



WASHINGTON TRUST BANCORP, INC.

# Annual Report 2023





# Chairman's Message

Our commitment to enhancing long-term value encompasses our shareholders, as well as our valued employees, loyal customers, and the communities we serve.



As I reflect on 2023, I am most proud of our team's resilience and continued perseverance in helping us navigate our way through the extremely difficult macro-environment.

Throughout the year our team exhibited agility, collaboration, and care in supporting one another through these uncertain and challenging times. Team members from our key business lines — retail banking, commercial banking, mortgage banking, and wealth management services — served as trusted advisors to help our customers manage interest rate hikes, market swings, and inflationary pressures. Our front line and back-office teams continued to deliver exceptional and highly personalized service. I am grateful for our team's continued support, contributions, and commitment to expense, project, and risk management.

In 2023, we took steps to fortify our business and further position Washington Trust as a sustainably relevant, profitable, and leading regional financial services organization — for the long term. To make progress toward this goal, we remain focused on preserving and building our already strong capital position. We also made strategic decisions toward future growth by approving investments in technology, branch network expansion, and product development and pricing.

To ensure we meet our customers' evolving expectations for quick, easy, and convenient digital service, we enhanced our business and personal digital banking platforms and streamlined processes. We also approved technological investments centered around simplifying and enhancing the customer

“In 2023, we took steps to fortify our business and further position Washington Trust as a sustainably relevant, profitable, and leading regional financial services organization — for the long term.”


\$7.2B  
ASSETS

\$5.6B  
LOANS

\$5.3B  
DEPOSITS

\$6.6B  
AUA

Wealth Management  
Assets Under  
Administration



“In these challenging economic times, it’s more important than ever to help customers manage their finances and achieve financial wellness.”

experience for new and existing customers. Improving the digital customer experience is key to attracting new deposit, loan, and wealth customers, and building and retaining relationships with existing customers.

As we leverage technology to ensure convenience and accessibility through digital banking, we also continued our commitment to growing our physical branch presence in Rhode Island. This is an integral component of our growth strategy to ensure we deliver localized services, foster community engagement, and provide greater accessibility. In 2023, we opened our first branch on the East Bay, in Barrington, Rhode Island. Earlier this year, in late January, we expanded our northern Rhode Island presence opening a new branch in Smithfield. We are excited to open our 28th branch, in the Olneyville neighborhood of Providence, Rhode Island, later this year. We look forward to deepening our connections with our communities through our strategic branch expansion.

We understand the challenges our customers face in today’s economy and proactively developed products and made pricing decisions to help meet their financial needs. In early 2023, we introduced Simply Free Checking, an account featuring no bank overdraft fees, no monthly fees, and no minimum

balance. This account was certified as part of the Bank On movement and meets the Cities for Financial Empowerment Fund (“CFE”) National Account standards. We remain deeply committed to building home ownership equity and introduced the “Buyer’s Advantage™”, “Home Opportunity™” and “I Luv RI Community Lending™” as part of our RI Community Lending Program. These three unique community lending programs offer flexible product solutions and a variety of financing options, matching funds, and grants, as well as closing cost credits and grants.

Over the past 223 years, Washington Trust has helped generations of people and businesses achieve their financial goals through savings, lending, and wealth building programs. More importantly, our employees have served as trusted advisors, community leaders, and ambassadors for our financial wellness program. We hold seminars for students and community groups on budgeting, saving, managing debt, and







investing in the stock market. We also share tips on important topics such as fraud protection and cybersecurity.

As part of our comprehensive initiatives, we remain dedicated to recognizing, observing, and celebrating diversity, equity, and inclusion (“DE&I”) with our employees and the communities we serve. We believe our company and workforce should mirror the diversity of our customers and communities, and this alignment is key to addressing the evolving needs of our growing customer base. Our DE&I Council plays a pivotal role in the successful implementation of our strategy, ensuring that Washington Trust maintains a welcoming environment for all and sustains its reputation as an employer of choice. In 2024, we plan to build on our DE&I commitment through the introduction of employee resource groups designed to provide a safe and supportive space for employees to connect, network, learn and grow personally and

“ Washington Trust maintains a welcoming environment for all and sustains its reputation as an employer of choice.”

professionally while fostering a sense of belonging and community.

As we proceed in 2024, there are uncertainties in the banking industry and in the world at large, including interest rates, the credit market, the global economy, and geopolitical events. We have weathered many storms throughout our 223-year history, and we will continue to do what is best, regardless of the economic environment, by managing our balance sheet, maintaining credit quality, and prudently overseeing expenses. At the same time, we are strategically positioning Washington Trust for

long-term growth through deposit acquisition strategies, investments in technology, and physical branch expansion. We believe this positions us for sustained success and we are confident in our ability to navigate any uncertainties.

Our commitment to enhancing long-term value encompasses our shareholders, as well as our valued employees, loyal customers, and the communities we serve. Thank you all for being part of our journey.

Sincerely,

**Edward O. “Ned” Handy III**  
*Chairman and Chief Executive Officer*

What we value is you.™  
**Employees**

The spirit of Washington Trust is alive through our corporate culture!

Named one of the nation's Best Banks to Work For by *American Banker*® magazine for the 5<sup>th</sup> consecutive year.

AMERICAN BANKER

**2023 Best Banks to Work For**

**BEST-IN-STATE BANKS**

**Forbes**  
**2023**

POWERED BY STATISTA

Named to the *Forbes* list of Best-In-State-Banks 2023.

Named by *Newsweek* as Best Small Bank in Rhode Island for the 2<sup>nd</sup> consecutive year.

Newsweek

**AMERICA'S BEST BANKS 2023**

PBN PROVIDENCE BUSINESS NEWS  
**BEST PLACES TO WORK RI AWARDS**  
*Winner 2023*

Named as one of Rhode Island's Best Places to Work by *Providence Business News* for the 13<sup>th</sup> consecutive year.

Named as one of the Healthiest Employers in Rhode Island by *Providence Business News* for the 3<sup>rd</sup> consecutive year.

PBN PROVIDENCE BUSINESS NEWS  
**HEALTHIEST EMPLOYERS®**  
of Rhode Island  
AWARDS **2023 WINNER**

# Operational Review

Technology plays a vital role in our industry as it continues to redefine the way financial institutions engage with customers. In 2023, we committed to technological investments that will provide customers with a seamless, efficient, and user-friendly experience.



For more than 223 years, what has set Washington Trust apart from the competition is the personalized approach that spans our financial offerings. Today, our growth and success are rooted in the same principles — a thoughtful approach to business operations, outstanding service, and exceptional customer experiences — that have made us a trusted financial partner to generations of New Englanders.

Although the banking industry faced significant challenges in 2023, our company remained resilient. Our ability to persevere is the result of our dedicated team and the lasting relationships we have with our loyal customers.

All banks utilize deposits as a key source of low-cost funding for loan growth, which in turn fuels revenue.

Over the past two years, the Federal Reserve has implemented twelve rate increases, leading to heightened competition for deposits and rapidly rising deposit costs for our industry. Over the long term, we do not believe it is sustainable, profitable, or prudent balance sheet management to compete on rates alone to attract deposits. Instead, our strategy centers on attracting and building deep customer relationships through exceptional personal service, local branch locations, and technological tools that offer the speed and convenience our customers value.

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“ We actively foster a culture of development and innovation for our team members.”



# What we value is you.™ Customers

“In addition to our focus on digital features and branch expansion, our commitment to accessibility remains a priority.”

user-friendly experience. In 2024, we will introduce an omnichannel digital solution that will enable customers to quickly and easily open deposit accounts through their preferred delivery channel — online, mobile, in-branch, or call center. We will also introduce a “quick switch” digital tool that will allow customers to easily transfer their direct deposits and automatic payments from another financial institution to Washington Trust. Not only does this enhance the efficiency of deposit account opening, but it helps to expand our presence outside of our branch footprint. In addition, we are gearing up to launch our “Refer a Friend” program. Rooted in our high net promoter scores, this initiative will enable us to tap into the support of our existing customers, leverage their positive experiences and expressed willingness to recommend us to friends and family, and drive new customer acquisitions.

While our digital solutions make life easier for our customers, we also understand the importance physical branch locations play in providing the personal element of banking. In addition to providing increased accessibility to in-person consultations, brick-and-mortar branches demonstrate our commitment to the communities we serve, bolster our visibility, and attract new customers. Our dual approach — focusing on

expanding our physical footprint while enhancing our digital capabilities — ensures that we meet our customers where they are and provide a personalized banking experience.

In addition to our focus on digital features and branch expansion, our commitment to accessibility remains a priority. We recognize the diversity within our communities and strive to create an environment that is inclusive and accessible for all. For example, as part of our outreach initiatives, in 2023 we translated even more of our marketing materials as well as our radio, TV and print advertisements into Spanish and expanded our advertising reach into Spanish media outlets. In 2024, we plan to introduce a website plug-in, enabling users to select Spanish



as their preferred language upon logging in. Efforts like these enhance the accessibility of our products and services to meet the needs of the diverse communities we serve.

**To make our processes as easy and customer friendly as possible, we encourage our team to view experiences through the customers' eyes.**



Through the combination of personal banking, commercial banking, and trust and wealth management services, we guide customers through all stages of life, ensuring access to a dedicated team of advisors tailored to meet their unique needs. In an industry characterized by fragmentation, consumers at other financial institutions are often forced to interact with different entities for various services. At Washington Trust, we take the time to get to know our customers and their families personally and understand their financial situations and aspirations. Our integrated approach enables us to create a supportive financial environment and deliver customized solutions that extend beyond mere transactions, fostering lasting relationships and building loyalty across our offerings.

Strengthening our knowledge base, connection, and agility through the implementation of technology empowers our people to look for more ways to provide our customers with exceptional levels of

service. In fact, the macro-economic and industry challenges of 2023 demonstrated the importance of our operational agility and the innovative spirit of our team. We actively foster a culture of development and innovation for our team members. To make our processes as easy and customer friendly as possible, we encourage our team to view experiences through the customers' eyes. This approach enables us to strengthen our internal processes to make a difference where it matters most, which is a great customer experience. Our company also benefits by increasing overall productivity while providing team members with valuable opportunities to broaden their skills and advance in their careers.

Looking ahead, we will continue to successfully navigate the dynamic industry landscape. Our customer-centric philosophy has enabled us to weather many economic storms during the past 223 years. We have an incredible team that cares deeply about all our communities. We offer advice,

products, and solutions, combined with digital conveniences, to ensure an exceptional customer experience. And, we have a strong corporate culture built on driving innovation, further enhancing our operations, and increasing value to our shareholders. Thank you for your continued trust and confidence.

Sincerely,

**Mary E. Noons**

*President and Chief Operating Officer*



# What we value is you.™ Community

\$1.1M

TOTAL GIVING

Corporate Support

8,169

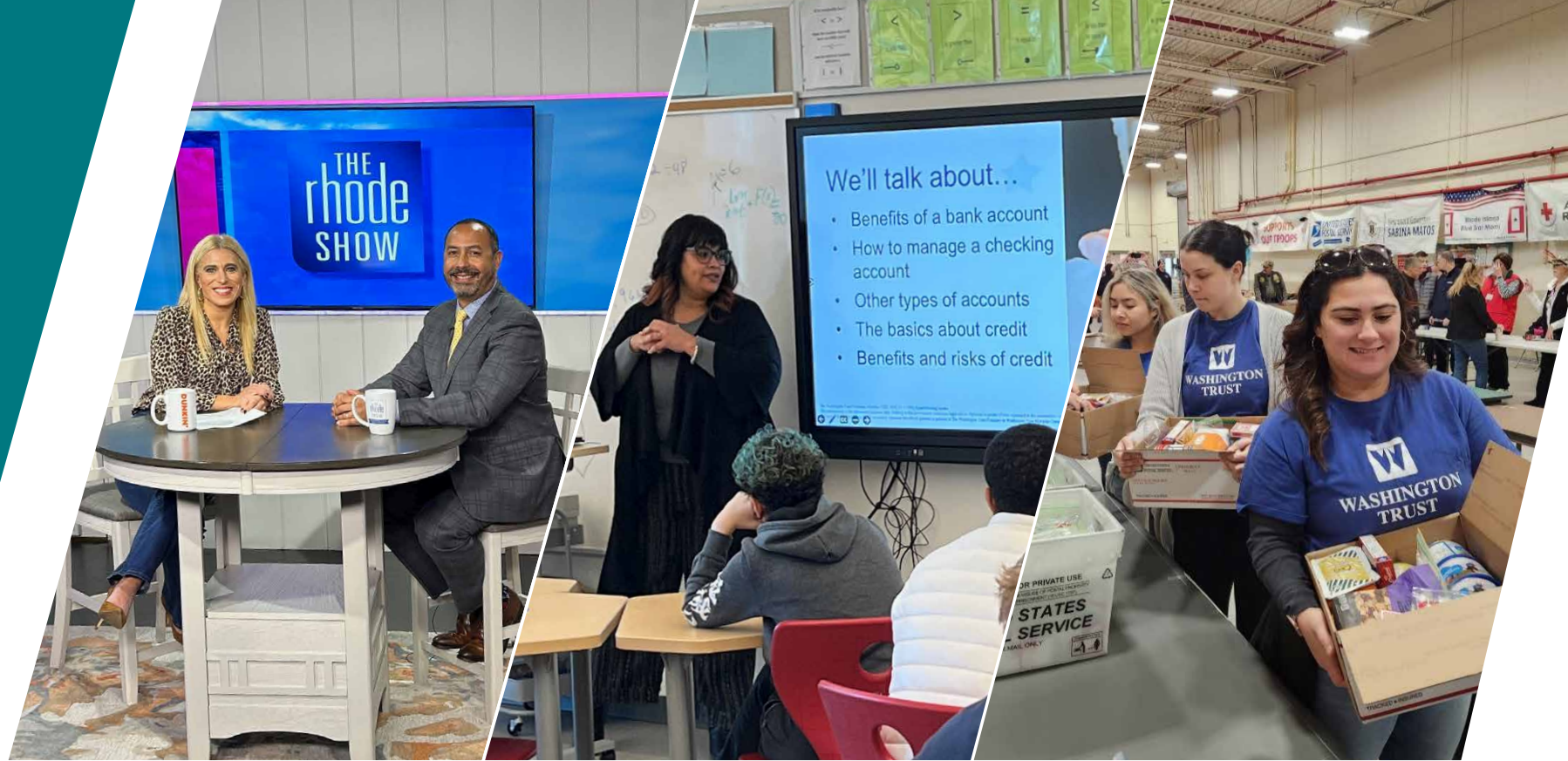
HOURS

Employee Volunteerism

442

ORGANIZATIONS

Community Partnerships



Safe & Affordable Housing

Financial Wellness & Economic Empowerment

Basic Needs & Family Services

**Community is one of our core values. Our success is intertwined with the communities we serve, so we have a vested interest in helping them grow and prosper.**

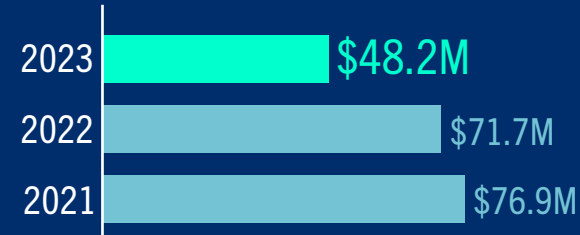
Washington Trust provides support for many local nonprofits through volunteerism, board leadership, and corporate giving. Our employees donate their time to support causes and organizations that make our communities special. Whether it's guiding our neighbors to first-time home ownership, teaching financial responsibility to high school students, or collecting peanut butter for local food pantries, they are making a difference every day.

# What we value is you.™ Shareholders

“We have weathered many storms throughout our 223-year history, and we will continue to do what is best, regardless of the economic environment, by managing our balance sheet, maintaining credit quality, and prudently overseeing expenses.”

— Edward O. “Ned” Handy III  
Chairman and Chief Executive Officer

## Net Income



## Diluted EPS (Per Common Share)

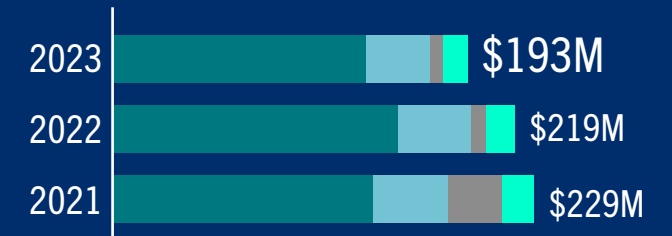


## Cash Dividends Declared (Per Share)



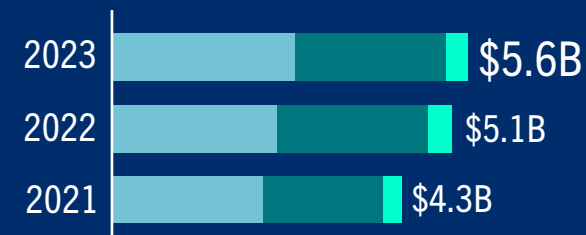
## Revenues

Net Interest Income Wealth Management Revenues Mortgage Banking Revenues Other



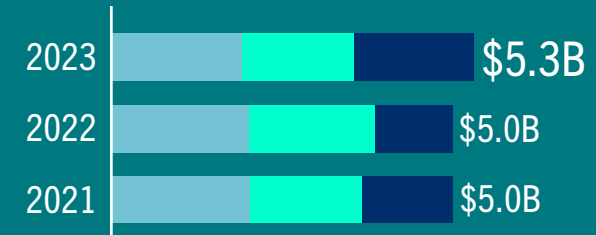
## Total Loans (Year-end)

Commercial Residential Consumer



## Total Deposits (Year-end)

Demand & NOW Money Market & Savings Time Deposits





# Financial Highlights

(At or for the years ended December 31; in thousands, except per share and ratio data)

<b>FINANCIAL CONDITION</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total assets	\$7,202,847	\$6,660,051	\$5,851,127
Total securities	1,000,380	993,928	1,042,859
Total loans	5,647,706	5,110,139	4,272,925
Allowance for credit losses on loans	41,057	38,027	39,088
Total deposits	5,348,160	5,018,962	4,980,051
Total shareholders' equity	472,686	453,669	564,808
Book value per share	27.75	26.40	32.59
Total risk-based capital ratio	11.58%	12.37%	14.01%
Equity to assets	6.56%	6.81%	9.65%

<b>ASSET QUALITY</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Nonperforming assets to total assets	0.63%	0.19%	0.24%
Total past due loans to total loans	0.20%	0.23%	0.24%
Allowance for credit losses on loans to total loans	0.73%	0.74%	0.91%
Net loan charge-offs (recoveries) to average loans	0.01%	(0.01%)	0.01%

<b>OPERATING RESULTS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net interest income	\$137,098	\$155,990	\$141,435
Provision for credit losses	3,200	(1,300)	(4,822)
Wealth management revenues	35,540	38,746	41,282
Mortgage banking revenues	6,660	8,733	28,626
Other noninterest income	13,940	15,123	17,486
Total noninterest expenses	133,557	128,722	135,464
Income before income taxes	56,481	91,170	98,187
Income tax expense	8,305	19,489	21,317
Net income	48,176	71,681	76,870
Earnings per common share – diluted	2.82	4.11	4.39
Cash dividends declared per share	2.24	2.18	2.10
Return on average assets	0.69%	1.17%	1.32%
Return on average equity	10.57%	14.49%	14.03%
Net interest margin (taxable equivalent basis)	2.05%	2.69%	2.59%

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, 2023, 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.

# Executive Leadership

## The Washington Trust Company

(As of publication date)

### **EDWARD O. HANDY III**

Chairman and Chief Executive Officer

### **MARY E. NOONS**

President and Chief Operating Officer

### **KRISTEN L. DISANTO**

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

### **RONALD S. OHSBERG, CPA**

Senior Executive Vice President,  
Chief Financial Officer and Treasurer

### **WILLIAM K. WRAY, SR.**

Senior Executive Vice President  
and Chief Risk Officer

### **DENNIS L. ALGIERE**

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

### **ANTHONY A. BOTELHO**

Executive Vice President and  
Chief Commercial Lending Officer

### **ELIZABETH B. ECKEL**

Executive Vice President,  
Chief Marketing & Corporate  
Communications Officer

### **DEBRA A. GORMLEY**

Executive Vice President and  
Chief Retail Banking Officer

### **MARIA N. JANES, CPA**

Executive Vice President, Chief  
Accounting Officer and Controller

### **ROLANDO A. LORA**

Executive Vice President,  
Chief Retail Lending Officer and  
Director of Community Lending

### **JAMES A. MIGNONE**

Executive Vice President and  
Chief Information Officer

### **KATHLEEN A. RYAN, ESQ.**

Executive Vice President and  
Chief Wealth Management Officer

### **JULIA ANNE M. SLOM**

Executive Vice President and  
Chief Commercial Real Estate  
Lending Officer

### **C. SCOTT OSTROWSKI**

Senior Vice President and  
Chief Audit Executive

## The Washington Trust Company Directors' Advisory Council:

- Alcino G. Almeida
- Gary P. Bennett
- Larry J. Hirsch
- Barry G. Hittner
- Katherine W. Hoxsie
- Edward M. Mazze
- Kathleen E. McKeough
- Victor J. Orsinger II, Esq.
- Joseph H. Potter
- H. Douglas Randall III
- Joyce Olson Resnikoff
- Patrick J. Shanahan, Jr.
- John F. Treanor
- John C. Warren



# Board of Directors

Washington Trust Bancorp, Inc.

*(As of publication date)*

## **JOHN J. BOWEN**

Chancellor Emeritus,  
Johnson & Wales University

## **STEVEN J. CRANDALL**

Vice President,  
Ashaway Line & Twine Mfg. Co.

## **ROBERT A. DIMUCCIO, CPA**

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

## **JOSEPH P. GENCARELLA, CPA**

Retired Audit Partner, KPMG LLP

## **MARK K. W. GIM**

Retired President and  
Chief Operating Officer,  
Washington Trust Bancorp, Inc.

## **EDWARD O. HANDY III**

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

## **CONSTANCE A. HOWES, ESQ.**

Retired Healthcare Executive

## **JOSEPH J. MARCAURELE**

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

## **SANDRA GLASER PARRILLO**

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

## **DEBRA M. PAUL**

Retired Chief Executive Officer,  
Fellowship Health Resources, Inc.

## **JOHN T. RUGGIERI**

Retired 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

## **ANGEL TAVERAS, ESQ.**

Senior Counsel,  
Adler Pollock & Sheehan P.C.

## **Officers of the Corporation:**

### **EDWARD O. HANDY III**

Chairman and Chief Executive Officer

### **MARY E. NOONS**

President and Chief Operating Officer

### **KRISTEN L. DISANTO**

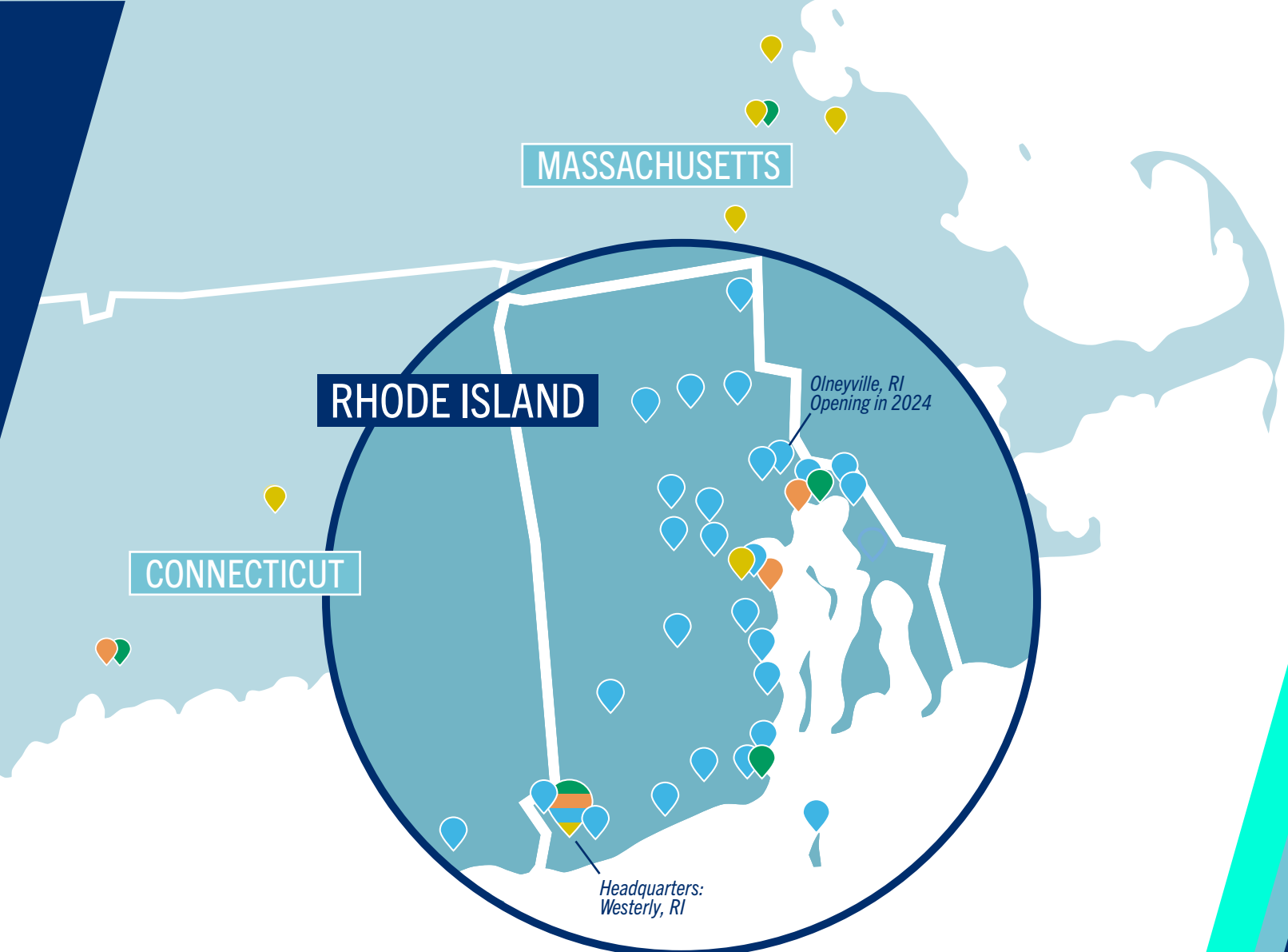
Senior Executive Vice President,  
Chief Human Resources Officer and  
Corporate Secretary

### **RONALD S. OHSBERG, CPA**

Senior Executive Vice President,  
Chief Financial Officer and Treasurer

### **MARIA N. JANES, CPA**

Executive Vice President, Chief  
Accounting Officer and Controller



### WEBSITES

- [ir.washtrust.com](http://ir.washtrust.com)
- [washtrust.com](http://washtrust.com)
- [washtrustmortgage.com](http://washtrustmortgage.com)
- [washtrustwealth.com](http://washtrustwealth.com)

### TICKER SYMBOL

- NASDAQ: WASH

Stock Transfer and Dividend Disbursing Agent:  
 Equiniti Trust Company, LLC  
 6201 15th Avenue, Brooklyn, NY 11219  
 800-852-0354  
<https://equiniti.com/us/ast-access/>

Auditors: Crowe LLP, Grand Rapids, Michigan  
 Counsel: Goodwin Procter LLP, Boston, Massachusetts

The Corporation's 2024 Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2023 are available online by visiting the Corporation's website [ir.washtrust.com/proxy](http://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](mailto:investor.relations@washtrust.com).

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.

27  
Branch  
Offices

5  
Wealth  
Management  
Offices

4  
Commercial  
Lending  
Offices

7  
Residential  
Mortgage  
Loan Offices \*  
Operating as Washington  
Trust Mortgage Company

(As of publication date)





WASHINGTON TRUST BANCORP, INC.