



WASHINGTON TRUST BANCORP, INC.

2021

Annual Report

Chairman's Message

LETTER TO SHAREHOLDERS

As we look back over the past year, many thoughts come to mind. It was a year filled with progress, as well as new challenges, and I am inspired by how our team came together.

While 2020 was a story of resilience and perseverance for Washington Trust, 2021 showed how valuable employee dedication, commitment, and accessibility are to our customers and the communities where we work and live. In times of uncertainty and change, consistency and authenticity are paramount. We hold ourselves personally accountable every day, always striving to proceed in an ethical manner, foster an inclusive and sharing culture, and maintain a long-term focus. While the pandemic continues to affect us all, we remain diligent and deliberate in our efforts to deliver outstanding service to our customers and shareholders, opting to play offense in the face of lingering economic and societal headwinds.

We continue to benefit from our prudent approach to growth and our diversified business model. Our corporation generated record earnings of \$76.9 million, or \$4.39 per diluted share, with significant contributions from all major business lines. Key highlights for the year include:

- Returns on average equity and average assets for 2021 were 14.03% and 1.32%, respectively, compared to 13.51% and 1.22%, respectively, for the prior year.
- Wealth management assets under administration amounted to an all-time high of \$7.8 billion as of December 31, 2021. Wealth management revenues for 2021 reached a record high of \$41.3 million.
- Residential real estate loan originations reached a record high of \$1.69 billion in 2021.
- Total loans, excluding Paycheck Protection Program ("PPP") loans, amounted to \$4.2 billion as of December 31, 2021, up by \$239 million, or 6%, from a year ago.
- In-market deposits reached a record \$4.5 billion on December 31, 2021, up by \$678 million, or 18%, from a year ago.
- Dividends declared in 2021 totaled \$2.10 per share, an increase of 5 cents per share from 2020, representing our eleventh consecutive year with a dividend increase.

We continue to focus on technologies that strengthen our service model and allow us to connect seamlessly with our customers according to their personal preferences. We strive to offer digital solutions to address our customers' evolving needs and enrich their everyday experience, while ensuring we continue to provide the trusted advice and personal service that is central to our mission and engrained in our cultural DNA.

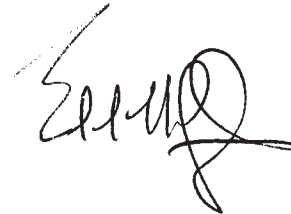
We continue to prioritize the safety and security of our clients' data and privacy by investing in people and systems, committing to vigilant board and management oversight, providing extensive employee training, and following current industry best practices. In addition, we offer sophisticated tools, educational seminars, and advice to help our personal and business customers protect themselves from fraud.

Finally, we recently released our inaugural Environmental, Social, and Governance report, which showcases the ongoing investments we're making in our people, our communities, and the broader environment. For Washington Trust, social responsibility is something deeply ingrained in our culture. Whether it's enhancing policies to bring more diversity to our employee base, supporting minority and women-owned businesses, or committing our time to help with environmental causes, we continuously strive to improve our role as a socially responsible and inclusive employer of choice.

I'm extremely proud of the team we have assembled and remain committed to fostering a supportive and inclusive work environment to help our employees achieve their professional goals. We understand that motivated and fulfilled employees are the key to building a successful organization. When our employees thrive, so do our customers, and this is the key for Washington Trust to continue its strong growth trajectory.

We look to the future with a renewed sense of optimism, determination, and confidence that our collaborative and supportive spirit will empower us to succeed in our mission to respect, support and assist one another. We remain committed to being the best for our employees, our customers, and our communities, while enhancing the value of our corporation for our shareholders. We thank you for your continued support.

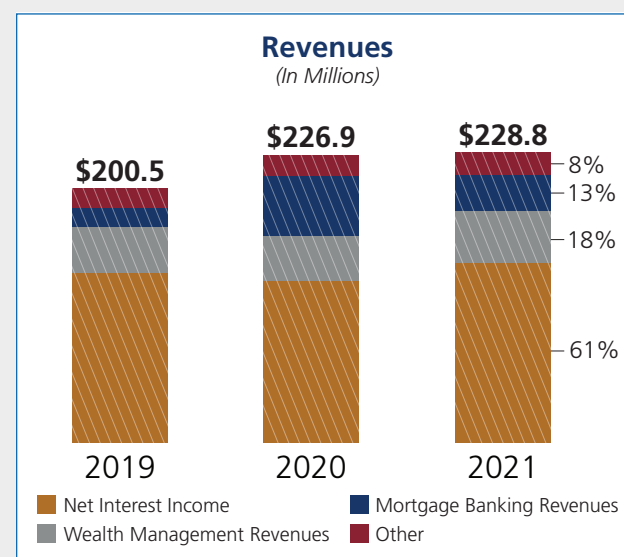
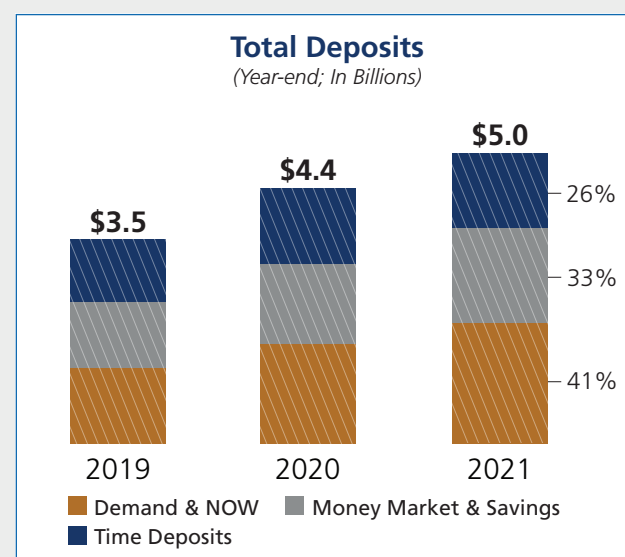
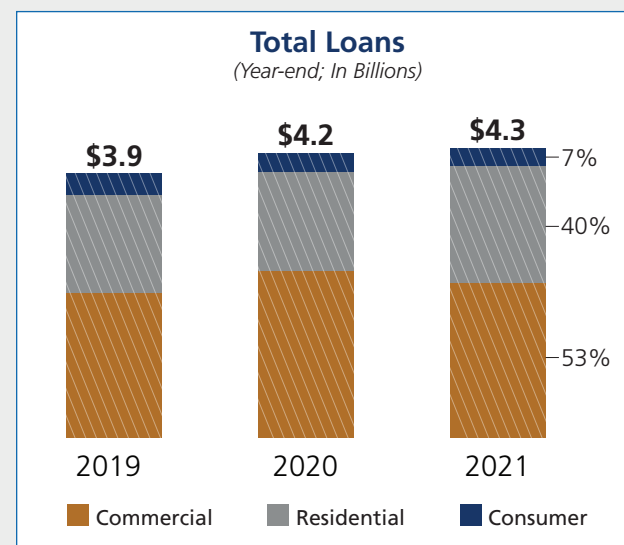
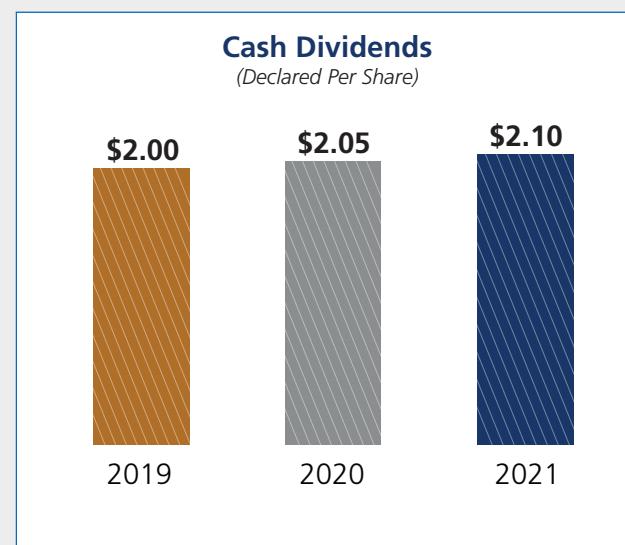
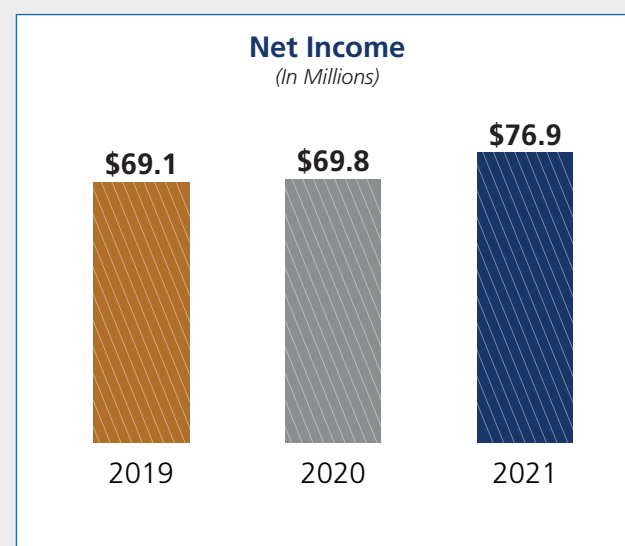
Sincerely,



Edward O. Handy III
Chairman and Chief Executive Officer



FINANCIAL HIGHLIGHTS



At or for the years ended December 31,

In thousands, except per share and ratio data

FINANCIAL CONDITION

	2021	2020	2019
Total assets	\$5,851,127	\$5,713,169	\$5,292,659
Total securities	1,042,859	894,571	899,490
Total loans	4,272,925	4,195,990	3,892,999
Allowance for credit losses on loans*	39,088	44,106	27,014
Total deposits	4,980,051	4,378,353	3,498,882
Total shareholders' equity	564,808	534,195	503,492
Book value per share	32.59	30.94	29.00
Total risk-based capital ratio	14.01%	13.51%	12.94%
Equity to assets	9.65%	9.35%	9.51%

OPERATING RESULTS

	2021	2020	2019
Net interest income	\$141,435	\$127,444	\$133,414
Provision for credit losses*	(4,822)	12,342	1,575
Wealth management revenues	41,282	35,454	36,848
Mortgage banking revenues	28,626	47,377	14,795
Other noninterest income	17,486	16,611	15,437
Total noninterest expenses	135,464	125,384	110,740
Income before income taxes	98,187	89,160	88,179
Income tax expense	21,317	19,331	19,061
Net income	76,870	69,829	69,118
Earnings per common share – diluted	4.39	4.00	3.96
Cash dividends declared per share	2.10	2.05	2.00
Return on average assets	1.32%	1.22%	1.34%
Return on average equity	14.03%	13.51%	14.34%
Net interest margin (taxable equivalent basis)	2.59%	2.40%	2.77%

ASSET QUALITY

	2021	2020	2019
Nonperforming assets to total assets	0.24%	0.23%	0.35%
Total past due loans to total loans	0.24%	0.30%	0.40%
Allowance for credit losses on loans to total loans*	0.91%	1.05%	0.69%
Net loan charge-offs to average loans	0.01%	0.03%	0.04%

* Based on the current expected credit losses ("CECL") accounting methodology in 2021 and 2020, and the incurred loss accounting methodology in 2019.

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. Actual results, performance or achievements of Washington Trust may differ materially from those discussed in these forward-looking statements, as a result of, among other factors, the factors described under the caption "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission ("SEC") and updated by our Quarterly Reports on Form 10-Q and other filings with the SEC. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this report, and Washington Trust assumes no obligation to update forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Looking forward

OPERATIONAL UPDATE

with Mark K.W. Gim,

President and
Chief Operating Officer



Q. What were your priorities in 2021?

A. First and foremost, we are always deliberate and selective about the initiatives we choose to undertake. Washington Trust has a rich history of steady growth, which we believe results from this approach. 2021 was a year in which we redoubled our efforts to ensure our projects and resources were focused on meeting our strategic goals with the customer as our focal point. Our customer-centric approach is the connective tissue that ties our major initiatives together and we continue to invest in programs where the customer benefit is clear.

Q. What were some of the 2021 achievements?

A. We had terrific performances across all business lines—retail banking, mortgage banking, commercial banking, and wealth management—with tremendous support from key areas, including technology, operations, marketing, and human resources. I couldn't be prouder of our team. Whether they were working onsite or remotely, they got the job done with the same high standard of responsiveness and service.

We continued to serve the borrowing needs of residents and businesses in our core Rhode Island market as well as in the neighboring Massachusetts and Connecticut area. Our mortgage banking team originated a record level of residential real estate loans in 2021, proving once again that this group is a key part of our business model.

Our commercial and small business banking teams provided commercial real estate, commercial and industrial, small business, and Small Business Administration financing, as well as cash management solutions, to businesses throughout the region. We also continued to assist businesses who had received funding through PPP. Overall, we were pleased with our commercial activity in 2021. Although total growth was limited by a high level of payoffs and PPP loan runoff, credit formation was very strong during the year.

We continued to expand our footprint in 2021 by opening an office in East Greenwich, Rhode Island and, despite the restrictions posed by the pandemic, the branch is off to a great start. We plan on opening a branch in Cumberland, Rhode Island later this year and are evaluating additional locations for future branch expansion. While many competitors in the industry are consolidating branch locations, we've found that having a physical branch presence is still important to local depositors and businesses. We are a community bank at our core, and we believe our high-touch approach of accessible, comprehensive, personalized service is a key differentiator.

Our wealth management group continued to expand its capabilities as a premier regional boutique advisory group. As part of our commitment to wealth management, we look to sustain organic growth as well as continue our track

record of successful strategic acquisitions. In 2021, we rebranded and unified our Rhode Island, Massachusetts, and Connecticut Wealth Management offices under the Washington Trust Wealth Management name. As a collaborative organization, our unified name demonstrates Washington Trust's comprehensive approach to wealth management as we help clients manage their wealth, achieve their financial planning goals, build their legacies, and fulfill their banking and borrowing needs.

While we are proud of our achievements in 2021, we are humbled to have been recognized for excellence as an employer and a bank by a number of industry organizations. These accolades are a testament to the quality and dedication of all the employees across our organization. For the third consecutive year, *American Banker* named us one of the nation's *Best Banks to Work For*, *Forbes* named us one of the *Best In-State Banks in Rhode Island* for the second consecutive year, while *Newsweek* named us the *Best Small Bank in Rhode Island*. In addition, *Providence Business News* named us one of *Rhode Island's Best Places to Work* for the eleventh year in a row, and one of the *Healthiest Employers in Rhode Island*.

Q. What are some future initiatives?

A. We have some exciting programs underway that are designed to improve how we interact with our customers and give us additional insight into how they want to interact with us.

First, we have partnered with top technology providers to enhance the customer-centric service model we have established. We are preparing a digitization roadmap, which will help to define and improve our digital interactions with customers

across all our business lines—retail banking, mortgage banking, commercial banking, and wealth management. The goal is to identify and incorporate digital solutions to supplement and enhance the highly personal interactions that are our foundation.

A related program is underway to focus the customer experience across the organization to ensure consistency across all customer touchpoints. Again, as part of our customer-centric approach, we want to meet our customers through the channels they prefer, with the same consistent, high level of service. This program will help us align our internal structures, processes, and technologies to address evolving customer needs and behaviors, ensuring we have enhanced security protocols in place, and ultimately, allowing the customer to choose how they wish to interact with us.

Q. What is your long-term vision for Washington Trust?

A. We are proud that our customers continue to choose us to help them manage their financial lives. We believe our customers benefit most when we build strong and enduring relationships that address all their banking, borrowing, and wealth management needs. This relationship focus naturally results in growth—expanding relationships with current customers, as well as doing business with customers that may be new to our organization. We are confident in the sustainability of our diversified business model, as its success has been proven over business cycles throughout our 220+ year history. We remain committed to continually evaluating our services, processes, and technology to ensure we deliver the value our customers, shareholders, and employees deserve.

For more than two centuries, Washington Trust is the Bank individuals and businesses have turned to when they've had money matters on their mind or needed support in the communities we serve. In today's technology-driven world, our Trusted Advisors believe human interaction and expert guidance are more important than ever. Financial questions can be tricky. When they are, [Ask WashTrust](#). Because sometimes the most important connection is a human one.



AskWashTrust.com

THE WASHINGTON TRUST COMPANY

Executive Leadership

Edward O. Handy III

Chairman and Chief Executive Officer

Mark K. W. Gim

President and Chief Operating Officer

Ronald S. Ohsberg

Senior Executive Vice President,
Chief Financial Officer and Treasurer

Kristen L. DiSanto

Senior Executive Vice President,
Chief Human Resources Officer
and Corporate Secretary

William K. Wray, Sr.

Senior Executive Vice President
and Chief Risk Officer

Dennis L. Algieri

Executive Vice President, Chief Compliance Officer
and Director of Community Affairs

Debra A. Gormley

Executive Vice President and
Chief Retail Banking Officer

James M. Hagerty

Executive Vice President and Chief Lending Officer

Maria N. Janes, CPA

Executive Vice President, Chief Accounting Officer
and Controller

Mary E. Noons

Executive Vice President
and Chief Retail Lending Officer

Kathleen A. Ryan, Esq.

Executive Vice President
and Chief Wealth Management Officer

Elizabeth B. Eckel

Senior Vice President and Chief Marketing
and Corporate Communications Officer

C. Scott Ostrowski

Senior Vice President and Chief Audit Executive

WASHINGTON TRUST BANCORP, INC.

Board of Directors

John J. Bowen

Chancellor Emeritus, Johnson & Wales University

Steven J. Crandall

Vice President, Ashaway Line & Twine Mfg. Co.

Robert A. DiMuccio, CPA

Chairman, President and Chief Executive Officer,
Amica Mutual Insurance Company

Joseph P. Gencarella, CPA

Retired Audit Partner, KPMG LLP

Edward O. Handy III

Chairman and Chief Executive Officer,
Washington Trust Bancorp, Inc.

Constance A. Howes, Esq.

Retired Healthcare Executive

Alimamy D. "Junior" Jabbie, Jr.

Owner, President and Chief Executive Officer,
Banneker Supply Chain Solutions, Inc.

Joseph J. MarcAurele

Retired Chairman and Chief Executive Officer,
Washington Trust Bancorp, Inc.

Kathleen E. McKeough

Retired Senior Vice President of Human Resources,
GTECH Holdings Corporation

Sandra Glaser Parrillo

Retired President and Chief Executive Officer,
Providence Mutual Fire Insurance Company

John T. Ruggieri

Senior Vice President and Chief Financial Officer,
Gilbane Building Company, and
Vice President and Chief Financial Officer, Gilbane, Inc.

Edwin J. Santos

Retired Financial Services Executive

Lisa M. Stanton

Retired General Manager, Enterprise Strategy,
American Express

The Washington Trust Company Directors' Advisory Council

Alcino G. Almeida

Gary P. Bennett

Larry J. Hirsch

Barry G. Hittner

Katherine W. Hoxsie, CPA

Joseph J. Kirby

Edward M. Mazze

James W. McCormick, Jr.

Brendan P. O'Donnell

Victor J. Orsinger II, Esq.

Joseph H. Potter

H. Douglas Randal III

Joyce Olson Resnikoff

Patrick J. Shanahan, Jr.

Neil H. Thorp

John F. Treanor

John C. Warren

Officers of the Corporation

Edward O. Handy III

Chairman and Chief Executive Officer

Mark K. W. Gim

President and Chief Operating Officer

Ronald S. Ohsberg

Senior Executive Vice President,
Chief Financial Officer and Treasurer

Kristen L. DiSanto

Senior Executive Vice President, Chief Human
Resources Officer and Corporate Secretary

Maria N. Janes, CPA

Executive Vice President, Chief Accounting Officer
and Controller

As of publication date



Locations

CUSTOMER SOLUTIONS CENTER

RI: 401-348-1200
Toll-free: 800-475-2265

WEBSITES

ir.washtrust.com
washtrust.com
washtrustmortgage.com
washtrustwealth.com

TICKER SYMBOL

NASDAQ: WASH

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.

BRANCH OFFICES

HEADQUARTERS

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

BLOCK ISLAND, RI

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

CHARLESTOWN, RI

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

COVENTRY, RI

Coventry Office
732 Tiogue Avenue
Coventry, RI 02816
401-262-3690

CRANSTON, RI

Oaklawn Avenue Office
1203 Oaklawn Avenue
Cranston, RI 02920
401-732-0049

Plainfield Pike Office

2174 Plainfield Pike
Cranston, RI 02921
401-383-8223

Reservoir Avenue Office

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

CUMBERLAND, RI

Opening Summer 2022
Cumberland Office
1900 Mendon Road
Cumberland, RI 02864
401-532-3470

EAST GREENWICH, RI

East Greenwich Office
695 Main Street
East Greenwich, RI 02818
401-715-0280

EAST PROVIDENCE, RI

East Providence Office
587 Taunton Avenue
East Providence, RI 02914
401-383-8800

Rumford Office

330 Newport Avenue
Rumford, RI 02916
401-228-6555

JOHNSTON, RI

Johnston Office
1383 Atwood Avenue
Johnston, RI 02919
401-383-7431

NARRAGANSETT, RI

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, RI

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

NORTH PROVIDENCE, RI

North Providence Office
1588 Mineral Spring Avenue
North Providence, RI 02904
401-473-2921

PROVIDENCE, RI

East Side Office
229 Waterman Street
Providence, RI 02906
401-443-2800

Providence Office

156 Westminster Street
Providence, RI 02903
401-421-3600

RICHMOND, RI

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

SOUTH KINGSTOWN, RI

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

WARWICK, RI

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

Governor Francis Office

1473 Warwick Avenue
Warwick, RI 02888
401-921-2500

WESTERLY, RI

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

MYSTIC, CT

McQuade's Marketplace
14 Clara Drive
Mystic, CT 06355
860-572-2058

COMMERCIAL BANKING OFFICES

PROVIDENCE, RI

10 Weybosset Street,
Suite 100
Providence, RI 02903
401-331-5090

WARWICK, RI

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

WESTERLY, RI

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

MORTGAGE OFFICES

WARWICK, RI

171 Service Avenue
Warwick, RI 02886
401-681-4224

GLASTONBURY, CT*

200 Glastonbury Boulevard,
Suite 203
Glastonbury, CT 06033
860-430-9900

BRAINTREE, MA*

25 Braintree Hill Office Park,
Suite 309
Braintree, MA 02184
781-428-7970

BURLINGTON, MA*

25 Mall Road, Suite 408
Burlington, MA 01803
781-229-2004

SHARON, MA*

One Merchant Street, Suite 102
Sharon, MA 02067
781-784-3089

WELLESLEY, MA*

62 Walnut Street, Suite 102
Wellesley, MA 02481
781-489-3175

WEALTH MANAGEMENT OFFICES

NARRAGANSETT, RI

20 Point Judith Road
Narragansett, RI 02882
800-582-1076

NEW HAVEN, CT

One Century Tower
265 Church Street, Suite 1006
New Haven, CT 06510
800-582-1076

PROVIDENCE, RI

10 Weybosset Street, Suite 200
Providence, RI 02903
800-582-1076

WELLESLEY, MA

Wellesley Office Park
100 William Street, Suite 200
Wellesley, MA 02481
800-582-1076

WESTERLY, RI

23 Broad Street
Westerly, RI 02891
800-582-1076

*Operating as Washington Trust Mortgage Company



WASHINGTON TRUST BANCORP, INC.

Stock Transfer and Dividend Disbursing Agent:

American Stock Transfer & Trust Company
6201 15th Avenue, Brooklyn, NY 11219
800-852-0354
www.astfinancial.com

The Corporation's 2022 Proxy Statement and 2021 Form 10-K are available online by visiting the Corporation's website ir.washtrust.com/proxy, by calling the Corporation's toll-free number at 800-475-2265 extension 1566, or by email at investor.relations@washtrust.com.

Auditors: Crowe LLP, Livingston, New Jersey

Counsel: Goodwin Procter LLP, Boston, Massachusetts