



Momentum

2004 Annual Report
Washington Trust Bancorp, Inc.



Corporate Profile

Washington Trust Bancorp, Inc. (Washington Trust or the Bancorp) is the publicly-owned holding company of The Washington Trust Company (the Bank), a Rhode Island-chartered bank founded in 1800. The Bank offers a broad range of services, including trust and investment management, through its branch offices in Rhode Island and southeastern Connecticut. Unless the context otherwise requires, the word "Corporation" herein refers to the Bancorp and the Bank.

At December 31, 2004, the Bank had 442 employees. The Bank has adopted an Affirmative Action Plan and is an Equal Opportunity Employer. The Bank is also a member of the FDIC and an Equal Housing Lender.

Market and Dividend Information

Washington Trust's common stock trades on the Nasdaq National Market tier of the Nasdaq Stock Market® under the symbol WASH. As of December 31, 2004, there were 2,170 shareholders of record.

2004 Quarters	1	2	3	4
Stock prices:				
High	\$27.60	\$27.56	\$26.81	\$30.50
Low	23.80	24.28	23.20	25.82
Close	26.40	25.99	26.15	29.31
Dividend declared	.17	.17	.17	.17

2003 Quarters	1	2	3	4
Stock prices:				
High	\$20.61	\$24.17	\$28.49	\$29.42
Low	19.36	19.80	22.60	23.94
Close	20.21	23.02	24.01	26.20
Dividend declared	.15	.15	.16	.16

Auditors: KPMG LLP, Providence, Rhode Island
Counsel: Goodwin Procter LLP, Boston, Massachusetts

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 Corporation's actual results, performance or achievements 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 trust and investment assets under management, 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.

Annual Meeting of Shareholders:

Tuesday, April 26, 2005, 11:00 a.m.,
 Westerly Public Library, 44 Broad Street,
 Westerly, Rhode Island 02891

Vote Your Proxy Online

For your convenience, you can vote your shares online. Have your proxy card ready and go to the website <http://www.proxyvoting.com/wash>. You will be prompted to enter your control number located on your card. Then, follow the instructions to create and submit an electronic ballot.

Contents

Corporate Profileinside front cover

Letter to Shareholders2

2004 Financial Highlights.....4

The Year In Highlights.....6

Consolidated Balance Sheets18

Consolidated Statements of Income19

Consolidated Statements of Changes
 in Shareholders' Equity20

Report of Independent Registered
 Public Accounting Firm21

Shareholder Information21

Corporate Directory.....22

Washington Trust Locations.....24





Washington Trust's performance in 2004 reflects a company with significant momentum, as the theme for this year's report suggests. At \$20.8 million, net income was up 10% for the year. We posted solid returns for our shareholders throughout the year, and declared cash dividends totaling 68 cents per share. The market value of our common stock rose 12% during 2004. What's more, we were pleased to increase our dividend for the twelfth consecutive year.

As impressive as our 2004 figures are, they only tell part of the story. When you look at the Bank's progress over the last five years, you get an even better sense of the momentum your Corporation has generated. At the end of 1999, total assets for the company were \$1.1 billion; at the close of 2004, they stood at \$2.3 billion. Deposits were \$661 million five years ago; they now exceed \$1.4 billion. Loans have grown to \$1.2 billion, from \$549 million. In 1999, trust and investment management revenues totaled \$9.3 million; in 2004 they totaled \$13 million.

Clearly, Washington Trust is a company on the move. We have committed ourselves to developing

the best products, aggressively marketing our capabilities, and continuing to provide the excellent service we are known for. Our momentum reflects the success of that strategy. We are attracting new customers and deepening our relationship with existing ones, across all lines.

Momentum, in part, is due to the Bank's expansion into the Warwick, Cranston, and Providence markets, where we have gained significant traction. Taken together, deposits in these branches were up 41% in 2004, with Warwick reaching \$61 million after only 20 months of operation. The growth of our geographic franchise in the last five years has been timely, especially given the Fleet/Bank of America merger within our market area. It has enabled us to emerge as Rhode Island's banking institution of choice. People want to do business with us.

The Bank's total retail deposits grew 18% in 2004, fueled by a free checking account packed with value added features, including free online banking and bill pay. We also made it easier for our customers to do business with us, with significant expansion of our ATM network through a partnership with Brooks Pharmacy.

We posted striking numbers in consumer lending, as well, growing our loan business by 40% over 2003. Our home equity products were the major

drivers. Armed with the lowest rate in the market, we mounted a strong, ongoing marketing and sales effort. Homeowners took advantage of the terrific offer.

Our commercial lending team had a banner year, with loans up 24% for the year. Almost a quarter of that volume came from commercial real estate activity, where we continue to pursue growth while maintaining excellent asset quality. There is a growing awareness that Washington Trust is a player to be reckoned with in the commercial arena, as we find ourselves getting invited to bigger and better business opportunities.

Our trust and investment management area provided important non-interest income, with revenue up 21% in 2004. Washington Trust enjoys a growing reputation as a unique niche player in the trust and investment management area, combining proven expertise and results with local decision-making and personalized service.

In addition to all these successes, we allotted significant resources, both time and dollars, to the implementation and fulfillment of our obligations under the Sarbanes-Oxley Act. Most specifically this year, our efforts were directed to Section 404 of the Act, or SOX 404, as it is nicknamed. The Act deals with both corporate governance and financial reporting. SOX 404 deals with management's

responsibility for the documentation and testing of internal controls over financial reporting.

Looking ahead in 2005, we are confident that the Bank can build on the momentum it currently enjoys. As we begin the new year, economic indicators are good, and all of our lines of business are well positioned. The continued commitment and spirit of our employees help distinguish Washington Trust from our competitors, and we are thankful for their efforts. We also thank our shareholders for the ongoing support that provides the momentum for this Bank to grow and thrive. As always, we remain committed to our vision of being The Best Community Bank and Trust Company in New England.

Sincerely,

John C. Warren
Chairman and Chief Executive Officer

John F. Treanor
President and Chief Operating Officer



On July 28, 2004, John Warren opened The NASDAQ Stock Market in New York City in celebration of the 20th anniversary of Washington Trust's listing.



(Dollars in millions, except per share amounts)

Results as of or for the years ended December 31,	2004	2003	2002	2001	2000
Financial Results					
Net interest income	\$ 54.4	\$ 48.8	\$ 44.3	\$ 39.4	\$ 37.9
Provision for loan losses	.6	.5	.4	.6	1.2
Net realized gains on securities	.2	.6	.7	.3	.8
Noninterest income, excluding securities gains	26.7	26.1	22.6	21.1	19.0
Noninterest expense	50.4	47.6	43.0	41.7	37.5
Net income	20.8	18.9	16.8	13.1	13.2
Per Share Information					
Diluted earnings per share	\$ 1.54	\$ 1.41	\$ 1.30	\$ 1.07	\$ 1.09
Cash dividends declared	.68	.62	.56	.52	.48
Book value	11.44	10.46	9.87	8.15	7.43
Tangible book value	9.64	8.60	7.93	8.10	7.36
Closing stock price	29.31	26.20	19.53	19.00	14.00
Financial Condition					
Securities	\$ 890.1	\$ 839.4	\$ 795.8	\$ 629.1	\$ 511.5
Loans:					
Commercial and other	507.7	408.5	382.1	260.6	239.8
Residential real estate	513.7	389.9	280.9	235.4	251.0
Consumer	228.3	162.6	132.1	109.6	106.4
Total loans	1,249.7	961.0	795.1	605.6	597.2
Allowance for loan losses	16.8	15.9	15.5	13.6	13.1
Total assets	2,307.8	1,973.8	1,745.7	1,362.2	1,218.1
Deposits	1,457.9	1,206.1	1,110.5	816.9	735.7
Federal Home Loan Bank advances	672.7	607.1	480.1	431.5	377.4
Shareholders' equity	151.9	138.1	128.7	97.9	89.2
Ratios (%)					
Return on average assets	0.97	1.03	1.07	1.01	1.14
Return on average equity	14.40	14.15	14.25	13.86	16.14
Net interest margin (taxable equivalent basis)	2.74	2.89	3.10	3.30	3.55
Nonperforming assets to total assets	.21	.14	.24	.28	.28
Nonaccrual loans to total loans	.38	.29	.53	.63	.58
Allowance for loan losses to total loans	1.34	1.66	1.95	2.24	2.20
Earnings and Ratios Excluding Special Items (Non-GAAP Financial Information)					
Net income	\$ 20.8	\$ 19.6	\$ 17.2	\$ 15.6	\$ 13.9
Diluted earnings per share	\$ 1.54	\$ 1.46	\$ 1.33	\$ 1.28	\$ 1.15
Return on average assets (%)	0.97	1.06	1.09	1.20	1.20
Return on average equity (%)	14.40	14.64	14.60	16.54	16.98

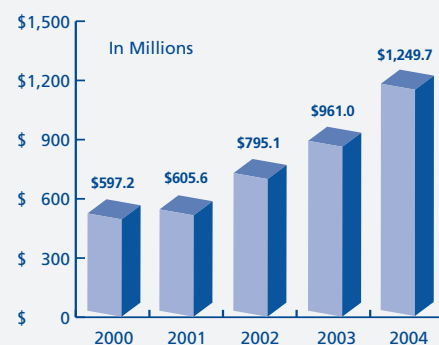
(Dollars in millions, except per share amounts)

Results as of or for the years ended December 31,	2004	2003	2002	2001	2000
Reconciliation Table - Non-GAAP Financial Information					
Net income, including special items	\$ 20.8	\$ 18.9	\$ 16.8	\$ 13.1	\$ 13.2
Add back (deduct) special items, net of tax:					
Debt prepayment penalties	-	.7	-	-	-
Acquisition related	-	-	.4	-	.7
Litigation settlement, net of insurance recovery	-	-	-	2.5	-
Net income, excluding special items	\$ 20.8	\$ 19.6	\$ 17.2	\$ 15.6	\$ 13.9
Diluted Earnings per Share					
Diluted earnings per share	\$ 1.54	\$ 1.41	\$ 1.30	\$ 1.07	\$ 1.09
Effect of special items, net of tax	-	.05	.03	.21	.06
Diluted earnings per share, excluding special items	\$ 1.54	\$ 1.46	\$ 1.33	\$ 1.28	\$ 1.15
Ratios (%)					
Return on average assets	0.97	1.03	1.07	1.01	1.14
Effect of special items, net of tax	-	.03	.02	.19	.06
Return on average assets, excluding special items	0.97	1.06	1.09	1.20	1.20
Return on Average Equity					
Return on average equity	14.40	14.15	14.25	13.86	16.14
Effect of special items, net of tax	-	.49	.35	2.68	.84
Return on average equity, excluding special items	14.40	14.64	14.60	16.54	16.98

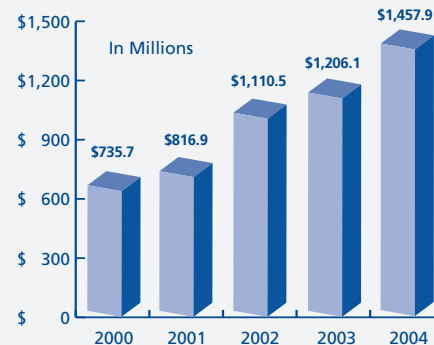
Non-GAAP Financial Information Disclosure:

This annual report contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Corporation's management uses these non-GAAP measures in its analysis of the Corporation's performance. These measures typically adjust GAAP performance measures to exclude the effects of charges and expenses related to the consummation of acquisitions and costs related to the integration of merged entities. These non-GAAP measures also may exclude other significant gains or losses that are unusual in nature. Because these items and their impact on the Corporation's performance are difficult to predict, management believes that presentations of financial measures excluding the impact of these items provide useful supplemental information that is essential to a proper understanding of the operating results of the Corporation's core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other corporations. A quantitative reconciliation of the differences between the non-GAAP financial information discussed herein and the most directly comparable financial information calculated and presented in accordance with GAAP is contained in the Financial Highlights section of this annual report.

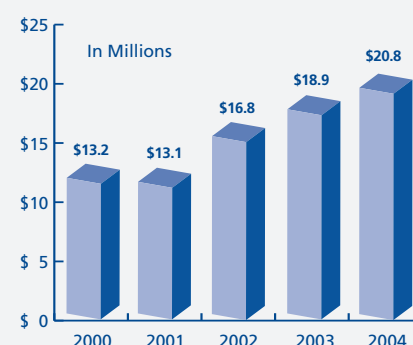
Total Loans



Total Deposits



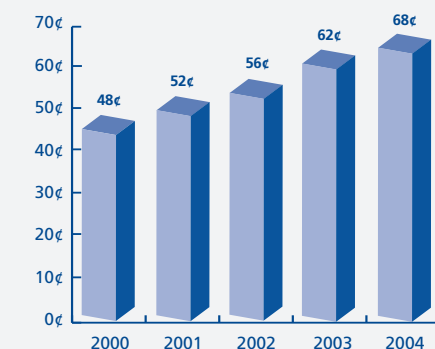
Net Income



Diluted Earnings Per Share



Cash Dividends Declared Per Share



Momentum = 18% increase in retail deposits



Cranston branch employees Dot Bogosian, Head Teller, and Desmond Ranglin, Senior Customer Service Representative, were members of the branch network that enhanced the Bank's presence in new markets.

Washington Trust
Cranston Branch
Cranston, RI

Building Momentum

How do you build momentum? By having the right people, being in the right places, offering the best products, and marketing them aggressively. When everything works in unison, the result is momentum. And Washington Trust achieved that momentum in 2004.

Great Products, Superior Delivery

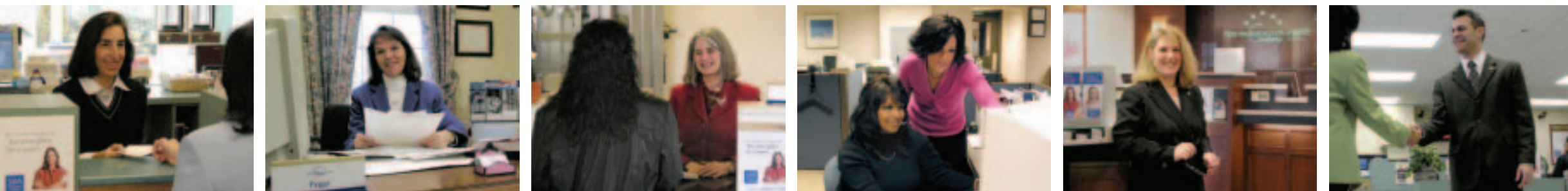
In the face of a highly competitive marketplace, a less-than-robust local economy, and industry consolidation, Washington Trust grew retail deposits 18% in 2004 to \$1.3 billion. That success reflects the Bank's focus on our customers. At all times, our goal is to make doing business with Washington Trust rewarding, convenient, and enjoyable.

Great products drove new business to the Bank. Our new free checking product included special value-added features – free online banking and bill

pay – that made it the best in the market. Backed by on-going print, radio, and outdoor advertising support, our free checking campaign enabled us to garner more than our fair share of new deposits. While interest rates were at low levels industry-wide, we offered attractively priced certificates of deposit (CDs) and money market accounts. Outstanding products gave customers good reason to do business with Washington Trust. And once they did, the way we delivered those products strengthened our relationship with them.

We know that our best sales people are our existing customers. In 2004, we saw first-hand how positive "word-of-mouth" translates directly into momentum, as 10% of our new checking accounts were the result of referrals by existing bank customers. Washington Trust customers who referred a friend to the Bank for free checking received a delicious thank you: a complimentary cake from Gregg's, one of our key business banking customers.

The cross-functional team approach to selling, introduced in 2003, delivered significant results in its second year, with increased sales between various departments. New software allowed us to track internal referrals and incorporate the data into our overall sales incentive program. It's all part of the Bank's effort to better recognize top



Washington Trust earns consistently high satisfaction ratings due to our outstanding customer service. Pictured here are representatives of our retail network who work closely with customers on a day-to-day basis: (l-r) Deneane Spaziano, Teller; Peggy Wood, Customer Service Representative; Carolyn Cullinane, Teller; Patricia Cole, AIC Representative and Debra Thomas, AIC Supervisor; Vanessa Dillon, Warwick Branch Manager; and Vincent Moretti, Cranston Branch Manager.

Momentum = 24% increase in commercial loans



performers. "We shifted a percentage of our profit-sharing plan to reward employees based on individual performance," says B. Michael Rau, Senior Vice President of Corporate Sales, Planning and Delivery. "Now we are more directly connecting compensation to the achievement of individual goals."

As part of our footprint expansion strategy, we installed ATMs in 46 Brooks Pharmacy locations statewide and in several stores in Southeastern Massachusetts and Connecticut. We also won a contract with the State of Rhode Island to have Washington Trust ATMs placed at the Division of Motor Vehicles, state colleges, universities and administrative offices, and various other state buildings. By significantly bolstering our ATM network, we are making it easier for customers to do business with us and we are increasing our presence in both new and existing markets.

At The Table, Closing The Deal

It was a banner year for Commercial Lending. In 2003, our rallying cry to the marketplace was "Put us on the list," as we built awareness for our key business products and overall capabilities. In 2004, we saw the fruits of our labor. Not only did a growing number of commercial prospects



Washington Trust is a leading resource for commercial loans and commercial real estate projects up to \$10 million. The Bank offers construction, intermediate-term, and long-term financing for commercial real estate transactions throughout New England involving everything from office parks and shopping centers to residential and industrial buildings. Washington Trust is proud to have provided \$2.5 million in financing to Coventry Lumber for relocation and expansion in Coventry, Rhode Island.

put us on their list; more often than ever, they asked us to come to the table and close the deal. The result was a record year in terms of new dollar originations and commitments, up more than 45% over last year.

A healthy mix of new and existing customers drove our commercial lending business. "The first order of business is taking care of our customers," says James M. Vesey, Senior Vice President and Chief Credit Officer. "40% of our new dollar originations and commitments in 2004 came from companies that were already doing business with us. This reflects our commitment to relationship lending." In addition, we generated excellent new business activity throughout our market area.

The Commercial Real Estate Group delivered outstanding results in the past twelve months, accounting for 24% of our total commercial lending volume. High-profile big-ticket projects like the Gardens Office Park in West Warwick



Michael Durand, Owner of Eagle Lumber and Coventry Lumber, chose Washington Trust to finance the construction, relocation and expansion of the Coventry Lumber location. Above: Michael Durand, Ken Jones, General Contractor, and Jim Vesey, Washington Trust Senior Vice President and Chief Credit Officer, view the project under construction this winter.

Coventry Lumber
Nooseneck Hill Road
Coventry, RI

**Momentum = 26% increase
in business core deposits**



Kentucky Fried Chicken Owner John Daluz celebrates the reconstruction of his second KFC location with Dave Kmetz, Vice President, Commercial Lending.

KFC
160 Granite Street
Westerly, RI

boosted our visibility and made people aware of the scope of our lending capabilities. "The Commercial Real Estate Group has been a terrific initiative for us," Vesey points out. "We will continue to grow this business while maintaining our excellent asset quality standards."

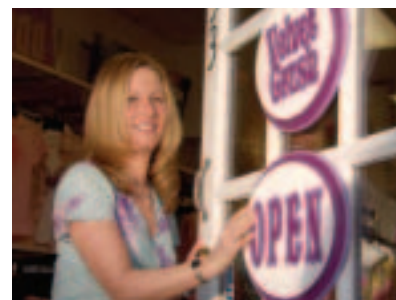
Solutions for Small Business Owners

Small business owners are unique. In 2004, we let this important segment know that Washington Trust understands their financial needs by introducing a suite of products and services designed specifically for them. The Freedom Business Partners™ Account featured a free business checking account, preferred loan rates, and special discounts available exclusively to small business owners. A highly visible marketing campaign, including print and radio advertising, direct mail, and on-going calling, helped open the door to new sales opportunities. And once we met with prospects, our Small Business Switch Kit

made becoming a Washington Trust customer a quick and easy process.

A new credit card processing system enhanced our relationships with our merchant customers. In 2004, we provided them with a variety of value-added options, including gift cards, convenient on-line access to statements, and faster transaction processing via DSL technology. By constantly expanding our service offering to merchants, we make it easier for them to do business with their customers and reconfirm why doing business with Washington Trust is a smart decision.

Our commitment to the small business community was underscored by our SBA lender ranking, which by November 30th had risen to #2 in Rhode Island. Many times, smaller businesses have the vision and cash flow required for starting up or expanding, but may lack the necessary collateral. As an SBA preferred lender, we are able to help these businesses start up, prosper, and grow. And because of our demonstrated commitment to the small business market in Rhode Island, the SBA approved us for expansion into Massachusetts and Connecticut.



Washington Trust is one of the top small business lenders in Rhode Island, serving businesses of all types and sizes, including Ray Willis Toys and Bikes, Dunn's Corners Market, Guytanno's Cafe, Velvet Crush, Chariho Furniture, and Westerly Urgent Care.

Momentum = 40% increase in consumer loans



Record Low Lending Rates Fuel Growth

Our Consumer Lending business in 2004 was distinguished by remarkable growth. Consumer loans grew by 40% from the previous year. What drove such impressive performance? "It was our competitive products, especially our home equity line of credit," says Phil Friend, Senior Vice President, Retail Lending. "In ads and direct mail, we continually promoted the fact that we were offering our lowest home equity line rate ever. By combining record-setting rates with our outstanding service delivery, we gave consumers a very compelling reason to do business with us."

New technology greatly enhanced customer service in Consumer Lending in 2004. We accelerated application processing to the point where we could approve equity lines and loans within an hour. The world moves faster these days, and Washington Trust is helping our customers keep pace by giving them the information they need in a timely fashion.

Refinancing activity was steady again in 2004, spurred by continued low mortgage rates. With our expanded geographic presence and the addition of origination and processing staff in Warwick, we strengthened our position among

the state's leading loan originators. What's more, construction activity emerged as an excellent source of leads for consumer loans, as builders referred us to their clients in need of financing options.

The Value of a Trusted Advisor

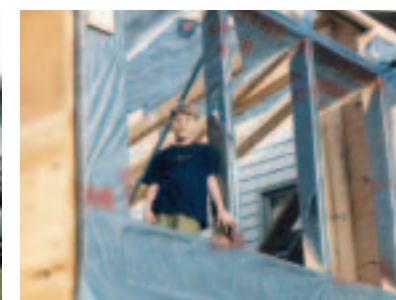
In 2004, having a reliable and trusted investment counselor was more important than ever. Clearly, based on the performance of our trust and asset management group, investors found what they were looking for at Washington Trust. Strong growth in new assets managed resulted from the increased recognition of the Bank as a premier provider of a comprehensive range of financial services.

On their own, the numbers generated by the group were impressive, reflecting consistent, outstanding investment performance and strong fee revenue. But what makes those figures even more noteworthy is the fact that they were produced in



One of the area's major retail lenders, Washington Trust provided homeowners and first-time homebuyers with home equity loans and lines of credit, construction loans, new mortgages, and mortgage refinancing.

Residential
Remodeling Project
West Greenwich, RI



Washington Trust's home equity products once again proved to be a popular choice for borrowers looking for competitive rates and quick approvals to finance home improvement projects, consolidate debt and fund major purchases.

Momentum = 21% increase in investment management revenues



Front row: (l-r) Mary M. McGoldrick, Gerald J. Fogarty, Marie J. Langlois, Dickson G. Boenning, Rogean B. Makowski. Back row: (l-r) Peter J. Miniati, Paul D. Nunes, Robert G. Salmons, Richard E. Cavanagh, Gloria J. Miner, Charles P. Roberts, Carl Y. Chern, Gary J. Friedmann, Barbara S. Williams, Russel W. Burgess.

Washington Trust Wealth Management

a challenging investment environment. “Many outside factors influenced market performance,” observes Mary M. McGoldrick, Senior Vice President and Chief Investment Officer. “Concerns about terrorism, the outcome of the presidential election, and changing policy at the Federal Reserve all contributed to investor concern.” Against this backdrop, our performance history and the strong relationships that we enjoy with individuals, families, and institutions served us well.

New customers came from three principal sources: referrals from existing clients, new business presentations to prospects and key professional advisors, and relationships established through the various boards that our employees serve on. “Clients and key influencers recognized us as an attractive niche resource for trust and asset management services,” says Rogean B. Makowski, Senior Vice President, Trust Officer. “A key competitive strength was our emphasis on providing a high-quality, professional service through a

knowledgeable, experienced, *local* staff. With Washington Trust, clients knew their money was not being managed from a distance.”

Well-versed in all aspects of wealth management, Washington Trust advisors were proactive throughout 2004 in their efforts to serve the needs of successful individuals. Investors also enjoyed the convenience of accessing a variety of everyday financial services through the Bank, including checking accounts, mortgages, and equity lines.

Looking forward, our wealth management advisors, previously separated into two groups – Trust & Investment Services and Phoenix Investment Management – will now all be marketed under the Washington Trust brand umbrella. “One of the long-term goals of the Bank is to build the Washington Trust brand,” say Managing Directors Marie J. Langlois and Gerald J. Fogarty. “Bringing all of our investment and trust services under the Washington Trust name strengthens the brand and expands the breadth and depth of services offered under its banner.”



Washington Trust's team of professionals proactively assisted clients in achieving goals, such as preserving wealth for future generations, ensuring assets for a comfortable retirement, and providing sufficient funding for children's education.

Momentum = more than 2000 employee hours devoted to community service



Community Service as Corporate Culture

Since our founding 204 years ago, community service has been a core value at Washington Trust. Whether raising funds for those in need, volunteering time, serving on boards of non-profit organizations statewide, or sponsoring community events, the Bank and its employees play an active and vital role in the neighborhoods where we work and live.

“Community service is more than a program at Washington Trust,” explains Elizabeth B. Eckel, Senior Vice President, Marketing. “It’s an essential part of who we are as a company and as individuals.”

As the Bank grows, so does our opportunity to reach more people. The challenge is to hold on to the community spirit that distinguishes our corporate culture as we expand into new markets. Toward that end, the Bank introduced its Reach For The Stars volunteer initiative in 2004. By making on-going volunteerism part of employee job descriptions and the review process, it underscores that helping others is integral to what it means to be a Washington Trust employee. We kicked off our Reach For The Stars program in April by hosting the Volunteer Center of Rhode Island’s National Volunteer Week activities, as well as participating in a series of community events.



In 2004, Washington Trust employees enthusiastically supported various community groups throughout Rhode Island and southeastern Connecticut, including South County Habitat for Humanity, Rhode Island Community Food Bank, local Adopt-A-Family holiday programs, Rhode Island Community Farm, Pawcatuck Neighborhood Center, and Audubon Society of Rhode Island.

Among the highlights of our community service efforts in 2004 was the phenomenal success of our PB Xpress program, now in its 4th year. Our goal was to collect and distribute four tons of peanut butter, to be delivered to the tables of hungry Rhode Islanders. Through the efforts of our employees, customers, and friends in local schools and businesses, seven tons were brought in. Talk about momentum!

Momentum Into 2005

These are exciting times for Washington Trust, our employees, our customers, and our shareholders. We have a strong brand, an esprit de corps that is second to none, a marketplace that welcomes our unique product and service offering, and a proven growth strategy. Best of all, our success is grounded in core values that have distinguished the Bank since its founding. With a genuine commitment to helping others – our customers, our neighbors, and the larger communities where we work and live – Washington Trust looks forward to gaining even more momentum in 2005.



John C. Warren (right), Washington Trust Chairman and CEO, was selected as the United Way of Rhode Island’s 2004-05 Campaign Chairman. John and Tony Maione, United Way’s President and CEO, work with a broad array of partners including human service and government agencies, foundations, business leaders, and labor and faith-based organizations to identify the issues that matter most and focus resources on effective solutions for the community.

United Way of Rhode Island
224 Waterman Street
Providence, RI



Washington Trust Bancorp, Inc. and Subsidiary
Consolidated Balance Sheets

December 31, (Dollars in thousands)	2004	2003
Assets:		
Cash and due from banks	\$ 34,801	\$ 40,710
Federal funds sold and other short-term investments	17,280	20,400
Mortgage loans held for sale	1,095	2,486
Securities:		
Available for sale, at fair value; amortized cost \$724,209 in 2004 and \$663,529 in 2003	735,666	673,845
Held to maturity, at cost; fair value \$156,270 in 2004 and \$169,401 in 2003	154,392	165,576
Total securities	890,058	839,421
Federal Home Loan Bank stock, at cost	34,373	31,464
Loans:		
Commercial and other	507,711	408,477
Residential real estate	513,695	389,855
Consumer	228,270	162,649
Total loans	1,249,676	960,981
Less allowance for loan losses	16,771	15,914
Net loans	1,232,905	945,067
Premises and equipment, net	24,248	24,941
Accrued interest receivable	9,367	7,911
Investment in bank-owned life insurance	29,249	28,074
Goodwill	22,591	22,591
Identifiable intangible assets	1,309	1,953
Other assets	10,544	8,789
Total assets	\$2,307,820	\$1,973,807
Liabilities:		
Deposits:		
Demand deposits	\$189,588	\$194,144
NOW accounts	174,727	153,344
Money market accounts	196,775	83,037
Savings accounts	251,920	257,497
Time deposits	644,875	518,119
Total deposits	1,457,885	1,206,141
Dividends payable	2,257	2,113
Federal Home Loan Bank advances	672,748	607,104
Other borrowings	3,417	2,311
Accrued expenses and other liabilities	19,661	18,083
Total liabilities	2,155,968	1,835,752
Commitments and contingencies		
Shareholders' Equity:		
Common stock of \$.0625 par value; authorized 30 million shares in 2004 and 2003; issued 13,278,685 shares in 2004 and 13,204,024 in 2003	830	825
Paid-in capital	31,718	29,868
Retained earnings	113,314	101,492
Unearned stock-based compensation	(737)	(22)
Accumulated other comprehensive income	6,937	6,101
Treasury stock, at cost; 9,309 shares in 2004 and 9,463 shares in 2003	(210)	(209)
Total shareholders' equity	151,852	138,055
Total liabilities and shareholders' equity	\$2,307,820	\$1,973,807

Refer to Washington Trust Bancorp, Inc.'s 2004 Annual Report on Form 10-K for a complete set of consolidated financial statements.

Washington Trust Bancorp, Inc. and Subsidiary
Consolidated Statements of Income

Years ended December 31, (Dollars and shares in thousands, except per share amounts)	2004	2003	2002
Interest income:			
Interest and fees on loans	\$60,828	\$51,603	\$49,576
Interest on securities	33,787	32,430	35,571
Dividends on corporate stock and Federal Home Loan Bank stock	2,105	2,081	1,973
Interest on federal funds sold and other short-term investments	133	131	219
Total interest income	96,853	86,245	87,339
Interest expense:			
Deposits	22,197	18,554	22,374
Federal Home Loan Bank advances	20,153	18,819	20,596
Other	62	73	87
Total interest expense	42,412	37,446	43,057
Net interest income	54,441	48,799	44,282
Provision for loan losses	610	460	400
Net interest income after provision for loan losses	53,831	48,339	43,882
Noninterest income:			
Trust and investment management fees	13,048	10,769	10,171
Service charges on deposit accounts	4,483	4,920	3,787
Merchant processing fees	4,259	3,410	3,002
Net gains on loan sales	1,901	4,690	2,884
Income from bank-owned life insurance	1,175	1,161	1,155
Net realized gains on securities	248	630	678
Other income	1,791	1,155	1,581
Total noninterest income	26,905	26,735	23,258
Noninterest expense:			
Salaries and employee benefits	28,816	26,945	23,793
Net occupancy	3,201	2,979	2,694
Equipment	3,267	3,380	3,333
Merchant processing costs	3,534	2,716	2,391
Advertising and promotion	1,748	1,440	1,180
Outsourced services	1,616	1,333	1,077
Legal, audit and professional fees	1,535	1,242	1,893
Amortization of intangibles	644	719	651
Debt prepayment penalties	-	941	-
Acquisition related expenses	-	-	605
Other	6,012	5,937	5,373
Total noninterest expense	50,373	47,632	42,990
Income before income taxes	30,363	27,442	24,150
Income tax expense	9,534	8,519	7,393
Net income	\$20,829	\$18,923	\$16,757
Weighted average shares outstanding – basic	13,227.8	13,114.1	12,737.3
Weighted average shares outstanding – diluted	13,542.7	13,393.6	12,932.4
Per share information:			
Basic earnings per share	\$1.57	\$1.44	\$1.32
Diluted earnings per share	\$1.54	\$1.41	\$1.30
Cash dividends declared per share	\$.68	\$.62	\$.56

Refer to Washington Trust Bancorp, Inc.'s 2004 Annual Report on Form 10-K for a complete set of consolidated financial statements.



*Washington Trust Bancorp, Inc. and Subsidiary
Consolidated Statements of Changes in Shareholders' Equity*

(Dollars in thousands)	Common Stock	Paid-in Capital	Retained Earnings	Unearned Stock-Based Compensation	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance at January 1, 2002	\$754	\$10,696	\$81,114	\$ -	\$6,416	\$(1,043)	\$97,937
Net income			16,757				16,757
Unrealized gains on securities, net of \$1,629 income tax expense					3,310		3,310
Reclassification adjustments, net of tax					(432)		(432)
Comprehensive income							19,635
Cash dividends declared			(7,154)				(7,154)
Restricted stock award		1		(25)		24	-
Amortization of restricted stock				1			1
Shares issued		(185)				704	519
Shares issued for acquisition	64	18,255					18,319
Shares repurchased						(536)	(536)
Balance at December 31, 2002	\$818	\$28,767	\$90,717	\$(24)	\$9,294	\$(851)	\$128,721
Net income			18,923				18,923
Unrealized losses on securities, net of \$1,002 income tax benefit					(2,499)		(2,499)
Reclassification adjustments, net of tax					(410)		(410)
Minimum pension liability adjustment, net of \$153 income tax benefit					(284)		(284)
Comprehensive income							15,730
Cash dividends declared			(8,148)				(8,148)
Restricted stock award		29		(29)			-
Amortization of restricted stock				31			31
Shares issued	7	1,072				851	1,930
Shares repurchased						(209)	(209)
Balance at December 31, 2003	\$825	\$29,868	\$101,492	\$(22)	\$6,101	\$(209)	\$138,055
Net income			20,829				20,829
Unrealized gains on securities, net of \$383 income tax expense					1,006		1,006
Reclassification adjustments, net of tax					(161)		(161)
Minimum pension liability adjustment, net of \$5 income tax benefit					(9)		(9)
Comprehensive income							21,665
Cash dividends declared			(9,007)				(9,007)
Restricted stock unit award		850		(850)			-
Amortization of restricted stock				135			135
Shares issued	5	1,000				154	1,159
Shares repurchased						(155)	(155)
Balance at December 31, 2004	\$830	\$31,718	\$113,314	\$(737)	\$6,937	\$(210)	\$151,852

Disclosure of Reclassification Amount:

Years ended December 31,	2004	2003	2002
Reclassification adjustment for net gains included in net income	\$(248)	\$(630)	\$(678)
Income tax effect on net gains	87	220	237
Reclassification adjustment for amortization of unrealized loss on interest rate floor contract included in net income	-	-	13
Income tax effect on interest rate floor contract amortization	-	-	(4)
Net reclassification adjustments	\$(161)	\$(410)	\$(432)

Refer to Washington Trust Bancorp, Inc.'s 2004 Annual Report on Form 10-K for a complete set of consolidated financial statements.

*Report of Independent Registered
Public Accounting Firm*



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

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Washington Trust Bancorp, Inc. and subsidiary as of December 31, 2004 and 2003, and the related consolidated statements of income, changes in shareholders' equity, and cash flows (not presented herein) for each of the years in a three-year period ended December 31, 2004; and in our report dated March 15, 2005, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

Providence, Rhode Island
March 15, 2005

Shareholder Information

Stock Transfer and Dividend Disbursing Agent

Mellon Investor Services (Mellon), our stock transfer and dividend disbursing agent, is responsible for our shareholder records, issuance of stock certificates, distribution of dividend checks, and IRS Form 1099. Mellon is also responsible for the Corporation's Dividend Reinvestment (DRIP) and Stock Purchase Plan, which enables shareholders to reinvest their quarterly dividends in Washington Trust shares. Plan members may also make optional cash purchases of common stock up to \$10,000 per quarter.

For information, contact Mellon on the toll-free Shareholder Information Line, (800) 852-0354, via the secure Mellon Investor Direct website, <https://vault.melloninvestor.com/isd>, or by writing to: Mellon Investor Direct Services Corporate Office, 85 Challenger Road, Ridgefield Park, NJ 07660.

Copies of our most recent annual and quarterly reports and a copy of our 2004 Annual Report on Form 10-K are available at no charge by contacting Elizabeth B. Eckel, Senior Vice President, Marketing, at 401-348-1566 or 1-800-475-2265. You may write to Ms. Eckel at the Washington Trust Corporate Office, 23 Broad Street, Westerly, RI 02891. The annual report is also available on our website, www.washtrust.com.



Washington Trust Bancorp, Inc.

Board of Directors

Gary P. Bennett, Retired Chairman and Chief Executive Officer, Analysis and Technology, Inc.
 Steven J. Crandall, Vice President, Ashaway Line & Twine Mfg. Co.
 Larry J. Hirsch, Esq., Retired President, Westerly Jewelry Co.
 Barry G. Hittner, Esq., Of Counsel, Cameron & Mittleman, LLP
 Katherine W. Hoxsie, Vice President, Hoxsie Buick-Pontiac-GMC Truck, Inc.
 Mary E. Kennard, Esq., Vice President and University Counsel, The American University
 Edward M. Mazze, Ph.D., Dean, College of Business Administration, University of Rhode Island
 Kathleen McKeough, Retired Senior Vice President of Human Resources, GTECH Holdings Corporation
 Victor J. Orsinger, II, Esq., Partner, Orsinger and Nardone, Attorneys at Law
 H. Douglas Randall, III, President, H.D. Randall, Realtors
 Joyce Olson Resnikoff, Chief Executive Officer, Olde Mistick Village
 Patrick J. Shanahan, Jr., Retired Chairman, President and Chief Executive Officer, First Financial Corp.
 James P. Sullivan, CPA, Retired Finance Officer, Roman Catholic Diocese of Providence
 Neil H. Thorp, President, Thorp & Trainer, Inc.
 John F. Treanor, President and Chief Operating Officer, Washington Trust Bancorp, Inc.
 John C. Warren, Chairman and Chief Executive Officer, Washington Trust Bancorp, Inc.

Officers of the Corporation

John C. Warren, Chairman and Chief Executive Officer
 John F. Treanor, President and Chief Operating Officer
 David V. Devault, Executive Vice President, Treasurer and Chief Financial Officer
 Harvey C. Perry, II, Senior Vice President and Secretary

The Washington Trust Company Directors' Advisory Council

Alcino G. Almeida, William Atherton, Charles M. Baker, Jr., Charles C. Buffum, David Curtis,
 Richard A. Grills, Joseph J. Kirby, Jacques de Laporte, James W. McCormick, Jr., Thomas F. Moore,
 Brendan P. O'Donnell, Joseph H. Potter, Joseph E. Pucci, Anthony J. Rose, Jr., William Blunt White

The Washington Trust Company

Executive Officers

John C. Warren, Chairman and Chief Executive Officer
 John F. Treanor, President and Chief Operating Officer
 David V. Devault, Executive Vice President, Secretary, Treasurer and Chief Financial Officer

Senior Management

Dennis L. Algieri, Senior Vice President, Chief Compliance Officer & Director of Community Affairs
 Carl M. Amaral, Senior Vice President, Branch Sales and Service
 Stephen M. Bessette, Senior Vice President, Retail Lending
 Vernon F. Bliven, Senior Vice President, Human Resources
 Elizabeth B. Eckel, Senior Vice President, Marketing
 Gerald J. Fogarty, Jr., Managing Director
 Philip L. Friend, Senior Vice President, Retail Lending
 William D. Gibson, Senior Vice President, Credit Administration
 Mark K.W. Gim, Senior Vice President, Financial Planning and Asset Liability Management
 Russell W. Hahn, Senior Vice President, Commercial Lending
 Marie J. Langlois, Managing Director
 Joseph E. LaPlume, Senior Vice President, Commercial Lending
 Rogean B. Makowski, Senior Vice President, Trust Officer
 Mary M. McGoldrick, Senior Vice President and Chief Investment Officer
 Barbara J. Perino, CPA, Senior Vice President, Operations and Technology
 Harvey C. Perry, II, Senior Vice President, Director of Office for Non-Profit Resources
 B. Michael Rauh, Jr., Senior Vice President, Corporate Sales, Planning and Delivery
 Julia Anne M. Slom, Senior Vice President, Commercial Real Estate Group
 James M. Vesey, Senior Vice President and Chief Credit Officer
 James J. Walther, Senior Vice President, Director of Internal Audit



Rhode Island Offices

CORPORATE OFFICE

23 Broad Street
Westerly, RI 02891
401-348-1200

BLOCK ISLAND

Block Island Office
Ocean Avenue
Block Island, RI 02807
401-466-7710

CHARLESTOWN

Charlestown Office
4137 Old Post Road
Charlestown, RI 02813
401-364-4000

CRANSTON

Cranston Office
645 Reservoir Avenue
Cranston, RI 02910
401-946-1004

NARRAGANSETT

Bonnet Shores Office
885 Boston Neck Road
Narragansett, RI 02882
401-782-4800

Sweet Meadows Office

20 Point Judith Road
Narragansett, RI 02882
401-782-1000

NORTH KINGSTOWN

North Kingstown Office
7625 Post Road
North Kingstown, RI 02852
401-295-4700

PROVIDENCE

Providence Office
180 Washington Street
Providence, RI 02903
401-421-3600

Providence Wealth Management Offices

66-68 South Main Street
Providence, RI 02903
401-861-8440
401-331-6650

RICHMOND

Richmond Office
1200 Main Street
Wyoming, RI 02898
401-539-2427

SOUTH KINGSTOWN

Wakefield Office
730 Kingstown Road
Wakefield, RI 02879
401-782-4200

WARWICK

Warwick Office
236 Centerville Road
Warwick, RI 02886
401-739-2353

WESTERLY

Main Office
23 Broad Street
Westerly, RI 02891
401-348-1200

Franklin Street Office

126 Franklin Street
Westerly, RI 02891
401-348-1367

McQuade's Marketplace

106 Main Street
Westerly, RI 02891
401-348-1201

Connecticut Offices

MYSTIC

A&P Super Foodmart
179 Stonington Road
Mystic, CT 06355
860-572-7100

McQuade's Marketplace

14 Clara Drive
Mystic, CT 06355
860-572-2058

Mystic Office

Olde Mistick Village
Mystic, CT 06355
860-536-1200

Account Information Center

To speak with a customer service representative, call 401-348-1200 or toll-free 1-800-475-2265. In Connecticut, call 860-443-1508.

Online Banking

Bank and pay bills via the Internet 24 hours a day, 7 days a week at www.washtrust.com.

XPress Banking

Automated banking by phone 24 hours a day, 7 days a week at 401-348-1399 or toll-free 1-800-226-5877.

Website

Current company and shareholder information available at www.washtrust.com.

23 Broad Street, Westerly, RI 02891
www.washtrust.com

