warren
Chairman and Chief Executive Officer
(principal executive officer)

The undersigned officer of Washington Trust Bancorp, Inc. (the "Corporation"), hereby certifies that the Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: May 9, 2006

By: /s/ David V. Devault
David V. Devault
Executive Vice President, Secretary, Treasurer and Chief Financial Officer
(principal financial and accounting officer)

Exhibit 10.1

SECOND AMENDMENT

TO

THE WASHINGTON TRUST BANCORP, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

A. WHEREAS, Washington Trust Bancorp, Inc. (the “Company”) maintains the Washington Trust Bancorp, Inc. Supplemental Executive Retirement Plan (the “Plan”) for the benefit of its eligible employees;

WHEREAS, it is the intent of the Company that the offset for benefits provided by previous employers should include benefits provided by both qualified and non-qualified defined benefit plans;

WHEREAS, both Participants in the Plan agree that benefits provided by non-qualified defined benefit plans are valid offsets;

WHEREAS, the Company desires to amend the Plan to correctly reflect the Company’s intent;

WHEREAS, the Company has reserved the right to amend the Plan by action of its Board of Directors; and

WHEREAS, the Board of Directors has authorized the following amendment to the Plan;

NOW, THEREFORE, the Company hereby amends the Plan as follows:

1. Section 3.1(a)(iv) is hereby amended by deleting said subsection in its entirety and substituting therefor the following:

> (iv) The annual amount of benefits payable to the Participant on his Normal Retirement Date in the Life Annuity Form from any qualified and non-qualified defined benefit pension plan maintained and/or funded by any prior employer of the Participant.”

B. The effective date of this Second Amendment is as of September 1, 2001.

C. In all other respects said Plan is hereby confirmed.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed by its duly authorized officer this 12th day of April, 2006.

WASHINGTON TRUST BANCORP, INC.

/s/ David V. Devault

David V. Devault
Executive Vice President, Secretary, Treasurer and Chief Financial Officer