

Washington Trust Bancorp, Inc.



RELATIONSHIPS MATTER

2005 Annual Report



Relationships matter at Washington Trust. Our success is rooted in the strong and enduring relationships that exist among the people we touch every day. We believe in the principle that if you treat people well and with respect, they will return the favor. When we provide excellent service, it creates a lasting, positive impression. It also helps drive more relationships, as our customers pass our name along to friends and associates. And as their needs grow, so does their relationship with us.

Washington Trust Profile

As of December 31, 2005

\$2.4 billion in assets

\$350 million in market capitalization

Washington Trust Bancorp, Inc. is the publicly-owned holding company of The Washington Trust Company (the Bank), a Rhode Island-chartered commercial bank founded in 1800. Through the Bank and its other subsidiaries, Washington Trust offers a broad range of financial services, including wealth management, by way of its branch offices in Rhode Island, Massachusetts and southeastern Connecticut.

At December 31, 2005, Washington Trust had 478 employees. The Corporation has an Affirmative Action Plan and is an Equal Opportunity Employer. Washington Trust 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, 2005, there were 2,170 shareholders of record.

Annual Meeting of Shareholders

Tuesday, April 25, 2006, 11:00 a.m.
Westerly Public Library
44 Broad Street
Westerly, Rhode Island 02891

Vote Your Proxy Online Or By Phone

For your convenience, you can vote your shares online or by phone. Have your proxy card ready and go to the website <http://www.voteproxy.com> or call 800-PROXIES (800-776-9437). You will be prompted to enter your control number located on your card. Then, follow the instructions to create and submit an electronic ballot.

2005 Quarters	1	2	3	4
Stock prices:				
High	\$29.99	\$28.81	\$30.38	\$29.98
Low	27.00	23.94	26.08	25.77
Close	27.48	27.67	27.19	26.18
Dividend declared	.18	.18	.18	.18
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

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 wealth management and trust assets under administration, reductions in loan demand, reductions in deposit levels necessitating increased borrowing to fund loans and investments, changes in loan default and charge-off rates, changes in the size and nature of the Corporation's competition, changes in legislation or regulation and accounting principles, policies and guidelines and changes in the assumptions used in making such forward-looking statements.

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LETTER TO SHAREHOLDERS



By every measure, 2005 was an outstanding year for your Corporation, with both record earnings and earnings per share. Net income was up 11% from 2004, reaching \$23 million. We declared cash dividends totaling 72 cents per share, and we were pleased to increase our dividend for the thirteenth consecutive year.

Taking a longer view, in 2005 we continued the significant momentum that has been built over the last ten years. Since 1995, Washington Trust's assets have grown almost fivefold, from \$576 million to \$2.4 billion. Wealth management assets under administration have increased dramatically, from \$467 million in 1995 to more than \$3 billion. We are truly a company on the move.

When you consider the 2005 economic environment, Washington Trust's achievements are even more impressive. Increases in short-term interest rates and a flat yield curve put considerable pressure on margins. However, by successfully managing our core lines of business – wealth management, commercial lending and business banking, and personal banking – we were able to generate a balanced stream of earnings at record levels.

In 2005, we continued to grow our capabilities and geographic franchise with the acquisition of Weston Financial Group of Wellesley, Massachusetts. We expect to open two new branches in the greater Providence market by the first half of 2007. In addition, we brought new talent and leadership to our wealth management and commercial lending teams.

We recognize that wealth management is a discipline unto itself, requiring its own expertise. Our strategic acquisition of Weston Financial Group sent a clear message to the investment community: Washington Trust is a major player in wealth management. The Weston Financial acquisition significantly bolstered our position as a unique resource for investors, combining world-class expertise and consistent results with local, personalized service.

Our wealth management group continued to provide important noninterest income in 2005. With revenues up 26%, wealth management and trust services accounted for 18% of our total revenues. Moving forward, we are confident that our wealth management group's contributions to the Corporation's success will only grow.



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The hiring of Galan G. Daukas as Executive Vice President, Wealth Management, further underscored our commitment. Galan's career has been devoted to investment management. As our wealth management capabilities grow, we look forward to his leadership in this important part of our business.

In commercial lending, the recognition of Washington Trust as a significant resource, capable of making multi-million dollar loans and facilitating complex financial deals, continued to grow in 2005. As a result, we were involved in major commercial real estate projects throughout New England, providing loans

The story behind Washington Trust's impressive accomplishments and key strategic initiatives in 2005 is a very human one. As this year's annual report theme states, *relationships matter* at Washington Trust. In the last 205 years, we have earned a reputation for providing exceptional service, and that reflects the genuine commitment that our people have to helping others. At the center of our business are relationships, not transactions. Our success is the result of the countless interactions that our people take part in every day. Whether it is with a customer, a fellow employee, a professional associate, or any member of the community, treating others with respect, courtesy, and a willingness to assist is the culture at Washington Trust.

*By striving to be the best in everything we do,
we enrich the lives of those we serve while
infusing our work with a strong sense of
purpose and accomplishment.*

The year 2005 was terrific for all of our lines of business. In an increasingly competitive marketplace, Washington Trust grew deposit market share in Rhode Island – no small achievement, especially with no new branch openings. We were well served by the exceptional job that our employees did at our branches every day, nurturing existing relationships and establishing new ones.

We had another very good year in retail lending. Although mortgage volume slowed as interest rates rose, mortgage activity was stronger than anticipated. Part of our strong performance in this line of business can be attributed to the long-term relationships that we have established with customers and centers of influence. In a very competitive rate environment, it is often the relationship that makes the difference in retaining business.

for multi-use urban renewal developments in Providence and Boston, as well as being the key lender in a New Hampshire development. We are committed to pursuing growth in our commercial lending business while maintaining excellent asset quality. At the end of the fourth quarter, total nonperforming assets were \$2.4 million or 0.10% of total assets, the lowest year-end level that we have reported in several years.

Washington Trust earned national recognition in 2005, receiving the Award for Excellence in Workplace Volunteer Programs from the Points of Light Foundation. Other recipients included Aetna, Cisco Systems, The Home Depot, and Federated Department Stores. We also were named one of the 10 Best Companies for Employee Financial Security by The Principal Financial Group.

Moving forward, we will remain focused on continuing our earnings momentum, capitalizing on growth opportunities and maintaining strong asset quality. We appreciate the relationship that we enjoy with our shareholders. From all of us at Washington Trust, thank you for your ongoing support.

Sincerely,

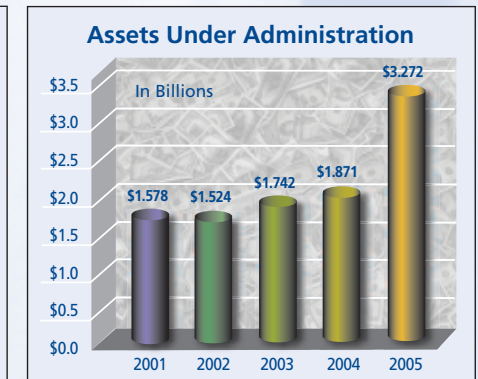
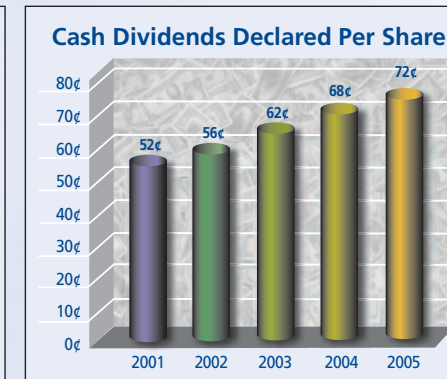
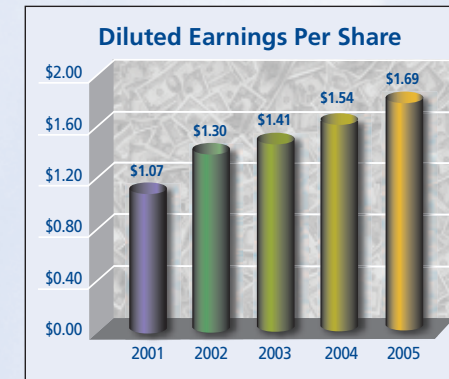
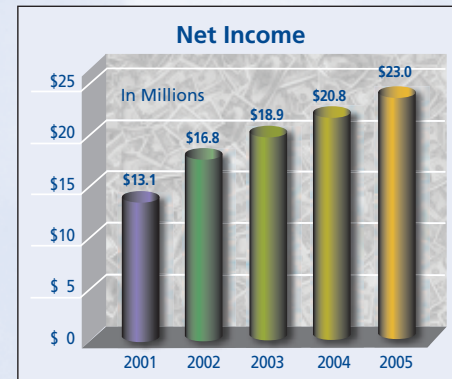
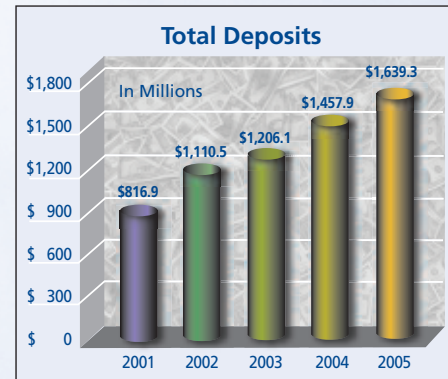
John C. Warren
Chairman and Chief Executive Officer

John F. Treanor
President and Chief Operating Officer



FINANCIAL HIGHLIGHTS

Washington Trust Bancorp, Inc.
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(Dollars in millions, except per share amounts)

Results as of or for the years ended December 31,	2005	2004	2003	2002	2001
Financial Results					
Net interest income	\$ 60.7	\$ 54.4	\$ 48.8	\$ 44.3	\$ 39.4
Provision for loan losses	1.2	.6	.5	.4	.6
Net realized gains on securities	.4	.2	.6	.7	.3
Noninterest income, excluding securities gains	30.6	26.1	26.1	22.6	21.1
Noninterest expense	56.4	50.4	47.6	43.0	41.7
Net income	23.0	20.8	18.9	16.8	13.1
Per Share Information					
Diluted earnings per share	\$ 1.69	\$ 1.54	\$ 1.41	\$ 1.30	\$ 1.07
Cash dividends declared	.72	.68	.62	.56	.52
Book value	11.86	11.44	10.46	9.87	8.15
Tangible book value	7.79	9.64	8.60	7.93	8.10
Closing stock price	26.18	29.31	26.20	19.53	19.00
Financial Condition					
Securities	\$ 783.9	\$ 890.1	\$ 839.4	\$ 795.8	\$ 629.1
Loans:					
Commercial and other	554.7	507.7	408.5	382.1	260.6
Residential real estate	582.7	513.7	389.9	280.9	235.4
Consumer	264.5	228.3	162.6	132.1	109.6
Total loans	1,401.9	1,249.7	961.0	795.1	605.6
Allowance for loan losses	17.9	16.8	15.9	15.5	13.6
Total assets	2,402.0	2,307.8	1,973.8	1,745.7	1,362.2
Deposits	1,639.3	1,457.9	1,206.1	1,110.5	816.9
Federal Home Loan Bank advances	545.3	672.7	607.1	480.1	431.5
Shareholders' equity	158.4	151.9	138.1	128.7	97.9
Ratios (%)					
Return on average assets	0.98	0.97	1.03	1.07	1.01
Return on average equity	14.80	14.40	14.15	14.25	13.86
Net interest margin (taxable equivalent basis)	2.79	2.74	2.89	3.10	3.30
Nonperforming assets to total assets	.10	.21	.14	.24	.28
Nonaccrual loans to total loans	.17	.38	.29	.53	.63
Allowance for loan losses to total loans	1.28	1.34	1.66	1.95	2.24
Earnings and Ratios Excluding Special Items (Non-GAAP Financial Information)					
Net income	\$ 23.5	\$ 20.8	\$ 19.6	\$ 17.2	\$ 15.6
Diluted earnings per share	\$ 1.72	\$ 1.54	\$ 1.46	\$ 1.33	\$ 1.28
Return on average assets (%)	1.00	0.97	1.06	1.09	1.20
Return on average equity (%)	15.08	14.40	14.64	14.60	16.54

(Dollars in millions, except per share amounts)

Results as of or for the years ended December 31,	2005	2004	2003	2002	2001
Reconciliation Table – Non-GAAP Financial Information					
Net income, including special items	\$ 23.0	\$ 20.8	\$ 18.9	\$ 16.8	\$ 13.1
Add back (deduct) special items, net of tax:					
Acquisition related	.5	–	–	.4	–
Debt prepayment penalties	–	–	.7	–	–
Litigation settlement, net of insurance recovery	–	–	–	–	2.5
Net income, excluding special items	\$ 23.5	\$ 20.8	\$ 19.6	\$ 17.2	\$ 15.6
Diluted earnings per share	\$ 1.69	\$ 1.54	\$ 1.41	\$ 1.30	\$ 1.07
Effect of special items, net of tax	.03	–	.05	.03	.21
Diluted earnings per share, excluding special items	\$ 1.72	\$ 1.54	\$ 1.46	\$ 1.33	\$ 1.28
Ratios (%)					
Return on average assets	0.98	0.97	1.03	1.07	1.01
Effect of special items, net of tax	.02	–	.03	.02	.19
Return on average assets, excluding special items	1.00	0.97	1.06	1.09	1.20
Return on average equity	14.80	14.40	14.15	14.25	13.86
Effect of special items, net of tax	.28	–	.49	.35	2.68
Return on average equity, excluding special items	15.08	14.40	14.64	14.60	16.54

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"). Washington Trust's (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 2005 Financial Highlights section of this annual report.

ENHANCING OUR WEALTH MANAGEMENT CAPABILITIES

INTEGRATING WESTON FINANCIAL GROUP'S PLANNING EXPERTISE INTO WASHINGTON TRUST'S WEALTH MANAGEMENT GROUP HAS STRENGTHENED OUR POSITION AS A PREMIER AND COMPREHENSIVE RESOURCE FOR INVESTORS. SHOWN BELOW LEFT TO RIGHT, COUNSELORS SUSAN K. ARNOLD AND MARIA A. STAFFIERE, WESTON FINANCIAL, EXECUTIVE VICE PRESIDENT GALAN G. DAUKAS, WASHINGTON TRUST WEALTH MANAGEMENT, AND COUNSELOR KERRY FALCO, WESTON FINANCIAL.



Wealth Management

Washington Trust Bancorp, Inc.
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Wealth Management is a key line of business for us, and a major source of revenues. It is also an area in which we have a reputation for expertise and consistent investment performance. We are one of the premier wealth management providers in New England. This is a significant growth area for our company and in 2005 we expanded our presence with several key strategic initiatives.

Financial planning expertise

In August, we acquired Weston Financial Group, a registered investment advisor with assets under management in excess of \$1.2 billion. Located in Wellesley, Massachusetts, the firm specializes in helping high net worth clients address complex financial planning issues. These include individuals with many forms of assets, executives at companies undergoing change due to a merger or acquisition, and those planning for retirement. Founded in 1979, Weston Financial serves clients in the Boston metropolitan area, New England, and throughout the country.

The Weston Financial acquisition boosted our assets under administration to more than \$3 billion. As part of the acquisition, Washington Trust retained all of Weston Financial's employees, including the six senior principals who have worked together for 20 years. Like Washington Trust, Weston Financial's ability to build

and nurture client relationships has been a key to their success.

The acquisition of Weston Financial Group provided a natural complement to Washington Trust's existing wealth management groups: 1800 Asset Management, Washington Trust Investors (formerly Phoenix Investment Management), and Trust and Estate Services.

Comprehensive investment options

We now offer clients three distinct asset management solutions. Weston Financial gives us sophisticated financial planning capabilities, as well as an open architecture investment platform, featuring separately managed accounts, custom-designed portfolios, and mutual funds. This approach enables clients to access

The Weston Financial acquisition boosted our assets under administration to more than \$3 billion.



Weston Financial's Managing Directors: front, left to right, Ronald A. Sugameli, Joseph Robbat, Jr., and Douglas A. Biggar; back, left to right, Wayne M. Grzecki, Robert I. Stock, and I. Richard Horowitz.

DEVELOPING INTEGRATED SOLUTIONS FOR CLIENTS



WITH FINANCIAL PLANNING EXPERTISE, THREE DISTINCT ASSET MANAGEMENT STYLES, AND TRUST MANAGEMENT SERVICES, WASHINGTON TRUST IS WELL POSITIONED TO BE A SINGLE, LONG-TERM RESOURCE FOR CLIENTS. SHOWN ABOVE LEFT TO RIGHT, ROGEAN MAKOWSKI, SENIOR VICE PRESIDENT AND TRUST OFFICER; MARIE LANGLOIS, MANAGING DIRECTOR, WASHINGTON TRUST INVESTORS; AND MARY MCGOLDRICK, SENIOR VICE PRESIDENT AND CHIEF INVESTMENT OFFICER, 1800 ASSET MANAGEMENT.



Wealth Management

Washington Trust Bancorp, Inc.
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Client relationships are enhanced by the natural synergies that exist within our expanded wealth management group.

the best money managers in the world. Our 1800 Asset Management group, located in Westerly, is client-driven, providing custom investment solutions to meet each individual client's needs and tax situation. Washington Trust Investors, located in Providence, uses a thematic approach with multi-cap portfolios. The group employs a proprietary investment discipline, which has a proven track

record of maximizing returns for clients. Trust and Estate Services provides essential trust management services, including estate planning and executor services.

An increasing number of high net worth individuals understand the benefits of having a single "quarterback" with access to a broad array of top managers and services to provide a more coordinated

wealth management plan. In 2005, with the acquisition of Weston Financial Group, we put ourselves in a stronger position to be that resource. We can now develop integrated solutions for clients, encompassing all aspects of their financial health. What's more, these client relationships are enhanced and strengthened by the natural synergies that exist within our expanded wealth management group.

Custom solutions, localized service

In investment management, clients do not know the returns in advance. All they can know is what level of service their advisors provide and what kind of rapport they have with them. In other words, it is the relationship that matters. In this area, Washington Trust's wealth management group has a significant competitive advantage. Our size, structure, and business philosophy allow our advisors to get to know clients personally and to truly understand what they are trying to achieve.

We know that one investment style does not fit all. With our range of options, we are able to respond to a client's investment preferences with a custom approach that will deliver the results he or she desires. By combining world-class investment vehicles with a top-notch advisor who will meet with you at your convenience, we are giving investors a very compelling reason to do business with us.



Gary J. Friedmann, Vice President, Investment Officer, advises students at a local school where Washington Trust sponsored The Stock Market Game™ as part of its Financial Literacy Program.

TEAMING UP TO FIND THE BEST SOLUTIONS

EXCELLENT WORKING RELATIONSHIPS ACROSS ALL LINES OF BUSINESS ENABLE US TO PROVIDE CUSTOMERS WITH THE RIGHT SOLUTIONS FOR BOTH THEIR BUSINESS AND PERSONAL FINANCES. SHOWN BELOW LEFT TO RIGHT AT PEARL STREET LOFTS, AN \$8.5 MILLION RESIDENTIAL AND COMMERCIAL RESTORATION PROJECT IN PROVIDENCE, B. MICHAEL RAUH, JR., EXECUTIVE VICE PRESIDENT, CORPORATE SALES, PLANNING, AND DELIVERY; STEPHEN M. BESSETTE, EXECUTIVE VICE PRESIDENT, RETAIL LENDING; AND JAMES M. VESEY, SENIOR VICE PRESIDENT, COMMERCIAL LENDING AND CHIEF CREDIT OFFICER.



Banking

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Good customer relationships are critical to retaining and growing our business. In 2005, our outstanding service helped nurture relationships with customers, strengthening our competitive position and ultimately contributing to our profitability.

Cultivating long-term banking relationships

We have seen a direct correlation between service quality and increased business and profitability in our banking lines. With the implementation of comprehensive service quality programs in recent years, all of the following metrics have risen: accounts per household, services per household, referrals, retention rates, households from new market areas, and customer satisfaction ratings. In a survey of our customers, 97.6% said they were very satisfied or satisfied with Washington Trust's service. This compares with a 90.5% rating for peer banks.

The combination of outstanding service and great products enabled us to grow customer deposits by 12% in 2005. What's more, Washington Trust increased deposit market share in Rhode Island – no small feat, especially with no new branch openings.

On the personal banking side of our business, Washington Trust remained the dominant player in Washington County, Rhode Island, with more than a 50% deposit market share. Much of our recent expansion and future growth has been in Kent and Providence Counties, where both the population and the number of businesses far exceed those in Washington County.

In recent years, we have added three branches in these key markets, with plans for two more to be opened by early 2007.

Our consumer loan portfolio, comprised of primarily home equity loans and lines of credit, continued to grow. In 2005, we had an increase of \$36 million, or 16%. With attractive rates and flexible terms, our home equity products are very popular, increasing over 600% in the last ten years, from \$33 million in 1995 to \$233 million in 2005.

Mortgage volume slowed during the year as interest rates rose, but we still garnered a good share of mortgage loan originations.



In 2005, we made renovations to several Washington Trust branch offices for added convenience and accessibility.

Washington Trust increased deposit market share in Rhode Island in 2005.

Enhancing relationships in person and online

Taking care of existing customers is as important as attracting new ones. That means responding to their ongoing needs and finding faster, easier, and better ways for them to manage their finances.

We made extensive renovations at several branches in 2005. Branches are still the most popular channel for doing business with Washington Trust, visited at least once a month by 77% of our customers. The renovations reflected our commitment to the communities where we are located while enhancing the banking experience for our customers.

Online banking continues to grow at an accelerated pace, as more and more people enjoy the convenience of being able to bank anytime, anywhere. In 2005, we enhanced our online banking service so customers can now go online for up-to-the-second, real-time reporting of all transactions. They can also view images of cancelled checks, request debit cards, reorder checks, apply for loans, and open deposit accounts. Maintaining state-of-the-art technology is a priority at Washington Trust. By offering customers the latest conveniences in banking, we are strengthening our relationship with them.

HANDLING COMPLEX DEALS TO HELP COMPANIES GROW



WASHINGTON TRUST PROVIDED EXPANSION CAPITAL TO IRA GREEN, INC., THE LARGEST MANUFACTURER AND DISTRIBUTOR OF UNITED STATES MILITARY INSIGNIA. THE COMPANY EMPLOYS 270 PEOPLE AT ITS STATE-OF-THE-ART, 120,000 SQUARE FOOT MANUFACTURING AND DISTRIBUTION FACILITY IN PROVIDENCE, RHODE ISLAND. ABOVE LEFT TO RIGHT, MICHAEL W. MCALLISTER, PRESIDENT OF IRA GREEN, INC., AND TIMOTHY CADIGAN, VICE PRESIDENT AND COMMERCIAL LENDING TEAM LEADER.



Banking

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Expanding our presence in commercial lending

Washington Trust is a major player in the commercial lending arena, and we strengthened our position in 2005. We worked closely with decision-makers on new financings and explored future opportunities in commercial lending and commercial real estate. We continued to generate an awareness of our capabilities among the business community and to build relationships with those who are key referral sources for new business.

Closing activity remained solid throughout the year, with a healthy mix of existing and new customers. For example, we provided \$6.8 million in acquisition



Scott Lajoie, Vice President, Commercial Real Estate Group, visits Joyce R. Gifford, DVM, owner of Abbott Valley Veterinary Center in Cumberland, Rhode Island and SBA 2005 Rhode Island Small Business Person of the Year.

We continued to build awareness of our commercial lending capabilities with business leaders and key referral sources.

financing for a communications systems integrator in Peace Dale, Rhode Island, and provided expansion capital to the country's leading manufacturer and distributor of United States military insignia. We also financed quality projects throughout New England, including a shopping plaza on Cape Cod, a CVS on Beacon Street in Boston, and a Walgreen's in Bedford, New Hampshire.

We have an experienced and talented team of lenders who are able to handle

complex and sophisticated deals. In 2005, we added several new lenders to bolster our team of representatives in the Providence, Rhode Island, Connecticut, and Massachusetts markets.

Relationships play a key role in all of our commercial loans. In many cases, new dollar originations come from companies that are already doing business with us or were referred to us by someone who already has a relationship with Washington Trust.

A commitment to small business

Small businesses depend on their local branch to satisfy both personal and business banking needs. In 2005, Washington Trust worked on nurturing the relationship between these businesses and our branches by making it easier for them to do their banking with us. Our Freedom Business Partners™ Account, which features a free business checking account, preferred loan rates, and special discounts, continued to be a popular product for small businesses. We also put an expanded team in place to cater to small business owners.

We had a successful year in our merchant services area, as sales volume grew by 21%. While this line of business is extremely price-sensitive, Washington Trust has been successful because our excellent customer service gives us a competitive advantage. Merchant relationships are a key source of fee income and provide new checking account relationships, as well. Our ability to establish multi-product, multi-service relationships with these customers is a key retention strategy.

Washington Trust's commitment to helping small businesses start up, prosper, and grow is reflected in our designation as a Small Business Administration (SBA) preferred lender. In fact, three of the 2005 SBA award winners were Washington Trust customers, including the SBA Rhode Island Business Person of the Year. In addition, the SBA honored us for supporting minority business development, as we ranked second among the Rhode Island banks that provided SBA loans to minority-owned small businesses.

REACHING OUT TO THE COMMUNITIES WHERE WE WORK AND LIVE



WASHINGTON TRUST ENJOYS RELATIONSHIPS WITH ORGANIZATIONS WHOSE WORK MEANS SO MUCH TO OUR CUSTOMERS, EMPLOYEES, AND NEIGHBORS. IN WESTERLY, WE ARE A MAJOR SUPPORTER OF THE WESTERLY PUBLIC LIBRARY. ABOVE LEFT TO RIGHT, KATHRYN TAYLOR, EXECUTIVE DIRECTOR, WESTERLY PUBLIC LIBRARY; ELIZABETH B. ECKEL, SENIOR VICE PRESIDENT, MARKETING; AND DENNIS L. ALGIERE, SENIOR VICE PRESIDENT, CHIEF COMPLIANCE OFFICER AND DIRECTOR OF COMMUNITY AFFAIRS.



Community

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At Washington Trust, community involvement is instrumental to our success. Our achievements as an institution are part and parcel of the achievements of our communities as a whole. We support organizations that are committed to ensuring that our communities thrive. We are part of the economic engine that makes their vital work possible. Our outreach goes well beyond funding. Every day, our people make a difference on both a professional and personal level. Washington Trust truly touches the lives of those around us through the relationships we have with people and organizations in the community.

Promoting financial literacy and volunteerism

Washington Trust's 2005 community outreach included a Financial Literacy Program. Through the American Bankers Association's Teach Kids to Save program, Washington Trust bankers visited schools throughout Rhode Island and Connecticut to teach students about the importance and value of saving. In addition, Washington Trust sponsored the Stock Market Game™, an education program that provides students the opportunity to learn first-hand about the investment world by reading *The Providence Journal*, investing a simulated \$100,000 in the New York, American, and NASDAQ exchanges over a 10-week period, and tracking their trades in an online portfolio. Members of our wealth management team participated in the program, which reached more than 900 students.

Throughout Washington Trust's 205-year history, our employees have consistently

demonstrated a willingness and eagerness to lend a hand. In 2005, that commitment to volunteerism earned us the Award for Excellence in Workplace Volunteer Programs from the Points of Light Foundation, the nation's leading volunteer resource. The international award honors businesses of all sizes and from all industries that have made a commitment to effectively engage employees in volunteering. Washington Trust was the only bank to receive the award in 2005. Other honorees included Aetna, Cisco Systems,

The Home Depot, and Federated Department Stores. Washington Trust also received the Outstanding Commitment to Volunteerism Award from the Volunteer Center of Rhode Island.

The employees at Washington Trust take great pride in serving the communities where we live and work. In 2005, we were once again grateful for the opportunity to experience the rewards of helping those in need.

In 2005, we were once again grateful for the opportunity to experience the rewards of helping those in need.



Washington Trust's star mascots appear at community events throughout the year.



FINANCIAL STATEMENTS

Washington Trust Bancorp, Inc.
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Washington Trust Bancorp, Inc. and Subsidiaries Consolidated Balance Sheets

December 31, (Dollars in thousands)	2005	2004
Assets:		
Cash and due from banks	\$ 48,997	\$ 34,801
Federal funds sold and other short-term investments	17,166	17,280
Mortgage loans held for sale	439	1,095
Securities:		
Available for sale, at fair value; amortized cost \$620,638 in 2005 and \$724,209 in 2004	619,234	735,666
Held to maturity, at cost; fair value \$162,756 in 2005 and \$156,270 in 2004	164,707	154,392
Total securities	783,941	890,058
Federal Home Loan Bank stock, at cost	34,966	34,373
Loans:		
Commercial and other	554,734	507,711
Residential real estate	582,708	513,695
Consumer	264,466	228,270
Total loans	1,401,908	1,249,676
Less allowance for loan losses	17,918	16,771
Net loans	1,383,990	1,232,905
Premises and equipment, net	23,737	24,248
Accrued interest receivable	10,594	9,367
Investment in bank-owned life insurance	30,360	29,249
Goodwill	39,963	22,591
Identifiable intangible assets	14,409	1,309
Other assets	13,441	10,544
Total assets	\$2,402,003	\$2,307,820
Liabilities:		
Deposits:		
Demand deposits	\$196,102	\$189,588
NOW accounts	178,677	174,727
Money market accounts	223,255	196,775
Savings accounts	212,499	251,920
Time deposits	828,725	644,875
Total deposits	1,639,258	1,457,885
Dividends payable	2,408	2,257
Federal Home Loan Bank advances	545,323	672,748
Junior subordinated debentures	22,681	-
Other borrowings	9,774	3,417
Accrued expenses and other liabilities	24,113	19,661
Total liabilities	2,243,557	2,155,968
Commitments and contingencies		
Shareholders' Equity:		
Common stock of \$.0625 par value; authorized 30 million shares in 2005 and 2004; issued 13,372,295 shares in 2005 and 13,278,685 in 2004	836	830
Paid-in capital	33,676	31,718
Retained earnings	126,735	113,314
Unearned stock-based compensation	(898)	(737)
Accumulated other comprehensive (loss) income	(1,653)	6,937
Treasury stock, at cost; 10,519 shares in 2005 and 9,309 shares in 2004	(250)	(210)
Total shareholders' equity	158,446	151,852
Total liabilities and shareholders' equity	\$2,402,003	\$2,307,820

Refer to Washington Trust Bancorp, Inc.'s 2005 Annual Report on Form 10-K for a complete set of consolidated financial statements.

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

Years ended December 31, (Dollars and shares in thousands, except per share amounts)	2005	2004	2003
Interest income:			
Interest and fees on loans	\$78,931	\$60,828	\$51,603
Interest on securities	33,820	33,787	32,430
Dividends on corporate stock and Federal Home Loan Bank stock	2,491	2,105	2,081
Interest on federal funds sold and other short-term investments	451	133	131
Total interest income	115,693	96,853	86,245
Interest expense:			
Deposits	32,186	22,197	18,554
Federal Home Loan Bank advances	22,233	20,153	18,819
Junior subordinated debentures	458	-	-
Other	160	62	73
Total interest expense	55,037	42,412	37,446
Net interest income	60,656	54,441	48,799
Provision for loan losses	1,200	610	460
Net interest income after provision for loan losses	59,456	53,831	48,339
Noninterest income:			
Wealth management and trust services	16,421	13,048	10,769
Service charges on deposit accounts	4,502	4,483	4,920
Merchant processing fees	5,203	4,259	3,410
Net gains on loan sales	1,679	1,901	4,690
Income from bank-owned life insurance	1,110	1,175	1,161
Net realized gains on securities	357	248	630
Other income	1,674	1,791	1,155
Total noninterest income	30,946	26,905	26,735
Noninterest expense:			
Salaries and employee benefits	32,133	28,816	26,945
Net occupancy	3,460	3,201	2,979
Equipment	3,456	3,267	3,380
Merchant processing costs	4,319	3,534	2,716
Advertising and promotion	1,977	1,748	1,440
Legal, audit and professional fees	1,900	1,535	1,242
Outsourced services	1,723	1,616	1,333
Amortization of intangibles	852	644	719
Debt prepayment penalties	-	-	941
Other	6,573	6,012	5,937
Total noninterest expense	56,393	50,373	47,632
Income before income taxes	34,009	30,363	27,442
Income tax expense	10,985	9,534	8,519
Net income	\$23,024	\$20,829	\$18,923
Weighted average shares outstanding – basic	13,315.2	13,227.8	13,114.1
Weighted average shares outstanding – diluted	13,626.7	13,542.7	13,393.6
Per share information:			
Basic earnings per share	\$1.73	\$1.57	\$1.44
Diluted earnings per share	\$1.69	\$1.54	\$1.41
Cash dividends declared per share	\$.72	\$.68	\$.62

Refer to Washington Trust Bancorp, Inc.'s 2005 Annual Report on Form 10-K for a complete set of consolidated financial statements.



FINANCIAL STATEMENTS

Washington Trust Bancorp, Inc.
2005 Annual Report

Washington Trust Bancorp, Inc. and Subsidiaries 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 (Loss)	Treasury Stock	Total
Balance at January 1, 2003	\$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 adjustment for net realized gains included in net income, net of \$220 income tax expense					(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 adjustment for net realized gains included in net income, net of \$87 income tax expense					(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
Net income			23,024				23,024
Unrealized losses on securities, net of \$4,443 income tax benefit					(8,061)		(8,061)
Reclassification adjustment for net realized gains included in net income, net of \$125 income tax expense					(232)		(232)
Minimum pension liability adjustment, net of \$160 income tax benefit					(297)		(297)
Comprehensive income							14,434
Cash dividends declared			(9,603)				(9,603)
Restricted stock and stock unit awards, net		533		(533)			-
Amortization of restricted stock				372			372
Shares issued	6	1,425				29	1,460
Shares repurchased						(69)	(69)
Balance at December 31, 2005	\$836	\$33,676	\$126,735	\$(898)	\$(1,653)	\$(250)	\$158,446

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 Subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in shareholders' equity, and cash flows (not presented herein) for each of the years in the three-year period ended December 31, 2005; and in our report dated March 15, 2006, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the 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, 2006

SHAREHOLDER INFORMATION

Stock Transfer and Dividend Disbursing Agent

American Stock Transfer & Trust Company (AST), 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. AST 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.

For information, contact AST on the toll-free Shareholder Information Line, 800-852-0354, via the secure AST Shareholder Services website, <http://www.amstock.com>, or by writing to: Washington Trust Bancorp, Inc., c/o American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, NY 11219.

To receive a duplicate copy of your 2005 IRS Form 1099, please contact Mellon Investor Services at 800-580-0073 or Elizabeth B. Eckel, Senior Vice President, at Washington Trust at 401-348-1566.

Copies of our most recent annual and quarterly reports and a copy of our 2005 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 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.



CORPORATE DIRECTORY

Washington Trust Bancorp, Inc.
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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
 Galan G. Daukas, Executive Vice President, Wealth Management
 David V. Devault, Executive Vice President, Secretary, Treasurer and Chief Financial Officer

The Washington Trust Company Directors' Advisory Council

Alcino G. Almeida, 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

Senior Management

John C. Warren, Chairman and Chief Executive Officer
 John F. Treanor, President and Chief Operating Officer
 Dennis L. Algieri, Senior Vice President, Chief Compliance Officer and Director of Community Affairs
 Carl M. Amaral, Senior Vice President, Branch Sales and Service
 Stephen M. Bessette, Executive Vice President, Retail Lending
 Vernon F. Bliven, Senior Vice President, Human Resources
 Galan G. Daukas, Executive Vice President, Wealth Management
 David V. Devault, Executive Vice President, Secretary, Treasurer and Chief Financial Officer
 Elizabeth B. Eckel, Senior Vice President, Marketing
 Gerald J. Fogarty, Jr., Managing Director, Washington Trust Investors
 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, Washington Trust Investors
 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., Executive 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

Weston Financial Group, Inc.

Galan G. Daukas, Executive Managing Director
 Douglas A. Biggar, Managing Director
 Wayne M. Grzecki, Managing Director
 I. Richard Horowitz, Managing Director
 Joseph Robbat, Jr., Managing Director
 Robert I. Stock, Managing Director
 Ronald A. Sugameli, Managing Director



WASHINGTON TRUST LOCATIONS

Washington Trust Bancorp, Inc.
2005 Annual Report

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
66-70 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

Massachusetts Office

WELLESLEY

Weston Financial Group
Wellesley Office Park
40 William Street
Wellesley, MA 02481
781-235-7055

Account Information Center

To speak with a customer service
representative, call 401-348-1200
or toll-free 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.

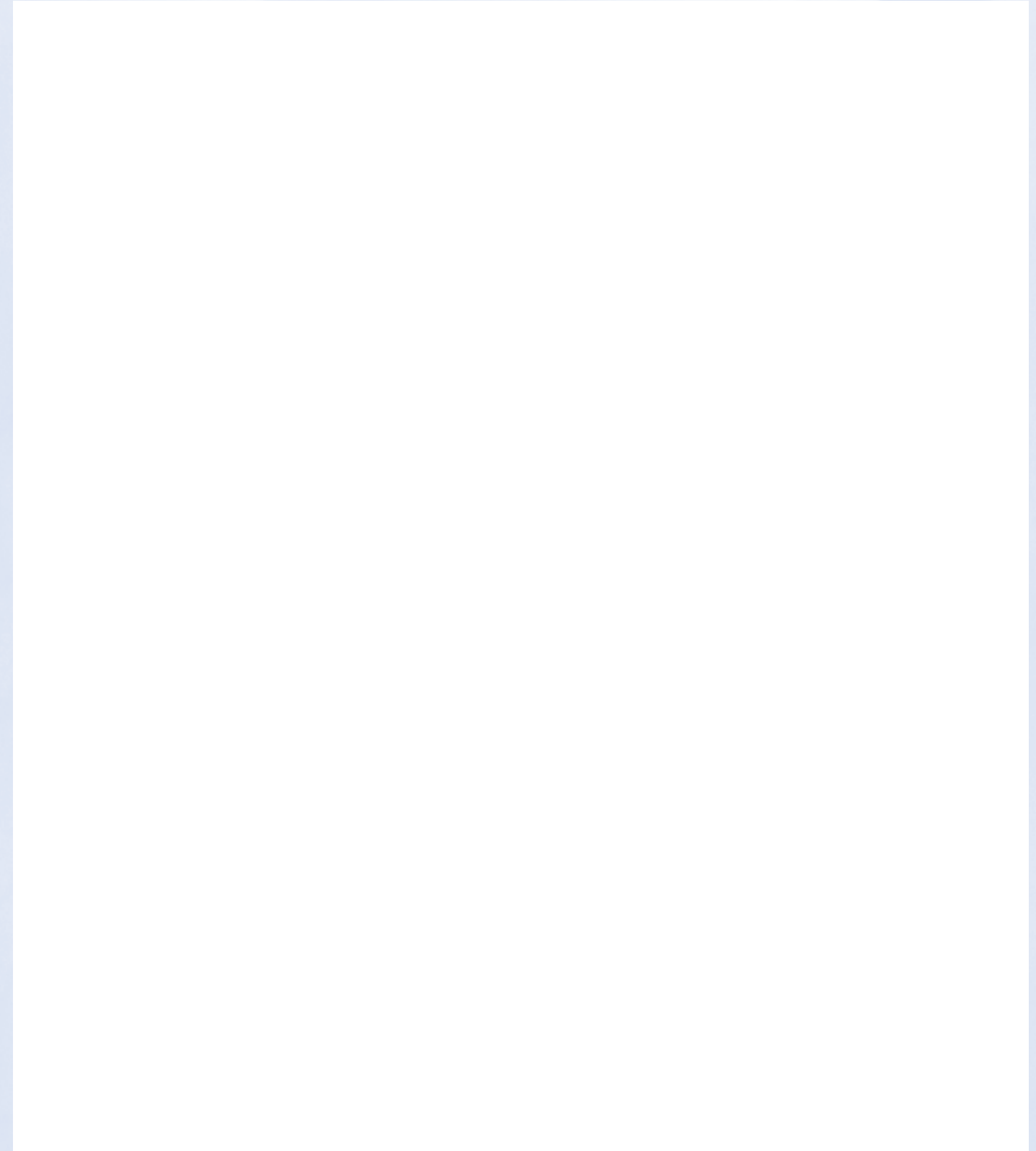
XPress Banking

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

Website

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

Notes:



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

