

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported)
July 25, 2011

WASHINGTON TRUST BANCORP, INC.

(Exact Name of Registrant as Specified in Charter)

Rhode Island

(State or Other Jurisdiction
of Incorporation)

001-32991

(Commission
File Number)

05-0404671

(IRS Employer
Identification No.)

23 Broad Street, Westerly, Rhode Island 02891

(Address of Principal Executive Offices) (Zip Code)

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

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

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

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

On July 25, 2011, Washington Trust Bancorp, Inc. issued a press release in which it disclosed unaudited financial information related to second quarter 2011 consolidated earnings. A copy of the press release relating to such announcement, dated July 25, 2011, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.

Exhibit

99.1

Press Release dated July 25, 2011*

*Filed herewith

SIGNATURES

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

WASHINGTON TRUST BANCORP, INC.

Date: July 25, 2011 _____

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

EXHIBIT INDEX

Exhibit No.
99.1

Exhibit
Press Release dated July 25, 2011*

* Filed herewith

Exhibit 99.1

[Graphic Omitted]

NASDAQ: WASH

Contact: Elizabeth B. Eckel
Senior Vice President, Marketing
Telephone: (401) 348-1309
E-mail: ebeckel@washtrust.com
Date: July 25, 2011

FOR IMMEDIATE RELEASE

Washington Trust Announces Record Net Income for Second Quarter 2011 Diluted Earnings Per Share up 39% over Second Quarter 2010

Westerly, Rhode Island...Washington Trust Bancorp, Inc. (NASDAQ Global Select®; symbol: WASH), parent company of The Washington Trust Company, today announced second quarter 2011 net income of \$7.6 million, or 46 cents per diluted share, compared to second quarter 2010 net income of \$5.3 million, or 33 cents per diluted share. The returns on average equity and average assets for the second quarter of 2011 were 10.83% and 1.04%, respectively, compared to 8.05% and 0.73%, respectively, for the same period in 2010.

For the six months ended June 30, 2011, net income amounted to \$14.4 million, or 88 cents per diluted share, compared to \$10.5 million, or 65 cents per diluted share, for the same period in 2010. The returns on average equity and average assets for the first six months of 2011 were 10.44% and 0.99%, respectively, compared to 8.03% and 0.72%, respectively, for the same period in 2010.

“Washington Trust posted record quarterly net income, as our state-wide presence and client base continues to grow in a challenging economy,” stated Joseph J. MarcAurele, Washington Trust Chairman, President and Chief Executive Officer. “We’re excited about the opportunities offered by our new East Providence branch, which is scheduled to open in September 2011.”

Financial Highlights:

- A gain of \$203 thousand (\$141 thousand after tax; 1 cent per share) was recognized on the sale of a bank property in the second quarter of 2011.
- Net interest margin amounted to 3.21% for the second quarter of 2011 compared to 3.16% for the first quarter of 2011 and up by 35 basis points from the 2.86% reported for the second quarter of 2010.
- Wealth management revenues increased by \$430 thousand, or 6%, from the first quarter of 2011 and by \$747 thousand, or 11%, from the second quarter of 2010. Assets under administration increased by 1% in the second quarter and by 5% in the first six months of 2011.
- The loan loss provision charged to earnings in the second quarter of 2011 was \$1.2 million, a decrease of \$300 thousand on both a linked quarter basis and compared to the second quarter of 2010.

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- Federal Deposit Insurance Corp. (“FDIC”) deposit insurance premiums were down by \$320 thousand from the second quarter of 2010 and by \$259 thousand from the first quarter of 2011, reflecting lower assessment rates.
- Total loan growth amounted to \$28 million, or 1%, in the second quarter of 2011, with commercial loan growth of \$17 million and residential mortgage loan growth of \$9 million.
- A balance sheet management transaction was conducted in May 2011 that included the sale of \$5.7 million in mortgage-backed securities and prepayment of \$5.0 million Federal Home Loan Bank of Boston (“FHLBB”) advances. The transaction resulted in net realized gains on securities of \$226 thousand and a \$221 thousand debt prepayment penalty.
- Nonperforming assets amounted to \$24.1 million, or 0.82% of total assets, at June 30, 2011, up from \$22.3 million, or 0.77% of total assets, at March 31, 2011. Total loans 30 days or more past due amounted to \$24.6 million, or 1.19% of total loans, at June 30, 2011, down by \$2.7 million in the second quarter.

Net Interest Income

Net interest income for the second quarter of 2011 increased by \$737 thousand, or 4%, from the first quarter of 2011 and by \$2.2 million, or 12%, from the second quarter a year ago.

The net interest margin for the second quarter of 2011 was 3.21%, up by 5 basis points from the first quarter of 2011 and by 35 basis points from the second quarter of 2010. For the six months ended June 30, 2011, the net interest margin was 3.19%, up by 37 basis points from the same period a year earlier. The quarter and year-to-date increases in net interest margin are due in large part to lower funding costs.

Noninterest Income

Noninterest income totaled \$13.3 million for the second quarter of 2011, up by \$1.6 million, or 14%, on a linked quarter basis and up by \$2.1 million, or 19%, over the second quarter of 2010. Second quarter 2011 noninterest income included \$226 thousand of net realized gains on securities related to the previously described balance sheet management transaction and also included \$203 thousand of gain recognized on the sale of a bank property, which was classified in other income. Excluding these two second quarter items, noninterest income increased by \$1.2 million, or 10%, from the first quarter of 2011 and by \$1.7 million, or 15%, from the same period a year earlier. The increase in noninterest income reflected increases in wealth management revenues and merchant processing fees.

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Wealth management revenues for the second quarter of 2011 increased by \$430 thousand, or 6%, on a linked quarter basis and by \$747 thousand, or 11%, over the second quarter a year ago. On a linked quarter basis, the increase in wealth management revenues includes a \$254 thousand increase in tax preparation fees, which are typically concentrated in the second quarter.

Wealth management assets under administration totaled \$4.1 billion at June 30, 2011, up by \$29 million, from March 31, 2011 reflecting increases in market value net of income of \$2 million and net client cash inflows of \$28 million. Assets under administration were up by \$181 million from December 31, 2010 and up by \$522 million from June 30, 2010.

There were no other-than-temporary impairment losses on investment securities recognized in the second quarter of 2011, compared to \$33 thousand in the first quarter of 2011 and \$354 thousand in the second quarter a year earlier.

Noninterest Expenses

Noninterest expenses totaled \$22.3 million for the second quarter of 2011. Second quarter of 2011 noninterest expenses included \$221 thousand of debt prepayment charges. Excluding second quarter debt prepayment charges, noninterest expenses increased by \$1.3 million, or 6%, from the first quarter of 2011 and by \$1.1 million, or 5%, from the same period a year earlier. The increase in noninterest expenses reflected increases in salaries and employee benefit costs, merchant processing costs and foreclosed property costs, offset in part by lower FDIC deposit insurance costs.

Salaries and employee benefits costs, the largest component of noninterest expenses, increased by \$570 thousand, or 5%, on a linked-quarter basis, due in large part to seasonal hires and higher commissions and incentives. Salaries and employee benefits costs increased by \$672 thousand, or 6%, compared to the second quarter of 2010. This increase reflected higher staffing levels at the Burlington, Massachusetts mortgage production office, which opened in the first quarter of 2011, other selected staffing additions and higher commissions and incentives, which were being recognized at lower levels in 2010.

Income tax expense amounted to \$3.3 million for the second quarter of 2011, compared to \$3.0 million for the first quarter of 2011 and \$2.2 million for the second quarter of 2010. The effective tax rate for both the second quarter of 2011 and first quarter of 2011 was 30.5%, as compared to 29.4% for the second quarter of 2010.

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Asset Quality

Nonperforming assets (nonaccrual loans, nonaccrual investment securities and property acquired through foreclosure or repossession) amounted to \$24.1 million, or 0.82% of total assets, at June 30, 2011, compared to \$22.3 million, or 0.77% of total assets, at March 31, 2011. Nonaccrual loans totaled \$21.0 million at June 30, 2011, up by \$1.6 million in the second quarter of 2011, reflecting a net increase of \$1.3 million in nonaccrual residential loans. Property acquired through foreclosure or repossession amounted to \$2.2 million at June 30, 2011. Four properties were acquired and five properties were sold during the quarter.

At June 30, 2011, total past due loans amounted to \$24.6 million, or 1.19% of total loans, down by \$2.7 million in the second quarter of 2011. Total past due commercial loans amounted to \$11.3 million, or 1.05% of total commercial loans, at June 30, 2011, down by \$4.1 million in the second quarter of 2011. Total past due residential mortgage loans were up by \$1.4 million in the second quarter of 2011 including one mortgage with a carrying value of \$942 thousand.

At June 30, 2011, loans classified as troubled debt restructurings totaled \$18.6 million, down by \$2.5 million from the \$21.1 million balance at March 31, 2011, reflecting payoffs and declassification from troubled debt restructuring status.

The loan loss provision charged to earnings amounted to \$1.2 million for the second quarter of 2011, down by \$300 thousand from both the first quarter 2011 and second quarter 2010 levels. Net charge-offs amounted to \$956 thousand in the second quarter of 2011, as compared to net charge-offs of \$974 thousand in the first quarter of 2011 and \$1.2 million in the second quarter of 2010.

Loans

Total loans grew by \$28 million, or 1%, in the second quarter of 2011. We continued to experience good commercial origination activity in the second quarter, with a \$17 million, or 1.4%, increase in the commercial loan portfolio, despite some larger paydowns. The residential mortgage portfolio grew by \$9 million in the second quarter of 2011 while consumer loan balances increased by \$1 million. During the first six months of 2011, total loans grew by \$62 million, or 3%, with the largest increase in the commercial loan portfolio.

Investment Securities

The investment securities portfolio amounted to \$592 million at June 30, 2011, up by \$15 million from the

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balance at March 31, 2011, primarily due to purchases of mortgage-backed securities. The investment securities portfolio decreased by \$3 million from the balance at December 31, 2010.

Deposits and Borrowings

Deposits totaled \$2 billion at June 30, 2011, down by \$53 million, or 3%, from the balance at March 31, 2011 reflecting a seasonal decrease in governmental and other deposits, which are expected to build again during the third quarter of 2011. On a year-to-date basis, total deposits declined by \$40 million, or 2%, reflecting declines in money market account balances and time deposits, which were partially offset by increases in demand deposits, NOW accounts and savings account balances.

FHLBB advances totaled \$558 million at June 30, 2011, up by \$89 million from March 31, 2011 and up by \$60 million from December 31, 2010.

Capital Management

Capital levels remain firmly above the regulatory minimums to be considered well capitalized, with total risk-based capital ratio of 12.98% at June 30, 2011, compared to 12.79% at December 31, 2010. Total shareholder's equity was \$281.4 million at June 30, 2011, up by \$12.6 million from the balance at December 31, 2010.

Dividends Declared

The Board of Directors declared a quarterly dividend of 22 cents per share for the quarter ended June 30, 2011. The dividend was paid on July 14, 2011 to shareholders of record on June 30, 2011.

Conference Call

Washington Trust will host a conference call on Tuesday, July 26, 2011 at 8:30 a.m. Eastern Time to discuss second quarter results. This call is being webcast and can be accessed through the Investor Relations section of the Washington Trust web site, www.washtrust.com. Individuals may dial in to the call at 1-877-317-6789. The international dial-in number is 1-412-317-6789. A replay of the call will be posted in this same location on the web site shortly after the conclusion of the call. To listen to a replay of the conference call, dial 1-877-344-7529. For international access, dial 1-412-317-0088. The Conference Number for replay is 10001534. The replay will be available until 9:00 a.m. on August 9, 2011.

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Background

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

Forward-Looking Statements

This press release contains certain statements that 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 that 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 Washington Trust. These risks, uncertainties and other factors may cause the actual results, performance or achievements of Washington Trust 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, regional or international economic conditions or conditions affecting the banking or financial services industries or financial capital markets, volatility and disruption in national and international financial markets, government intervention in the U.S. financial system, reductions in net interest income resulting from interest rate volatility as well as changes in the balance and mix of loans and deposits, reductions in the market value of wealth management assets under administration, changes in the value of securities and other assets, reductions in loan demand, changes in loan collectibility, default and charge-off rates, changes in the size and nature of Washington Trust's competition, changes in legislation or regulation and accounting principles, policies and guidelines such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and changes in the assumptions used in making such forward-looking statements. In addition, the factors described under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as filed with the Securities and Exchange Commission and as updated by our Quarterly Reports on Form 10-Q, may result in these differences. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this press release, and Washington Trust assumes no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Supplemental Information – Explanation of Non-GAAP Financial Measures

In addition to results presented in accordance with generally accepted accounting principles ("GAAP"), this press release contains certain non-GAAP financial measures. Washington Trust's management believes that the supplemental non-GAAP information, which consists of measurements and ratios based on tangible equity and tangible assets, is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

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

| (Dollars in thousands, except par value) | June 30, 2011 | December 31, 2010 |
|--|------------------|----------------------|
| Assets: | | |
| Cash and due from banks | \$ 64,265 | \$ 85,971 |
| Other short-term investments | 7,480 | 6,765 |
| Mortgage loans held for sale | 8,825 | 13,894 |
| Securities available for sale, at fair value; amortized cost \$570,905 in 2011 and \$578,897 in 2010 | 591,580 | 594,100 |
| Federal Home Loan Bank stock, at cost | 42,008 | 42,008 |
| Loans: | | |
| Commercial and other | 1,073,495 | 1,027,065 |
| Residential real estate | 658,347 | 645,020 |
| Consumer | 325,310 | 323,553 |
| Total loans | 2,057,152 | 1,995,638 |
| Less allowance for loan losses | 29,353 | 28,583 |
| Net loans | 2,027,799 | 1,967,055 |
| Premises and equipment, net | 25,265 | 26,069 |
| Investment in bank-owned life insurance | 52,802 | 51,844 |
| Goodwill | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,377 | 7,852 |
| Other assets | 50,791 | 55,853 |
| Total assets | \$ 2,936,306 | \$ 2,909,525 |
| Liabilities: | | |
| Deposits: | | |
| Demand deposits | \$ 261,016 | \$ 228,437 |
| NOW accounts | 236,162 | 241,974 |
| Money market accounts | 355,096 | 396,455 |
| Savings accounts | 227,014 | 220,888 |
| Time deposits | 916,755 | 948,576 |
| Total deposits | 1,996,043 | 2,036,330 |
| Federal Home Loan Bank advances | 558,441 | 498,722 |
| Junior subordinated debentures | 32,991 | 32,991 |
| Other borrowings | 22,005 | 23,359 |
| Other liabilities | 45,401 | 49,259 |
| Total liabilities | 2,654,881 | 2,640,661 |
| Shareholders' Equity: | | |
| Common stock of \$.0625 par value; authorized 30,000,000 shares; issued 16,266,483 shares in 2011 and 16,171,618 shares in 2010 | 1,017 | 1,011 |
| Paid-in capital | 86,838 | 84,889 |
| Retained earnings | 186,078 | 178,939 |
| Accumulated other comprehensive income | 7,492 | 4,025 |
| Total shareholders' equity | 281,425 | 268,864 |
| Total liabilities and shareholders' equity | \$ 2,936,306 | \$ 2,909,525 |

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

| (Dollars and shares in thousands, except per share amounts) | Three Months | | Six Months | |
|---|-----------------|-----------------|------------------|------------------|
| Periods ended June 30, | 2011 | 2010 | 2011 | 2010 |
| Interest income: | | | | |
| Interest and fees on loans | \$ 24,707 | \$ 24,180 | \$ 48,966 | \$ 48,148 |
| Interest on securities: | | | | |
| Taxable | 4,869 | 5,837 | 9,642 | 11,888 |
| Nontaxable | 758 | 770 | 1,527 | 1,539 |
| Dividends on corporate stock and Federal Home Loan Bank stock | 66 | 54 | 133 | 109 |
| Other interest income | 13 | 13 | 37 | 34 |
| Total interest income | 30,413 | 30,854 | 60,305 | 61,718 |
| Interest expense: | | | | |
| Deposits | 4,030 | 5,331 | 8,232 | 11,100 |
| Federal Home Loan Bank advances | 4,685 | 6,000 | 9,417 | 12,219 |
| Junior subordinated debentures | 392 | 447 | 782 | 1,077 |
| Other interest expense | 242 | 243 | 483 | 485 |
| Total interest expense | 9,349 | 12,021 | 18,914 | 24,881 |
| Net interest income | 21,064 | 18,833 | 41,391 | 36,837 |
| Provision for loan losses | 1,200 | 1,500 | 2,700 | 3,000 |
| Net interest income after provision for loan losses | 19,864 | 17,333 | 38,691 | 33,837 |
| Noninterest income: | | | | |
| Wealth management services: | | | | |
| Trust and investment advisory fees | 5,822 | 5,153 | 11,498 | 10,170 |
| Mutual fund fees | 1,135 | 1,105 | 2,258 | 2,215 |
| Financial planning, commissions and other service fees | 553 | 505 | 834 | 684 |
| Wealth management services | 7,510 | 6,763 | 14,590 | 13,069 |
| Service charges on deposit accounts | 909 | 913 | 1,841 | 1,762 |
| Merchant processing fees | 2,682 | 2,406 | 4,626 | 4,012 |
| Card interchange fees | 581 | 487 | 1,068 | 876 |
| Income from bank-owned life insurance | 482 | 474 | 958 | 913 |
| Net gains on loan sales and commissions on loans originated for others | 537 | 318 | 1,062 | 878 |
| Net realized gains on securities | 226 | – | 197 | – |
| Net gains (losses) on interest rate swap contracts | (35) | (121) | 41 | (53) |
| Equity in losses of unconsolidated subsidiaries | (145) | (50) | (289) | (102) |
| Other income | 538 | 323 | 921 | 688 |
| Noninterest income, excluding other-than-temporary impairment losses | 13,285 | 11,513 | 25,015 | 22,043 |
| Total other-than-temporary impairment losses on securities | – | (243) | (54) | (245) |
| Portion of loss recognized in other comprehensive income (before taxes) | – | (111) | 21 | (172) |
| Net impairment losses recognized in earnings | – | (354) | (33) | (417) |
| Total noninterest income | 13,285 | 11,159 | 24,982 | 21,626 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 12,398 | 11,726 | 24,226 | 23,227 |
| Net occupancy | 1,236 | 1,237 | 2,557 | 2,461 |
| Equipment | 1,070 | 1,014 | 2,119 | 2,011 |
| Merchant processing costs | 2,345 | 2,057 | 4,014 | 3,414 |
| Outsourced services | 875 | 855 | 1,747 | 1,695 |
| FDIC deposit insurance costs | 464 | 784 | 1,187 | 1,578 |
| Legal, audit and professional fees | 467 | 408 | 959 | 926 |
| Advertising and promotion | 427 | 419 | 780 | 783 |
| Amortization of intangibles | 237 | 290 | 475 | 581 |
| Foreclosed property costs | 338 | 87 | 504 | 123 |
| Debt prepayment penalties | 221 | – | 221 | – |
| Other expenses | 2,186 | 2,106 | 4,215 | 3,861 |
| Total noninterest expense | 22,264 | 20,983 | 43,004 | 40,660 |
| Income before income taxes | 10,885 | 7,509 | 20,669 | 14,803 |
| Income tax expense | 3,320 | 2,211 | 6,304 | 4,333 |
| Net income | \$ 7,565 | \$ 5,298 | \$ 14,365 | \$ 10,470 |
| Weighted average common shares outstanding – basic | 16,251.6 | 16,104.6 | 16,224.5 | 16,081.3 |
| Weighted average common shares outstanding – diluted | 16,284.3 | 16,111.3 | 16,257.0 | 16,116.3 |
| Per share information: | | | | |
| Basic earnings per common share | \$ 0.46 | \$ 0.33 | \$ 0.88 | \$ 0.65 |
| Diluted earnings per common share | \$ 0.46 | \$ 0.33 | \$ 0.88 | \$ 0.65 |
| Cash dividends declared per share | \$ 0.22 | \$ 0.21 | \$ 0.44 | \$ 0.42 |

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

| (Dollars and shares in thousands, except per share amounts) | At or for the Quarters Ended | | | | |
|---|------------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| Financial Data: | | | | | |
| Total assets | \$ 2,936,306 | \$ 2,892,272 | \$ 2,909,525 | \$ 2,909,003 | \$ 2,929,853 |
| Total loans | 2,057,152 | 2,029,637 | 1,995,638 | 2,011,148 | 1,972,498 |
| Total securities | 591,580 | 576,158 | 594,100 | 577,161 | 675,938 |
| Total deposits | 1,996,043 | 2,048,846 | 2,036,330 | 2,056,754 | 1,949,905 |
| Total shareholders' equity | 281,425 | 273,885 | 268,864 | 267,109 | 265,411 |
| Net interest income | 21,064 | 20,327 | 20,253 | 20,101 | 18,833 |
| Provision for loan losses | 1,200 | 1,500 | 1,500 | 1,500 | 1,500 |
| Noninterest income, excluding other-than-temporary impairment losses | 13,285 | 11,730 | 13,408 | 13,439 | 11,513 |
| Net impairment losses recognized in earnings | - | (33) | - | - | (354) |
| Noninterest expenses | 22,264 | 20,740 | 21,796 | 22,855 | 20,983 |
| Income tax expense | 3,320 | 2,984 | 3,154 | 2,815 | 2,211 |
| Net income | 7,565 | 6,800 | 7,211 | 6,370 | 5,298 |
| Share Data: | | | | | |
| Basic earnings per common share | \$ 0.46 | \$ 0.42 | \$ 0.44 | \$ 0.39 | \$ 0.33 |
| Diluted earnings per common share | \$ 0.46 | \$ 0.42 | \$ 0.44 | \$ 0.39 | \$ 0.33 |
| Dividends declared per share | \$ 0.22 | \$ 0.22 | \$ 0.21 | \$ 0.21 | \$ 0.21 |
| Book value per share | \$ 17.30 | \$ 16.87 | \$ 16.63 | \$ 16.55 | \$ 16.46 |
| Tangible book value per share – Non-GAAP ⁽¹⁾ | \$ 13.27 | \$ 12.82 | \$ 12.55 | \$ 12.45 | \$ 12.34 |
| Market value per share | \$ 22.97 | \$ 23.74 | \$ 21.88 | \$ 19.12 | \$ 17.04 |
| Shares outstanding at end of period | 16,266.5 | 16,233.6 | 16,171.6 | 16,135.4 | 16,120.7 |
| Weighted average common shares outstanding–basic | 16,251.6 | 16,197.2 | 16,160.6 | 16,131.4 | 16,104.6 |
| Weighted average common shares outstanding–diluted | 16,284.3 | 16,229.8 | 16,182.7 | 16,136.3 | 16,111.3 |
| Key Ratios: | | | | | |
| Return on average assets | 1.04% | 0.94% | 0.99% | 0.87% | 0.73% |
| Return on average tangible assets – Non-GAAP ⁽¹⁾ | 1.07% | 0.96% | 1.01% | 0.89% | 0.74% |
| Return on average equity | 10.83% | 10.04% | 10.70% | 9.53% | 8.05% |
| Return on average tangible equity – Non-GAAP ⁽¹⁾ | 14.16% | 13.26% | 14.17% | 12.67% | 10.78% |
| Capital Ratios: | | | | | |
| Tier 1 risk-based capital | 11.72% (i) | 11.65% | 11.53% | 11.24% | 11.22% |
| Total risk-based capital | 12.98% (i) | 12.92% | 12.79% | 12.50% | 12.47% |
| Tier 1 leverage ratio | 8.61% (i) | 8.49% | 8.25% | 8.04% | 7.94% |
| Equity to assets | 9.58% | 9.47% | 9.24% | 9.18% | 9.06% |
| Tangible equity to tangible assets – Non-GAAP ⁽¹⁾ | 7.52% | 7.36% | 7.14% | 7.07% | 6.95% |
| (i) – estimated | | | | | |
| Wealth Management Assets under Administration ^{(2):} | | | | | |
| Balance at beginning of period | \$ 4,119,207 | \$ 3,967,207 | \$ 3,744,632 | \$ 3,626,871 | \$ 3,869,502 |
| Net investment appreciation (depreciation) & income | 1,625 | 145,563 | 227,168 | 243,141 | (250,445) |
| Net customer cash flows | 27,601 | 6,437 | (4,593) | (19,611) | 7,814 |
| Other ⁽³⁾ | - | - | - | (105,769) | - |
| Balance at end of period | \$ 4,148,433 | \$ 4,119,207 | \$ 3,967,207 | \$ 3,744,632 | \$ 3,626,871 |

(1) See the section labeled "Supplemental Information – Non-GAAP Financial Measures" at the end of this document.

(2) Prior period amounts have been reclassified to conform to current period presentation.

(3) Amounts prior to 2011 have been revised to reflect current reporting practices. The most significant change was related to a change in the nature of a client relationship, which reduced the scope and frequency of services provided by Washington Trust. This change occurred at the beginning of the third quarter of 2010. In 2011, management concluded that a declassification of these client assets from assets under administration was appropriate, based on its current reporting practices. Accordingly, the 2010 assets under administration have been reduced by \$106 million, beginning in the third quarter of that year. This revision to previously reported assets under administration did not result in any change to the reported amounts of wealth management revenues.

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

| | Six Months Ended | |
|--|------------------|------------------|
| | June 30, 2011 | June 30, 2010 |
| (Dollars and shares in thousands, except per share amounts) | | |
| Financial Data | | |
| Net interest income | \$ 41,391 | \$ 36,837 |
| Provision for loan losses | 2,700 | 3,000 |
| Noninterest income, excluding other-than-temporary impairment losses | 25,015 | 22,043 |
| Net impairment losses recognized in earnings | (33) | (417) |
| Noninterest expenses | 43,004 | 40,660 |
| Income tax expense | 6,304 | 4,333 |
| Net income | 14,365 | 10,470 |
| Share Data | | |
| Basic earnings per common share | \$ 0.88 | \$ 0.65 |
| Diluted earnings per common share | \$ 0.88 | \$ 0.65 |
| Dividends declared per share | \$ 0.44 | \$ 0.42 |
| Weighted average common shares outstanding - basic | 16,224.5 | 16,081.3 |
| Weighted average common shares outstanding - diluted | 16,257.0 | 16,116.3 |
| Key Ratios | | |
| Return on average assets | 0.99% | 0.72% |
| Return on average tangible assets – Non-GAAP ⁽¹⁾ | 1.02% | 0.74% |
| Return on average equity | 10.44% | 8.03% |
| Return on average tangible equity – Non-GAAP ⁽¹⁾ | 13.72% | 10.79% |
| Asset Quality Data | | |
| Allowance for Loan Losses | | |
| Balance at beginning of period | \$ 28,583 | \$ 27,400 |
| Provision charged to earnings | 2,700 | 3,000 |
| Charge-offs | (2,097) | (2,538) |
| Recoveries | 167 | 123 |
| Balance at end of period | \$ 29,353 | \$ 27,985 |
| Net Loan Charge-Offs | | |
| Commercial: | | |
| Mortgages | \$ 455 | \$ 1,022 |
| Construction and development | - | - |
| Other | 1,049 | 1,066 |
| Residential: | | |
| Mortgages | 263 | 211 |
| Homeowner construction | - | - |
| Consumer | 163 | 116 |
| Total | \$ 1,930 | \$ 2,415 |
| Net charge-offs to average loans (annualized) | 0.19% | 0.25% |
| Wealth Management Assets Under Administration | | |
| Balance at beginning of period | \$ 3,967,207 | \$ 3,735,646 |
| Net investment appreciation (depreciation) & income | 147,188 | (151,324) |
| Net customer cash flows | 34,038 | 42,549 |
| Balance at end of period | \$ 4,148,433 | \$ 3,626,871 |

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

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

| | For the Quarters Ended | | | | |
|--|------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| Average Yield / Rate (taxable equivalent basis): | | | | | |
| Assets: | | | | | |
| Commercial and other loans | 5.23% | 5.28% | 5.22% | 5.29% | 5.23% |
| Residential real estate loans, including mortgage loans held for sale | 4.72% | 4.79% | 4.76% | 4.94% | 5.05% |
| Consumer loans | 3.91% | 3.93% | 3.96% | 3.99% | 4.00% |
| Total loans | 4.86% | 4.91% | 4.87% | 4.97% | 4.97% |
| Cash, federal funds sold and other short-term investments | 0.15% | 0.22% | 0.21% | 0.20% | 0.17% |
| FHLBB stock | 0.31% | 0.31% | –% | –% | –% |
| Taxable debt securities | 4.01% | 3.93% | 3.79% | 3.93% | 3.93% |
| Nontaxable debt securities | 5.88% | 5.95% | 5.76% | 5.76% | 5.82% |
| Corporate stocks | 7.50% | 8.07% | 7.42% | 7.72% | 7.60% |
| Total securities | 4.28% | 4.23% | 4.08% | 4.19% | 4.17% |
| Total interest-earning assets | 4.61% | 4.61% | 4.54% | 4.63% | 4.64% |
| Liabilities: | | | | | |
| NOW accounts | 0.10% | 0.10% | 0.12% | 0.12% | 0.12% |
| Money market accounts | 0.25% | 0.33% | 0.34% | 0.40% | 0.56% |
| Savings accounts | 0.12% | 0.14% | 0.14% | 0.14% | 0.17% |
| Time deposits | 1.57% | 1.61% | 1.65% | 1.74% | 1.94% |
| FHLBB advances | 3.80% | 4.04% | 4.13% | 4.16% | 4.08% |
| Junior subordinated debentures | 4.77% | 4.79% | 5.15% | 5.82% | 5.43% |
| Other | 4.48% | 4.23% | 4.43% | 4.59% | 4.63% |
| Total interest-bearing liabilities | 1.61% | 1.67% | 1.70% | 1.84% | 2.00% |
| Interest rate spread (taxable equivalent basis) | 3.00% | 2.94% | 2.84% | 2.79% | 2.64% |
| Net interest margin (taxable equivalent basis) | 3.21% | 3.16% | 3.05% | 3.01% | 2.86% |

| | At June 30, 2011 | | | |
|--|-----------------------|---------------------|----------------------|---------------|
| | Amortized Cost (1) | Unrealized Gains | Unrealized Losses | Fair Value |
| (Dollars in thousands) | | | | |
| Securities Available for Sale: | | | | |
| Obligations of U.S. government-sponsored enterprises | \$ 29,415 | \$ 3,834 | \$ – | \$ 33,249 |
| Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises | 411,629 | 20,098 | (35) | 431,692 |
| States and political subdivisions | 78,445 | 3,595 | (65) | 81,975 |
| Trust preferred securities: | | | | |
| Individual name issuers | 30,620 | – | (5,009) | 25,611 |
| Collateralized debt obligations | 4,414 | – | (3,480) | 934 |
| Corporate bonds | 13,870 | 1,098 | – | 14,968 |
| Common stocks | 658 | 224 | – | 882 |
| Perpetual preferred stocks | 1,854 | 415 | – | 2,269 |
| Total securities available for sale | \$ 570,905 | \$ 29,264 | \$ (8,589) | \$ 591,580 |

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

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

| (Dollars in thousands) | | Period End Balances At | | | | |
|--------------------------|--------------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| | | 6/30/2011 | 3/31/2011 | 12/31/2010 | 9/30/2010 | 6/30/2010 |
| Loans: | | | | | | |
| Commercial: | Mortgages | \$ 562,976 | \$ 551,069 | \$ 518,623 | \$ 522,355 | \$ 510,315 |
| | Construction & development | 19,448 | 34,615 | 47,335 | 62,820 | 67,215 |
| | Other | 491,071 | 470,704 | 461,107 | 464,294 | 441,827 |
| | Total commercial | 1,073,495 | 1,056,388 | 1,027,065 | 1,049,469 | 1,019,357 |
| Residential real estate: | Mortgages | 644,210 | 636,916 | 634,739 | 622,975 | 610,245 |
| | Homeowner construction | 14,137 | 12,241 | 10,281 | 10,593 | 12,368 |
| | Total residential real estate | 658,347 | 649,157 | 645,020 | 633,568 | 622,613 |
| Consumer: | Home equity lines | 223,284 | 221,003 | 218,288 | 218,898 | 218,440 |
| | Home equity loans | 46,797 | 48,337 | 50,624 | 54,923 | 57,682 |
| | Other | 55,229 | 54,752 | 54,641 | 54,290 | 54,406 |
| | Total consumer | 325,310 | 324,092 | 323,553 | 328,111 | 330,528 |
| | Total loans | \$ 2,057,152 | \$ 2,029,637 | \$ 1,995,638 | \$ 2,011,148 | \$ 1,972,498 |

| (Dollars in thousands) | At June 30, 2011 | |
|---|-------------------|---------------|
| | Balance | % of Total |
| Commercial Real Estate Loans by Property Location: | | |
| Rhode Island, Connecticut, Massachusetts | \$ 528,500 | 90.7% |
| New York, New Jersey, Pennsylvania | 40,462 | 6.9% |
| New Hampshire | 11,758 | 2.0% |
| Other | 1,704 | 0.4% |
| Total commercial real estate loans (1) | \$ 582,424 | 100.0% |

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

| (Dollars in thousands) | At June 30, 2011 | |
|--|-------------------|---------------|
| | Balance | % of Total |
| Residential Mortgages by Property Location: | | |
| Rhode Island, Connecticut, Massachusetts | \$ 629,477 | 95.6% |
| New York, Virginia, New Jersey, Maryland, Pennsylvania, District of Columbia | 12,488 | 1.9% |
| Ohio | 7,038 | 1.1% |
| California, Washington, Oregon | 3,453 | 0.5% |
| Colorado, New Mexico, Utah | 2,095 | 0.3% |
| Georgia | 1,669 | 0.3% |
| New Hampshire | 1,655 | 0.3% |
| Wyoming | 472 | 0.0% |
| Total residential mortgages | \$ 658,347 | 100.0% |

| (Dollars in thousands) | Period End Balances At | | | | |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|
| | 6/30/2011 | 3/31/2011 | 12/31/2010 | 9/30/2010 | 6/30/2010 |
| Deposits: | | | | | |
| Demand deposits | \$ 261,016 | \$ 274,798 | \$ 228,437 | \$ 242,455 | \$ 225,494 |
| NOW accounts | 236,162 | 228,502 | 241,974 | 236,775 | 234,014 |
| Money market accounts | 355,096 | 387,923 | 396,455 | 408,828 | 378,004 |
| Savings accounts | 227,014 | 223,599 | 220,888 | 210,271 | 209,616 |
| Time deposits | 916,755 | 934,024 | 948,576 | 958,425 | 902,777 |
| Total deposits | \$ 1,996,043 | \$ 2,048,846 | \$ 2,036,330 | \$ 2,056,754 | \$ 1,949,905 |
| Out-of-market brokered certificates of deposits included in time deposits | \$ 85,659 | \$ 51,778 | \$ 52,347 | \$ 69,385 | \$ 94,641 |
| In-market deposits, excluding out of market brokered certificates of deposit | \$ 1,910,384 | \$ 1,997,068 | \$ 1,983,983 | \$ 1,987,369 | \$ 1,855,264 |

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

| (Dollars in thousands) | Period End Balances At | | | | |
|---|------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| Nonperforming Assets: | | | | | |
| Commercial mortgages | \$ 7,476 | \$ 6,068 | \$ 6,624 | \$ 6,426 | \$ 6,680 |
| Commercial construction and development | - | - | - | - | - |
| Other commercial | 3,152 | 4,445 | 5,259 | 6,256 | 8,418 |
| Residential real estate mortgages | 9,570 | 8,265 | 6,414 | 6,080 | 6,850 |
| Consumer | 780 | 601 | 213 | 824 | 789 |
| Total nonaccrual loans | \$ 20,978 | \$ 19,379 | \$ 18,510 | \$ 19,586 | \$ 22,737 |
| Nonaccrual investment securities | 934 | 752 | 806 | 841 | 872 |
| Property acquired through foreclosure or repossession | 2,189 | 2,163 | 3,644 | 2,612 | 2,338 |
| Total nonperforming assets | \$ 24,101 | \$ 22,294 | \$ 22,960 | \$ 23,039 | \$ 25,947 |
| Total past due loans to total loans | 1.19% | 1.34% | 1.27% | 1.24% | 1.45% |
| Nonperforming assets to total assets | 0.82% | 0.77% | 0.79% | 0.79% | 0.89% |
| Nonaccrual loans to total loans | 1.02% | 0.95% | 0.93% | 0.97% | 1.15% |
| Allowance for loan losses to nonaccrual loans | 139.92% | 150.21% | 154.42% | 143.80% | 123.08% |
| Allowance for loan losses to total loans | 1.43% | 1.43% | 1.43% | 1.40% | 1.42% |
| Troubled Debt Restructured Loans: | | | | | |
| Accruing troubled debt restructured loans | | | | | |
| Commercial mortgages | \$ 6,552 | \$ 10,071 | \$ 11,736 | \$ 11,812 | \$ 6,176 |
| Other commercial | 4,026 | 4,554 | 4,594 | 2,498 | 2,224 |
| Residential real estate mortgages | 2,279 | 2,724 | 2,863 | 2,870 | 2,234 |
| Consumer | 317 | 417 | 509 | 817 | 997 |
| Accruing troubled debt restructured loans | 13,174 | 17,766 | 19,702 | 17,997 | 11,631 |
| Nonaccrual troubled debt restructured loans | | | | | |
| Commercial mortgages | 2,555 | 826 | 1,302 | 1,473 | 986 |
| Other commercial | 455 | 526 | 431 | 213 | 301 |
| Residential real estate mortgages | 2,303 | 1,785 | 948 | 823 | 381 |
| Consumer | 131 | 199 | 41 | 43 | 43 |
| Nonaccrual troubled debt restructured loans | 5,444 | 3,336 | 2,722 | 2,552 | 1,711 |
| Total troubled debt restructured loans | \$ 18,618 | \$ 21,102 | \$ 22,424 | \$ 20,549 | \$ 13,342 |

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

| (Dollars in thousands) | Period End Balances At | | | | |
|---|------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| Past Due Loans: | | | | | |
| Loans 30–59 Days Past Due | | | | | |
| Commercial mortgages | \$ 1,507 | \$ 3,223 | \$ 2,185 | \$ 1,685 | \$ 3,898 |
| Other commercial loans | 1,783 | 2,474 | 1,862 | 2,632 | 3,284 |
| Residential real estate mortgages | 3,355 | 2,986 | 3,073 | 2,828 | 2,680 |
| Consumer loans | 1,979 | 1,735 | 2,005 | 2,218 | 3,364 |
| Loans 30–59 days past due | \$ 8,624 | \$ 10,418 | \$ 9,125 | \$ 9,363 | \$ 13,226 |
| Loans 60–89 Days Past Due | | | | | |
| Commercial mortgages | \$ 1,013 | \$ 1,626 | \$ 514 | \$ – | \$ 19 |
| Other commercial loans | 80 | 315 | 953 | 492 | 1,195 |
| Residential real estate mortgages | 992 | 1,345 | 1,477 | 430 | 861 |
| Consumer loans | 120 | 335 | 448 | 420 | 195 |
| Loans 60-89 days past due | \$ 2,205 | \$ 3,621 | \$ 3,392 | \$ 1,342 | \$ 2,270 |
| Loans 90 Days or more Past Due | | | | | |
| Commercial mortgages | \$ 5,553 | \$ 5,242 | \$ 5,322 | \$ 4,952 | \$ 3,695 |
| Other commercial loans | 1,378 | 2,524 | 3,376 | 4,240 | 2,919 |
| Residential real estate mortgages | 6,549 | 5,165 | 4,041 | 4,696 | 5,942 |
| Consumer loans | 245 | 317 | 11 | 277 | 634 |
| Loans 90 days or more past due | \$ 13,725 | \$ 13,248 | \$ 12,750 | \$ 14,165 | \$ 13,190 |
| Total Past Due Loans | | | | | |
| Commercial mortgages | \$ 8,073 | \$ 10,091 | \$ 8,021 | \$ 6,637 | \$ 7,612 |
| Other commercial loans | 3,241 | 5,313 | 6,191 | 7,364 | 7,398 |
| Residential real estate mortgages | 10,896 | 9,496 | 8,591 | 7,954 | 9,483 |
| Consumer loans | 2,344 | 2,387 | 2,464 | 2,915 | 4,193 |
| Total past due loans | \$ 24,554 | \$ 27,287 | \$ 25,267 | \$ 24,870 | \$ 28,686 |
| Nonaccrual loans included in past due loans | \$ 16,705 | \$ 16,456 | \$ 14,894 | \$ 15,870 | \$ 17,881 |

| (Dollars in thousands) | For the Quarters Ended | | | | |
|---|------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| Allowance for Loan Losses: | | | | | |
| Balance at beginning of period | \$ 29,109 | \$ 28,583 | \$ 28,165 | \$ 27,985 | \$ 27,711 |
| Provision charged to earnings | 1,200 | 1,500 | 1,500 | 1,500 | 1,500 |
| Charge-offs | (1,046) | (1,051) | (1,396) | (1,468) | (1,263) |
| Recoveries | 90 | 77 | 314 | 148 | 37 |
| Balance at end of period | \$ 29,353 | \$ 29,109 | \$ 28,583 | \$ 28,165 | \$ 27,985 |
| Net Loan Charge-Offs (Recoveries): | | | | | |
| Commercial mortgages | \$ 122 | \$ 333 | \$ 226 | \$ (96) | \$ 531 |
| Other commercial | 540 | 509 | 695 | 1,026 | 558 |
| Residential real estate mortgages | 145 | 118 | (99) | 301 | 90 |
| Consumer | 149 | 14 | 260 | 89 | 47 |
| Total | \$ 956 | \$ 974 | \$ 1,082 | \$ 1,320 | \$ 1,226 |

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

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

| Three months ended June 30, | 2011 | | | 2010 | | |
|--|--------------------|-----------|----------------|--------------------|-----------|----------------|
| (Dollars in thousands) | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets: | | | | | | |
| Commercial and other loans | \$ 1,065,619 | \$ 13,900 | 5.23% | \$ 1,008,153 | \$ 13,149 | 5.23% |
| Residential real estate loans, including mortgage loans held for sale | 656,570 | 7,732 | 4.72% | 618,907 | 7,790 | 5.05% |
| Consumer loans | 324,890 | 3,166 | 3.91% | 329,562 | 3,289 | 4.00% |
| Total loans | 2,047,079 | 24,798 | 4.86% | 1,956,622 | 24,228 | 4.97% |
| Cash, federal funds sold and other short-term investments | 34,166 | 13 | 0.15% | 30,660 | 13 | 0.17% |
| FHLBB stock | 42,008 | 32 | 0.31% | 42,008 | - | - |
| Taxable debt securities | 486,905 | 4,869 | 4.01% | 595,523 | 5,837 | 3.93% |
| Nontaxable debt securities | 78,447 | 1,150 | 5.88% | 79,467 | 1,154 | 5.82% |
| Corporate stocks | 2,513 | 47 | 7.50% | 4,012 | 76 | 7.60% |
| Total securities | 567,865 | 6,066 | 4.28% | 679,002 | 7,067 | 4.17% |
| Total interest-earning assets | 2,691,118 | 30,909 | 4.61% | 2,708,292 | 31,308 | 4.64% |
| Non interest-earning assets | | | | 212,546 | | |
| Total assets | \$ 2,904,086 | | | \$ 2,920,838 | | |
| Liabilities and Shareholders' Equity: | | | | | | |
| NOW accounts | \$ 229,746 | \$ 60 | 0.10% | \$ 213,045 | \$ 63 | 0.12% |
| Money market accounts | 393,945 | 249 | 0.25% | 392,691 | 547 | 0.56% |
| Savings accounts | 224,588 | 69 | 0.12% | 205,582 | 85 | 0.17% |
| Time deposits | 935,813 | 3,652 | 1.57% | 957,311 | 4,636 | 1.94% |
| FHLBB advances | 494,989 | 4,685 | 3.80% | 589,577 | 6,000 | 4.08% |
| Junior subordinated debentures | 32,991 | 392 | 4.77% | 32,991 | 447 | 5.43% |
| Other | 21,663 | 242 | 4.48% | 21,073 | 243 | 4.63% |
| Total interest-bearing liabilities | 2,333,735 | 9,349 | 1.61% | 2,412,270 | 12,021 | 2.00% |
| Demand deposits | 251,585 | | | 207,271 | | |
| Other liabilities | 39,485 | | | 38,159 | | |
| Shareholders' equity | 279,281 | | | 263,138 | | |
| Total liabilities and shareholders' equity | \$ 2,904,086 | | | \$ 2,920,838 | | |
| Net interest income (FTE) | \$ 21,560 | | | | \$ 19,287 | |
| Interest rate spread | | | 3.00% | | | 2.64% |
| Net interest margin | | | 3.21% | | | 2.86% |

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

(Dollars in thousands)

| Three months ended June 30, | 2011 | 2010 |
|-----------------------------|--------|--------|
| Commercial and other loans | \$ 91 | \$ 48 |
| Nontaxable debt securities | 392 | 384 |
| Corporate stocks | 13 | 22 |
| Total | \$ 496 | \$ 454 |

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

| Six months ended June 30, | 2011 | | | 2010 | | |
|--|--------------------|-----------|----------------|--------------------|-----------|----------------|
| (Dollars in thousands) | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets: | | | | | | |
| Commercial and other loans | \$ 1,051,577 | \$ 27,406 | 5.26% | \$ 997,042 | \$ 26,053 | 5.27% |
| Residential real estate loans, including mortgage loans held for sale | 653,938 | 15,432 | 4.76% | 617,216 | 15,664 | 5.12% |
| Consumer loans | 324,471 | 6,310 | 3.92% | 329,438 | 6,528 | 4.00% |
| Total loans | 2,029,986 | 49,148 | 4.88% | 1,943,696 | 48,245 | 5.01% |
| Cash, federal funds sold and other short-term investments | 39,029 | 37 | 0.19% | 33,201 | 34 | 0.21% |
| FHLBB stock | 42,008 | 64 | 0.31% | 42,008 | - | - |
| Taxable debt securities | 489,544 | 9,642 | 3.97% | 597,337 | 11,888 | 4.01% |
| Nontaxable debt securities | 78,947 | 2,316 | 5.92% | 79,524 | 2,310 | 5.86% |
| Corporate stocks | 2,512 | 96 | 7.71% | 4,012 | 151 | 7.59% |
| Total securities | 571,003 | 12,054 | 4.26% | 680,873 | 14,349 | 4.25% |
| Total interest-earning assets | 2,682,026 | 61,303 | 4.61% | 2,699,778 | 62,628 | 4.68% |
| Non interest-earning assets | 212,379 | | | 208,787 | | |
| Total assets | \$ 2,894,405 | | | \$ 2,908,565 | | |
| Liabilities and Shareholders' Equity: | | | | | | |
| NOW accounts | \$ 227,375 | \$ 118 | 0.10% | \$ 203,809 | \$ 127 | 0.13% |
| Money market accounts | 396,614 | 572 | 0.29% | 400,907 | 1,164 | 0.59% |
| Savings accounts | 222,481 | 144 | 0.13% | 201,255 | 170 | 0.17% |
| Time deposits | 941,093 | 7,398 | 1.59% | 954,398 | 9,639 | 2.04% |
| FHLBB advances | 485,233 | 9,417 | 3.91% | 590,769 | 12,219 | 4.17% |
| Junior subordinated debentures | 32,991 | 782 | 4.78% | 32,991 | 1,077 | 6.58% |
| Other | 22,389 | 483 | 4.35% | 21,030 | 485 | 4.65% |
| Total interest-bearing liabilities | 2,328,176 | 18,914 | 1.64% | 2,405,159 | 24,881 | 2.09% |
| Demand deposits | 250,550 | | | 203,757 | | |
| Other liabilities | 40,520 | | | 38,828 | | |
| Shareholders' equity | 275,159 | | | 260,821 | | |
| Total liabilities and shareholders' equity | \$ 2,894,405 | | | \$ 2,908,565 | | |
| Net interest income (FTE) | | \$ 42,389 | | | \$ 37,747 | |
| Interest rate spread | | | 2.97% | | | 2.59% |
| Net interest margin | | | 3.19% | | | 2.82% |

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

(Dollars in thousands)

| Six months ended June 30, | 2011 | 2010 |
|----------------------------|--------|--------|
| Commercial and other loans | \$ 182 | \$ 97 |
| Nontaxable debt securities | 789 | 771 |
| Corporate stocks | 27 | 42 |
| Total | \$ 998 | \$ 910 |

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

| | At or for the Quarters Ended | | | | |
|--|------------------------------|------------------|------------------|-------------------|------------------|
| | June 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sept. 30, 2010 | June 30, 2010 |
| (Dollars in thousands, except per share amounts) | | | | | |
| Calculation of Tangible Book Value per Share: | | | | | |
| Total shareholders' equity at end of period | \$ 281,425 | \$ 273,885 | \$ 268,864 | \$ 267,109 | \$ 265,411 |
| Less: | | | | | |
| Goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,377 | 7,614 | 7,852 | 8,089 | 8,362 |
| Total tangible shareholders' equity at end of period | \$ 215,934 | \$ 208,157 | \$ 202,898 | \$ 200,906 | \$ 198,935 |
| Shares outstanding at end of period | 16,266.5 | 16,233.6 | 16,171.6 | 16,135.4 | 16,120.7 |
| Book value per share – GAAP | \$ 17.30 | \$ 16.87 | \$ 16.63 | \$ 16.55 | \$ 16.46 |
| Tangible book value per share – Non-GAAP | \$ 13.27 | \$ 12.82 | \$ 12.55 | \$ 12.45 | \$ 12.34 |
| Calculation of Tangible Equity to Tangible Assets: | | | | | |
| Total tangible shareholders' equity at end of period | \$ 215,934 | \$ 208,157 | \$ 202,898 | \$ 200,906 | \$ 198,935 |
| Total assets at end of period | \$ 2,936,306 | \$ 2,892,272 | \$ 2,909,525 | \$ 2,909,003 | \$ 2,929,853 |
| Less: | | | | | |
| Goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Identifiable intangible assets, net | 7,377 | 7,614 | 7,852 | 8,089 | 8,362 |
| Total tangible assets at end of period | \$ 2,870,815 | \$ 2,826,544 | \$ 2,843,559 | \$ 2,842,800 | \$ 2,863,377 |
| Equity to assets - GAAP | 9.58% | 9.47% | 9.24% | 9.18% | 9.06% |
| Tangible equity to tangible assets – Non-GAAP | 7.52% | 7.36% | 7.14% | 7.07% | 6.95% |
| Calculation of Return on Average Tangible Assets: | | | | | |
| Net income | \$ 7,564 | \$ 6,800 | \$ 7,211 | \$ 6,370 | \$ 5,298 |
| Total average assets | \$ 2,904,086 | \$ 2,884,618 | \$ 2,912,770 | \$ 2,931,816 | \$ 2,920,838 |
| Less: | | | | | |
| Average goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,493 | 7,730 | 7,967 | 8,216 | 8,503 |
| Total average tangible assets | \$ 2,838,479 | \$ 2,818,774 | \$ 2,846,689 | \$ 2,865,486 | \$ 2,854,221 |
| Return on average assets - GAAP | 1.04% | 0.94% | 0.99% | 0.87% | 0.73% |
| Return on average tangible assets – Non-GAAP | 1.07% | 0.96% | 1.01% | 0.89% | 0.74% |
| Calculation of Return on Average Tangible Equity: | | | | | |
| Net income | \$ 7,564 | \$ 6,800 | \$ 7,211 | \$ 6,370 | \$ 5,298 |
| Total average shareholders' equity | \$ 279,281 | \$ 270,991 | \$ 269,570 | \$ 267,431 | \$ 263,138 |
| Less: | | | | | |
| Average goodwill | 58,114 | 58,114 | 58,114 | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,493 | 7,730 | 7,967 | 8,216 | 8,503 |
| Total average tangible shareholders' equity | \$ 213,674 | \$ 205,147 | \$ 203,489 | \$ 201,101 | \$ 196,521 |
| Return on average shareholders' equity - GAAP | 10.83% | 10.04% | 10.70% | 9.53% | 8.05% |
| Return on average tangible shareholders' equity – Non-GAAP | 14.16% | 13.26% | 14.17% | 12.67% | 10.78% |

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

| (Dollars in thousands) | Six Months Ended | |
|--|------------------|------------------|
| | June 30, 2011 | June 30, 2010 |
| Calculation of return on average tangible assets | | |
| Net income | \$ 14,364 | \$ 10,470 |
| Total average assets | \$ 2,894,405 | \$ 2,908,565 |
| Less: | | |
| Average goodwill | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,611 | 8,648 |
| Total average tangible assets | \$ 2,828,680 | \$ 2,841,803 |
| Return on average assets - GAAP | 0.99% | 0.72% |
| Return on average tangible assets – Non-GAAP | 1.02% | 0.74% |
| Calculation of return on average tangible equity | | |
| Net income | \$ 14,364 | \$ 10,470 |
| Total average shareholders' equity | \$ 275,159 | \$ 260,821 |
| Less: | | |
| Average goodwill | 58,114 | 58,114 |
| Average identifiable intangible assets, net | 7,611 | 8,648 |
| Total average tangible shareholders' equity | \$ 209,434 | \$ 194,059 |
| Return on average shareholders' equity - GAAP | 10.44% | 8.03% |
| Return on average tangible shareholders' equity – Non-GAAP | 13.72% | 10.79% |