

WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Dollars in thousands)

Six months ended June 30,	Unaudited	
	2008	2007
Noncash Investing and Financing Activities:		
Loans charged off	\$ 326	\$ 370
Securities proceeds due from broker	3,084	—
Supplemental Disclosures:		
Interest payments	36,687	37,588
Income tax payments	6,868	6,309

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

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For the three and six months ended June 30, 2008, average interest-bearing liabilities increased \$237.0 million and \$216.6 million, respectively, from the amounts reported for the same periods in 2007. The Corporation experienced increases in FHLB advances and money market accounts and declines in NOW accounts, savings and time deposits. The average balance of FHLB advances for the three and six months ended June 30, 2008 increased \$284.4 million and \$244.5 million, respectively, while the average rate paid on FHLB advances decreased 20 basis points and 8 basis points, respectively, from the same periods a year earlier. The average balance of money market accounts for the second quarter and first six months of 2008 increased \$21.8 million and \$27.9 million, respectively, while the average rate paid on money market accounts decreased 213 basis points and 143 basis points, respectively, from the same periods in 2007. The decline in time deposits reflected decreases in average brokered certificates of deposit, which are utilized by the Corporation as part of its overall funding program along with FHLB advances and other sources. Average brokered certificates of deposit for the three and six months ended June 30, 2008 decreased \$39.5 million and \$39.9 million, respectively, from the comparable periods in 2007. The average rate paid on brokered certificates of deposit for the three and six months ended June 30, 2008 increased 6 basis points and 8 basis points, respectively, from the comparable periods in 2007. See Note 7 to the Consolidated Financial Statements for additional discussion on junior subordinated debentures issued in the second quarter of 2008.

Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the period ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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, 2007.

Item 6. Exhibits

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

<u>Exhibit Number</u>	
10.1	Amended and Restated Declaration of Trust of Washington Preferred Capital Trust dated April 7, 2008, by and among Wilmington Trust Company, as Delaware Trustee and Institutional Trustee, Washington Trust Bancorp, Inc., as sponsor, and the Administrators listed therein - Filed as Exhibit 10.1 to the Bancorp's Current Report on Form 8-K (File No. 000-13091), as filed with the Securities and Exchange Commission on April 7, 2008.
10.2	Indenture dated as of April 7, 2008, between Washington Trust Bancorp, Inc., as Issuer, and Wilmington Trust Company, as Trustee - Filed as Exhibit 10.2 to the Bancorp's Current Report on Form 8-K (File No. 000-13091), as filed with the Securities and Exchange Commission on April 7, 2008.
10.3	Guarantee Agreement dated April 7, 2008, by and between Washington Trust Bancorp, Inc. and Wilmington Trust Company - Filed as Exhibit 10.3 to the Bancorp's Current Report on Form 8-K (File No. 000-13091), as filed with the Securities and Exchange Commission on April 7, 2008.
10.4	Certificate Evidencing Floating Rate Capital Securities of Washington Preferred Capital Trust dated April 7, 2008 - Filed as Exhibit 10.4 to the Bancorp's Current Report on Form 8-K (File No. 000-13091), as filed with the Securities and Exchange Commission on April 7, 2008.
10.5	Floating Rate Junior Subordinated Deferrable Interest Debenture of Washington Trust Bancorp, Inc. dated April 7, 2008 - Filed as Exhibit 10.5 to the Bancorp's Current Report on Form 8-K (File No. 000-13091), as filed with the Securities and Exchange Commission on April 7, 2008.
10.6	Form of Deferred Stock Unit Award Agreement — Filed herewith. (2)
15.1	Letter re: Unaudited Interim Financial Information - Filed herewith.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. – Filed herewith. (1)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. – Filed herewith. (1)
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 – Filed herewith. (1)
(1)	These certifications are not “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing under the Securities Act or the Exchange Act.
(2)	Management contract or compensatory plan or arrangement.

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: August 8, 2008

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

Date: August 8, 2008

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

EXHIBIT 10.6

Washington Trust Bancorp, Inc. Form of Deferred Stock Unit Award Agreement

The form of Deferred Stock Unit Award Agreement (the "Agreement") contains blanks where the executive's name, target number of shares, grant date, vesting date, performance period, shortened performance period start date, and months in term provided under the Agreement vary for each executive. The information for the executive officers who entered into the Agreement is provided in the following chart:

Executive Officer	Target number of share	Grant date	Vesting date	Performance period	Shortened performance period start date	Months in term
John C Warren	6,007	June 16, 2008	April 30, 2010	January 1, 2008 through December 31, 2009	January 1, 2008	22
John F. Treanor	6,086	June 16, 2008	June 16, 2011	January 1, 2008 through December 31, 2010	January 1, 2008	36

in part, by authorizing the Corporation to withhold from shares of Stock to be issued, a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. Miscellaneous.

- a) Notice hereunder shall be given to the Corporation at its principal place of business, and shall be given to the Grantee at the address maintained in the Corporation's payroll records, or in either case at such other address as one party may subsequently furnish to the other party in writing.
- b) This Agreement does not confer upon the Grantee any rights with respect to continuation of employment by the Corporation or any Subsidiary.
- c) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Rhode Island, applied without regard to conflict of law principles.

WASHINGTON TRUST BANCORP, INC

By:

Gary P. Bennett, Chairperson
Compensation & Human Resources Committee

I hereby accept the Award in accordance with the terms of this Agreement.

<<Name>>

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, 033-23048 and 333-146388

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 August 8, 2008 related to our review of interim financial information.

Pursuant to Rule 436 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
August 8, 2008

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 June 30, 2008 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: August 8, 2008

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 June 30, 2008 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: August 8, 2008

By: /s/ David V. Devault

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