



**WASHINGTON TRUST BANCORP, INC.**

**NASDAQ: WASH**

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**FOR IMMEDIATE RELEASE**

## **Washington Trust Reports Record 2015 Earnings**

WESTERLY, R.I., January 26, 2016 (GLOBE NEWSWIRE)... Washington Trust Bancorp, Inc. (Nasdaq:WASH), parent company of The Washington Trust Company, today announced net income of \$10.7 million, or 62 cents per diluted share, for the fourth quarter of 2015. Net income was up by 5% from the \$10.2 million, or 60 cents per diluted share, reported for the third quarter of 2015.

For the year ended December 31, 2015, net income totaled \$43.5 million, or \$2.54 per diluted share. Full-year net income increased by 6%, from the \$40.8 million, or \$2.41 per diluted share, reported for 2014. Returns on average equity and average assets in 2015 were 12.00% and 1.19%, respectively, compared to 11.87% and 1.23%, respectively, for the same period in 2014.

"Washington Trust marked its 215<sup>th</sup> year of service on a positive note, as solid fourth quarter results led to all-time record earnings for 2015," stated Joseph J. MarcAurele, Washington Trust Chairman and CEO. "Our 2015 performance once again reflects Washington Trust's ability to achieve continued growth and profitability in a challenging and competitive environment."

Selected highlights for the fourth quarter of 2015 include:

- Total loans rose by 2.1%, led by a solid increase of \$75 million, or 4.7%, in commercial loan balances. Total loans rose by \$154 million, or 5.4% in the year 2015.
- Total deposits grew by \$98 million, or 3.5%, in the quarter, including a \$77 million, or 8.8%, increase in demand and NOW deposits. Total deposit growth for the year 2015 amounted to \$179 million, or 6.5%.

### Net Interest Income

Net interest income totaled \$26.3 million for the fourth quarter of 2015, up by \$258 thousand from the third quarter of 2015. The net interest margin was 3.08% for the fourth quarter of 2015, up 1 basis point from the previous quarter. Changes compared to the third quarter included:

- Average interest-earning assets increased by \$22 million, reflecting growth in average balances of commercial loans and investment securities. The yield on interest-earning assets was 3.68% for the fourth quarter, compared to 3.70% in the third quarter.

- Average interest-bearing liabilities rose by \$11 million, reflecting growth in average in-market interest-bearing deposits, partially offset by a decrease in wholesale funding balances. The cost of funds was reduced by 5 basis points from the previous quarter.

#### Noninterest Income

Noninterest income totaled \$15.1 million for the fourth quarter of 2015, up by \$1.2 million, or 9%, from the third quarter of 2015.

Significant linked quarter changes included:

- Wealth management revenues totaled \$9.2 million for the fourth quarter, up by \$265 thousand, or 3%, from the previous quarter. Wealth management assets under administration amounted to \$5.8 billion at December 31, 2015, up by \$130 million, or 2%, in the fourth quarter, largely due to financial market appreciation following declines in the previous quarter. Managed assets represented approximately 93% of total wealth management assets at December 31, 2015.

Total wealth management revenues in 2015 amounted to \$35.4 million, an all-time high level for Washington Trust.

- Mortgage banking revenues, including gains and commissions on loan sales and mortgage servicing fee income, totaled \$2.6 million for the fourth quarter, up by \$592 thousand, or 30%, on a linked quarter basis, reflecting a higher yield on loan sales sold to the secondary market. Residential mortgage loans sold to the secondary market amounted to \$127.4 million in the fourth quarter, compared to \$132.4 million in the previous quarter.

Total mortgage banking revenues for the year 2015 amounted to \$9.9 million, up \$2.7 million, or 38%, over the prior year.

- Loan related derivative income amounted to \$752 thousand in the fourth quarter, up by \$425 thousand from the prior quarter.

#### Noninterest Expenses

Noninterest expenses totaled \$24.6 million for the fourth quarter of 2015, compared to \$24.5 million for the third quarter of 2015.

Included in noninterest expenses were costs associated with the third quarter acquisition of Halsey Associates, Inc. amounting to \$52 thousand in the fourth quarter and \$504 thousand in the third quarter. Excluding the acquisition related expenses, noninterest expenses rose by \$475 thousand, or 2%, on a linked quarter basis. This included an increase of \$195 thousand in legal, audit and professional fees, primarily associated with non-routine matters.

Income tax expense amounted to \$5.3 million for the fourth quarter of 2015, up by \$382 thousand from the amount recognized in the previous quarter. The effective tax rate for the fourth quarter of 2015 was 33.2%, compared to 32.7% for the third quarter of 2015. Based on the current federal and applicable state income tax statutes, the Corporation currently expects the 2016 effective tax rate will be approximately 33.0%.

#### Loans

Total loans amounted to \$3.0 billion at December 31, 2015, up by \$63 million, or 2.1%, from the balance at the end of the third quarter and up by \$154 million, or 5.4%, during the last twelve months. Significant changes included:

- Total commercial loans increased by \$75 million, or 4.7%, in the quarter, including growth of \$59 million in commercial real estate and construction loans and \$16 million in commercial and industrial loans. Total commercial loans were up by \$119 million, or 7.8%, in 2015.
- The residential real estate loan portfolio declined by \$11 million, or 1.0%, in the quarter. The residential portfolio grew by \$28 million, or 2.9%, in the last twelve months.
- Consumer loans decreased modestly in the fourth quarter. Total consumer portfolio balances increased by \$7 million, or 2.0%, during 2015.

#### Investment Securities

The securities portfolio amounted to \$395 million at December 31, 2015, up by \$50 million, or 14.5%, from the balance at September 30, 2015 and up by \$12 million, or 3.2%, from a year ago. The increase reflects purchases of government agency and agency mortgage-backed debt securities, partially offset by calls of securities and routine principal pay-downs on mortgage-backed securities.

#### Deposits and Borrowings

Total deposits amounted to \$2.9 billion at December 31, 2015, up by \$98 million, or 3.5%, in the fourth quarter and up by \$179 million, or 6.5%, in the last twelve months. Excluding wholesale brokered time deposits, in-market deposits increased by \$63 million, or 2.5%, in the quarter and by \$176 million, or 7.2%, from a year ago. Deposit growth was led by significant increases in the combined amounts of demand and NOW accounts, which rose by \$77 million, or 8.8%, in the fourth quarter and \$164 million, or 20.8%, in the last twelve months.

FHLBB advances amounted to \$379 million at December 31, 2015, down by \$3 million, from September 30, 2015 and down by \$27 million from December 31, 2014.

#### Asset Quality

Total past due loans amounted to \$18 million, or 0.58% of total loans, at December 31, 2015, down from \$22 million, or 0.74% of total loans, at September 30, 2015. Total nonaccrual loans amounted to \$21 million, or 0.70% of total loans, at December 31, 2015, compared to \$17 million, or 0.57%, at September 30, 2015. The increase in nonaccrual loans reflects the classification into nonaccrual status of two commercial loans with a carrying value of \$2.9 million.

A loan loss provision totaling \$750 thousand was charged to earnings in the fourth quarter of 2015, compared to a loan loss provision of \$200 thousand recognized in the third quarter of 2015. The increase in the quarterly provision was largely attributable to loan portfolio growth and changes in specific loss allocations on nonaccrual loans. Net charge-offs amounted to \$842 thousand in the fourth quarter of 2015, compared to \$626 thousand in the third quarter of 2015. The allowance for loan losses was \$27.1 million, or 0.90% of total loans, at December 31, 2015, compared to \$27.2 million, or 0.92% of total loans, at September 30, 2015. Net charge-offs for the year 2015 amounted to \$2.0 million, or 0.07% of total average loans, compared to \$1.7 million, or 0.07%, for the year 2014.

### Capital and Dividends

Total shareholder's equity was \$375 million at December 31, 2015, up by \$5 million from September 30, 2015. Capital levels at December 31, 2015 exceeded the regulatory minimum levels to be considered well capitalized, with a total risk-based capital ratio of 12.58% at December 31, 2015, compared to 12.80% at September 30, 2015.

The Board of Directors declared a quarterly dividend of 34 cents per share for the quarter ended December 31, 2015. The dividend was paid on January 14, 2016 to shareholders of record on January 4, 2016.

### Conference Call

Washington Trust will host a conference call to discuss its fourth quarter results, business highlights and outlook on Wednesday, January 27, 2016 at 8:30 a.m. (Eastern Time). Individuals may dial in to the call at 1-877-407-0784. An audio replay of the call will be available, shortly after the conclusion of the call, by dialing 1-877-870-5176 and entering the Replay PIN Number 13627947; the audio replay will be available through February 6, 2016. Also, a webcast of the call will be posted in the Investor Relations section of Washington Trust's web site, [www.washtrustbancorp.com](http://www.washtrustbancorp.com), and will be available through March 31, 2016.

### Background

Washington Trust Bancorp, Inc. is the parent of The Washington Trust Company, a state-chartered bank headquartered in Westerly, Rhode Island. Founded in 1800, Washington Trust is the oldest community bank in the nation and is the largest independent bank headquartered in Rhode Island. Washington Trust offers a full range of financial services, including commercial banking, small business banking, personal banking, and wealth management and trust services through its offices located in Rhode Island, Connecticut and Massachusetts. The Corporation's common stock trades on NASDAQ OMX® under the symbol WASH. Investor information is available on the Corporation's web site: [www.washtrustbancorp.com](http://www.washtrustbancorp.com).

### Forward-Looking Statements

This press release contains statements that are "forward-looking statements". We may also make forward-looking statements in other documents we file with the SEC, in press releases and other written materials, and in oral statements made by our officers, directors or employees. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. You should not rely on forward-looking statements, because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of Washington Trust. These risks, uncertainties and other factors may cause the actual results, performance or achievements of Washington Trust to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Some of the factors that might cause these differences include the following: weakness in national, regional or international economic conditions or conditions affecting the banking or financial services industries or financial capital markets; volatility in national and international financial markets; additional government intervention in the U.S. financial system; reductions in net interest income resulting from interest rate volatility as well as changes in the balance and mix of loans and deposits; reductions in the market value of wealth management assets under administration; changes in the value of securities and other assets; reductions in loan demand; changes in loan collectibility, default and charge-off rates; changes in the size and nature of our competition; changes in legislation or regulation and accounting principles, policies and guidelines; the ability to fully realize the expected cost savings and revenues from the Halsey acquisition; and changes in the assumptions used in making such forward-looking statements. In addition, the factors described under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as updated by our Quarterly Reports on Form 10-Q and other filings submitted to the SEC, may result in these differences. You should carefully review all of these factors and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this report, and we assume no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Supplemental Information - Explanation of Non-GAAP Financial Measures

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

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

| (Dollars in thousands, except par value)  | Dec 31,<br>2015 | Dec 31,<br>2014 |
|---|-----------------|-----------------|
| <b>Assets:</b>  |                 |                 |
| Cash and due from banks   | \$93,222        | \$76,386        |
| Short-term investments  | 4,409           | 3,964           |
| Mortgage loans held for sale (including \$33,969 in 2015 and \$30,321 in 2014 measured at fair value)   | 38,554          | 45,693          |
| Securities:   |                 |                 |
| Available for sale, at fair value   | 375,044         | 357,662         |
| Held to maturity, at amortized cost (fair value \$20,516 in 2015 and \$26,008 in 2014)  | 20,023          | 25,222          |
| Total securities  | 395,067         | 382,884         |
| Federal Home Loan Bank stock, at cost   | 24,316          | 37,730          |
| Loans:  |                 |                 |
| Commercial  | 1,654,547       | 1,535,488       |
| Residential real estate   | 1,013,555       | 985,415         |
| Consumer  | 345,025         | 338,373         |
| Total loans   | 3,013,127       | 2,859,276       |
| Less allowance for loan losses  | 27,069          | 28,023          |
| Net loans   | 2,986,058       | 2,831,253       |
| Premises and equipment, net   | 29,593          | 27,495          |
| Investment in bank-owned life insurance   | 65,501          | 63,519          |
| Goodwill  | 64,059          | 58,114          |
| Identifiable intangible assets, net   | 11,460          | 4,849           |
| Other assets  | 59,365          | 54,987          |
| Total assets  | \$3,771,604     | \$3,586,874     |
| <b>Liabilities:</b>   |                 |                 |
| Deposits:   |                 |                 |
| Demand deposits   | \$537,298       | \$459,852       |
| NOW accounts  | 412,602         | 326,375         |
| Money market accounts   | 823,490         | 802,764         |
| Savings accounts  | 326,967         | 291,725         |
| Time deposits   | 833,898         | 874,102         |
| Total deposits  | 2,934,255       | 2,754,818       |
| Federal Home Loan Bank advances   | 378,973         | 406,297         |
| Junior subordinated debentures  | 22,681          | 22,681          |
| Other liabilities   | 60,307          | 56,799          |
| Total liabilities   | 3,396,216       | 3,240,595       |
| <b>Shareholders' Equity:</b>  |                 |                 |
| Common stock of \$.0625 par value; authorized 30,000,000 shares; issued and outstanding 17,019,578 shares in 2015 and 16,746,363 shares in 2014 | 1,064           | 1,047           |
| Paid-in capital   | 110,949         | 101,204         |
| Retained earnings   | 273,074         | 252,837         |
| Accumulated other comprehensive loss  | (9,699)         | (8,809)         |
| Total shareholders' equity  | 375,388         | 346,279         |
| Total liabilities and shareholders' equity  | \$3,771,604     | \$3,586,874     |

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

(Dollars and shares in thousands, except per share amounts)

| Periods ended December 30,                                  | Three Months    |                 | Twelve Months   |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2015            | 2014            | 2015            | 2014            |
| <b>Interest income:</b>                                     |                 |                 |                 |                 |
| Interest and fees on loans                                  | \$28,511        | \$28,845        | \$114,229       | \$107,842       |
| Interest on securities:                                     |                 |                 |                 |                 |
| Taxable   | 2,262           | 2,399           | 8,875           | 10,437          |
| Nontaxable  | 352             | 491             | 1,555           | 2,149           |
| Dividends on Federal Home Loan Bank stock                   | 315             | 141             | 953             | 561             |
| Other interest income                                       | 37              | 29              | 138             | 128             |
| <b>Total interest and dividend income</b>                   | <b>31,477</b>   | <b>31,905</b>   | <b>125,750</b>  | <b>121,117</b>  |
| <b>Interest expense:</b>                                    |                 |                 |                 |                 |
| Deposits  | 3,097           | 3,531           | 13,142          | 12,937          |
| Federal Home Loan Bank advances                             | 1,966           | 1,867           | 7,746           | 7,698           |
| Junior subordinated debentures                              | 157             | 241             | 871             | 964             |
| Other interest expense                                      | 2               | 3               | 9               | 13              |
| <b>Total interest expense</b>                               | <b>5,222</b>    | <b>5,642</b>    | <b>21,768</b>   | <b>21,612</b>   |
| Net interest income   | 26,255          | 26,263          | 103,982         | 99,505          |
| Provision for loan losses                                   | 750             | 500             | 1,050           | 1,850           |
| Net interest income after provision for loan losses         | 25,505          | 25,763          | 102,932         | 97,655          |
| <b>Noninterest income:</b>                                  |                 |                 |                 |                 |
| Wealth management revenues                                  | 9,167           | 8,409           | 35,416          | 33,378          |
| Merchant processing fees                                    | —               | —               | —               | 1,291           |
| Mortgage banking revenues (1)                               | 2,582           | 2,196           | 9,901           | 7,152           |
| Service charges on deposit accounts                         | 971             | 936             | 3,865           | 3,395           |
| Card interchange fees                                       | 810             | 793             | 3,199           | 3,057           |
| Income from bank-owned life insurance                       | 502             | 492             | 1,982           | 1,846           |
| Loan related derivative income                              | 752             | 574             | 2,441           | 1,136           |
| Equity in earnings (losses) of unconsolidated subsidiaries  | (69)            | (63)            | (293)           | (276)           |
| Gain on sale of business line                               | —               | —               | —               | 6,265           |
| Other income (1)  | 431             | 369             | 1,829           | 1,771           |
| <b>Total noninterest income</b>                             | <b>15,146</b>   | <b>13,706</b>   | <b>58,340</b>   | <b>59,015</b>   |
| <b>Noninterest expense:</b>                                 |                 |                 |                 |                 |
| Salaries and employee benefits                              | 16,053          | 14,685          | 63,024          | 58,530          |
| Net occupancy   | 1,724           | 1,640           | 7,000           | 6,312           |
| Equipment   | 1,393           | 1,221           | 5,533           | 4,903           |
| Merchant processing costs                                   | —               | —               | —               | 1,050           |
| Outsourced services   | 1,337           | 1,286           | 5,111           | 4,483           |
| Legal, audit and professional fees                          | 825             | 626             | 2,741           | 2,336           |
| FDIC deposit insurance costs                                | 470             | 467             | 1,846           | 1,762           |
| Advertising and promotion                                   | 325             | 406             | 1,526           | 1,546           |
| Amortization of intangibles                                 | 333             | 155             | 904             | 644             |
| Debt prepayment penalties                                   | —               | —               | —               | 6,294           |
| Acquisition related expenses                                | 52              | —               | 989             | —               |
| Other expenses  | 2,049           | 2,574           | 8,255           | 8,987           |
| <b>Total noninterest expense</b>                            | <b>24,561</b>   | <b>23,060</b>   | <b>96,929</b>   | <b>96,847</b>   |
| Income before income taxes                                  | 16,090          | 16,409          | 64,343          | 59,823          |
| Income tax expense  | 5,346           | 5,218           | 20,878          | 18,999          |
| <b>Net income</b>   | <b>\$10,744</b> | <b>\$11,191</b> | <b>\$43,465</b> | <b>\$40,824</b> |
| <b>Weighted average common shares outstanding - basic</b>   |                 |                 |                 |                 |
|   | 17,004          | 16,735          | 16,879          | 16,689          |
| <b>Weighted average common shares outstanding - diluted</b> |                 |                 |                 |                 |
|   | 17,167          | 16,911          | 17,067          | 16,872          |
| <b>Per share information:</b>                               |                 |                 |                 |                 |
| Basic earnings per common share                             | \$0.63          | \$0.67          | \$2.57          | \$2.44          |
| Diluted earnings per common share                           | \$0.62          | \$0.66          | \$2.54          | \$2.41          |
| Cash dividends declared per share                           | \$0.34          | \$0.32          | \$1.36          | \$1.22          |

(1) Mortgage banking revenues include gains and commissions on loan sales and mortgage servicing fee income. Previously, mortgage servicing fee income was included in Other income. Prior period amounts have been reclassified to conform to current period presentation.

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

|   | At or for the Quarters Ended |                 |                 |                 |                 |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|
|   | Dec 31,<br>2015              | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
| (Dollars and shares in thousands, except per share amounts) |                              |                 |                 |                 |                 |
| <b>Financial Data:</b>                                      |                              |                 |                 |                 |                 |
| Total assets  | \$3,771,604                  | \$3,674,836     | \$3,644,477     | \$3,602,514     | \$3,586,874     |
| Total loans   | 3,013,127                    | 2,949,918       | 2,928,584       | 2,880,592       | 2,859,276       |
| Total securities  | 395,067                      | 344,935         | 373,901         | 364,967         | 382,884         |
| Total deposits  | 2,934,255                    | 2,836,280       | 2,739,119       | 2,783,143       | 2,754,818       |
| Total shareholders' equity                                  | 375,388                      | 370,527         | 359,167         | 353,879         | 346,279         |
| Net interest income   | 26,255                       | 25,997          | 26,028          | 25,702          | 26,263          |
| Provision for loan losses                                   | 750                          | 200             | 100             | —               | 500             |
| Noninterest income  | 15,146                       | 13,913          | 15,261          | 14,020          | 13,706          |
| Noninterest expense   | 24,561                       | 24,538          | 24,299          | 23,531          | 23,060          |
| Income tax expense  | 5,346                        | 4,964           | 5,387           | 5,181           | 5,218           |
| Net income  | 10,744                       | 10,208          | 11,503          | 11,010          | 11,191          |
| <b>Share Data:</b>  |                              |                 |                 |                 |                 |
| Basic earnings per common share                             | \$0.63                       | \$0.60          | \$0.68          | \$0.65          | \$0.67          |
| Diluted earnings per common share                           | \$0.62                       | \$0.60          | \$0.68          | \$0.65          | \$0.66          |
| Dividends declared per share                                | \$0.34                       | \$0.34          | \$0.34          | \$0.34          | \$0.32          |
| Book value per share  | \$22.06                      | \$21.82         | \$21.34         | \$21.10         | \$20.68         |
| Tangible book value per share - Non-GAAP (1)                | \$17.62                      | \$17.36         | \$17.61         | \$17.35         | \$16.92         |
| Market value per share                                      | \$39.52                      | \$38.45         | \$39.48         | \$38.19         | \$40.18         |
| Shares outstanding at end of period                         | 17,020                       | 16,985          | 16,834          | 16,773          | 16,746          |
| Weighted average common shares outstanding - basic          | 17,004                       | 16,939          | 16,811          | 16,759          | 16,735          |
| Weighted average common shares outstanding - diluted        | 17,167                       | 17,102          | 16,989          | 16,939          | 16,911          |
| <b>Key Ratios:</b>  |                              |                 |                 |                 |                 |
| Return on average assets                                    | 1.16%                        | 1.11%           | 1.27%           | 1.23%           | 1.27%           |
| Return on average tangible assets - Non-GAAP (1)            | 1.19%                        | 1.13%           | 1.29%           | 1.25%           | 1.29%           |
| Return on average equity                                    | 11.52%                       | 11.13%          | 12.88%          | 12.54%          | 12.68%          |
| Return on average tangible equity - Non-GAAP (1)            | 14.45%                       | 13.82%          | 15.62%          | 15.27%          | 15.44%          |
| Tier 1 risk-based capital                                   | 11.64% (i)                   | 11.83%          | 11.79%          | 11.78%          | 11.52%          |
| Total risk-based capital                                    | 12.58% (i)                   | 12.80%          | 12.78%          | 12.80%          | 12.56%          |
| Tier 1 leverage ratio                                       | 9.37% (i)                    | 9.26%           | 9.31%           | 9.21%           | 9.14%           |
| Tier 1 common equity (2)                                    | 10.89% (i)                   | 11.05%          | 11.00%          | 10.98%          | N/A             |
| Equity to assets  | 9.95%                        | 10.08%          | 9.86%           | 9.82%           | 9.65%           |
| Tangible equity to tangible assets - Non-GAAP (1)           | 8.11%                        | 8.18%           | 8.28%           | 8.22%           | 8.04%           |
| (i) - estimated   |                              |                 |                 |                 |                 |
| <b>Wealth Management Revenues:</b>                          |                              |                 |                 |                 |                 |
| Trust and investment management fees                        | \$8,001                      | \$7,768         | \$7,238         | \$7,142         | \$7,059         |
| Mutual fund fees  | 952                          | 989             | 1,032           | 1,036           | 1,068           |
| Asset-based revenues  | 8,953                        | 8,757           | 8,270           | 8,178           | 8,127           |
| Transaction-based revenues                                  | 214                          | 145             | 642             | 257             | 282             |
| Total wealth management revenues                            | \$9,167                      | \$8,902         | \$8,912         | \$8,435         | \$8,409         |
| <b>Wealth Management Assets Under Administration:</b>       |                              |                 |                 |                 |                 |
| Balance at beginning of period                              | \$5,714,201                  | \$5,211,548     | \$5,159,663     | \$5,069,966     | \$4,983,464     |
| Acquisition of Halsey Associates, Inc. (Aug. 1, 2015)       | —                            | 839,994         | —               | —               | —               |
| Net investment appreciation (depreciation) & income         | 153,953                      | (316,121)       | (13,932)        | 80,872          | 111,715         |
| Net client cash flows                                       | (23,518)                     | (21,220)        | 65,817          | 8,825           | (25,213)        |
| Balance at end of period                                    | \$5,844,636                  | \$5,714,201     | \$5,211,548     | \$5,159,663     | \$5,069,966     |

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

(2) New capital ratio effective January 1, 2015 under the Basel III capital requirements.

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

| (Dollars in thousands)                                | Twelve Months Ended |                 |
|---|---------------------|-----------------|
|   | Dec 31,<br>2015     | Dec 31,<br>2014 |
| <b>Key Ratios:</b>                                    |                     |                 |
| Return on average assets                              | 1.19%               | 1.23%           |
| Return on average tangible assets - Non-GAAP (1)      | 1.21%               | 1.25%           |
| Return on average equity                              | 12.00%              | 11.87%          |
| Return on average tangible equity - Non-GAAP (1)      | 14.79%              | 14.55%          |
| <b>Allowance for Loan Losses:</b>                     |                     |                 |
| Balance at beginning of period                        | \$28,023            | \$27,886        |
| Provision charged to earnings                         | 1,050               | 1,850           |
| Charge-offs   | (2,305)             | (1,949)         |
| Recoveries  | 301                 | 236             |
| Balance at end of period                              | \$27,069            | \$28,023        |
| <b>Net Loan Charge-Offs (Recoveries):</b>             |                     |                 |
| Commercial mortgages                                  | \$717               | \$953           |
| Commercial & industrial                               | 584                 | 472             |
| Residential real estate mortgages                     | 179                 | 81              |
| Consumer  | 524                 | 207             |
| Total   | \$2,004             | \$1,713         |
| Net charge-offs to average loans (annualized)         | 0.07%               | 0.07%           |
| <b>Wealth Management Revenues:</b>                    |                     |                 |
| Trust and investment management fees                  | \$30,149            | \$27,554        |
| Mutual fund fees                                      | 4,009               | 4,335           |
| Asset-based revenues                                  | 34,158              | 31,889          |
| Transaction-based revenues                            | 1,258               | 1,489           |
| Total wealth management revenues                      | \$35,416            | \$33,378        |
| <b>Wealth Management Assets Under Administration:</b> |                     |                 |
| Balance at beginning of period                        | \$5,069,966         | \$4,781,958     |
| Acquisition of Halsey Associates, Inc. (Aug. 1, 2015) | 839,994             | —               |
| Net investment appreciation & income                  | (95,228)            | 258,120         |
| Net client cash flows                                 | 29,904              | 29,888          |
| Balance at end of period                              | \$5,844,636         | \$5,069,966     |

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

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

|   | For the Quarters Ended |                 |                 |                 |                 |
|---|------------------------|-----------------|-----------------|-----------------|-----------------|
|   | Dec 31,<br>2015        | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
| <b>Average Yield / Rate (taxable equivalent basis):</b>               |                        |                 |                 |                 |                 |
| <b>Assets:</b>  |                        |                 |                 |                 |                 |
| Commercial loans  | 3.82%                  | 3.91%           | 4.06%           | 4.02%           | 4.23%           |
| Residential real estate loans, including mortgage loans held for sale | 3.91%                  | 3.90%           | 3.95%           | 4.06%           | 4.06%           |
| Consumer loans  | 3.74%                  | 3.79%           | 3.77%           | 3.82%           | 3.79%           |
| Total loans   | 3.84%                  | 3.89%           | 3.99%           | 4.01%           | 4.12%           |
| Cash, federal funds sold and other short-term investments             | 0.20%                  | 0.21%           | 0.18%           | 0.20%           | 0.18%           |
| FHLBB stock   | 5.14%                  | 3.25%           | 1.74%           | 1.77%           | 1.48%           |
| Taxable debt securities   | 2.63%                  | 2.73%           | 2.72%           | 2.84%           | 2.83%           |
| Nontaxable debt securities  | 6.10%                  | 5.95%           | 6.15%           | 6.03%           | 5.87%           |
| Total securities  | 2.96%                  | 3.08%           | 3.11%           | 3.23%           | 3.22%           |
| Total interest-earning assets   | 3.68%                  | 3.70%           | 3.80%           | 3.84%           | 3.91%           |
| <b>Liabilities:</b>   |                        |                 |                 |                 |                 |
| Interest-bearing demand deposits                                      | 0.10%                  | 0.07%           | 0.03%           | 0.09%           | —%              |
| NOW accounts  | 0.06%                  | 0.06%           | 0.06%           | 0.06%           | 0.06%           |
| Money market accounts   | 0.33%                  | 0.46%           | 0.46%           | 0.45%           | 0.43%           |
| Savings accounts  | 0.06%                  | 0.07%           | 0.07%           | 0.06%           | 0.06%           |
| Time deposits (in-market)   | 0.99%                  | 0.98%           | 1.00%           | 1.05%           | 1.14%           |
| Wholesale brokered time deposits                                      | 1.35%                  | 1.29%           | 1.28%           | 1.29%           | 1.23%           |
| FHLBB advances  | 2.09%                  | 1.85%           | 1.94%           | 1.91%           | 2.28%           |
| Junior subordinated debentures  | 2.75%                  | 4.06%           | 4.26%           | 4.31%           | 4.22%           |
| Other   | 8.62%                  | 7.63%           | 6.92%           | 9.51%           | 8.50%           |
| Total interest-bearing liabilities                                    | 0.74%                  | 0.79%           | 0.79%           | 0.82%           | 0.84%           |
| Interest rate spread (taxable equivalent basis)                       | 2.94%                  | 2.91%           | 3.01%           | 3.02%           | 3.07%           |
| Net interest margin (taxable equivalent basis)                        | 3.08%                  | 3.07%           | 3.15%           | 3.18%           | 3.23%           |

|   | At December 31, 2015 |                     |                      |               |
|---|----------------------|---------------------|----------------------|---------------|
|   | Amortized<br>Cost    | Unrealized<br>Gains | Unrealized<br>Losses | Fair<br>Value |
| (Dollars in thousands)  |                      |                     |                      |               |
| <b>Securities Available for Sale:</b>   |                      |                     |                      |               |
| Obligations of U.S. government-sponsored enterprises  | \$77,330             | \$73                | (\$388)              | \$77,015      |
| Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises | 228,908              | 6,398               | (450)                | 234,856       |
| Obligations of states and political subdivisions  | 35,353               | 727                 | —                    | 36,080        |
| Individual name issuer trust preferred debt securities  | 29,815               | —                   | (4,677)              | 25,138        |
| Corporate bonds   | 1,970                | 5                   | (20)                 | 1,955         |
| Total securities available for sale   | 373,376              | 7,203               | (5,535)              | 375,044       |
| <b>Held to Maturity:</b>  |                      |                     |                      |               |
| Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises | 20,023               | 493                 | —                    | 20,516        |
| Total securities held to maturity   | 20,023               | 493                 | —                    | 20,516        |
| Total securities  | \$393,399            | \$7,696             | (\$5,535)            | \$395,560     |

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

| (Dollars in thousands)   |                                      | Period End Balances At |                    |                    |                    |                    |
|--------------------------|--------------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|
|                          |                                      | Dec 31,<br>2015        | Sep 30,<br>2015    | Jun 30,<br>2015    | Mar 31,<br>2015    | Dec 31,<br>2014    |
| <b>Loans:</b>            |                                      |                        |                    |                    |                    |                    |
| Commercial:              | Mortgages                            | \$931,953              | \$873,767          | \$876,589          | \$865,042          | \$843,978          |
|                          | Construction & development           | 122,297                | 121,857            | 110,989            | 89,851             | 79,592             |
|                          | Commercial & industrial              | 600,297                | 584,230            | 595,959            | 604,630            | 611,918            |
|                          | <b>Total commercial</b>              | <b>1,654,547</b>       | <b>1,579,854</b>   | <b>1,583,537</b>   | <b>1,559,523</b>   | <b>1,535,488</b>   |
| Residential real estate: | Mortgages                            | 984,437                | 994,808            | 971,705            | 954,905            | 948,731            |
|                          | Homeowner construction               | 29,118                 | 29,406             | 29,558             | 32,659             | 36,684             |
|                          | <b>Total residential real estate</b> | <b>1,013,555</b>       | <b>1,024,214</b>   | <b>1,001,263</b>   | <b>987,564</b>     | <b>985,415</b>     |
| Consumer:                | Home equity lines                    | 255,565                | 252,862            | 249,845            | 239,537            | 242,480            |
|                          | Home equity loans                    | 46,649                 | 47,610             | 47,437             | 46,727             | 46,967             |
|                          | Other                                | 42,811                 | 45,378             | 46,502             | 47,241             | 48,926             |
|                          | <b>Total consumer</b>                | <b>345,025</b>         | <b>345,850</b>     | <b>343,784</b>     | <b>333,505</b>     | <b>338,373</b>     |
|                          | <b>Total loans</b>                   | <b>\$3,013,127</b>     | <b>\$2,949,918</b> | <b>\$2,928,584</b> | <b>\$2,880,592</b> | <b>\$2,859,276</b> |

| (Dollars in thousands)                                    |  | At December 31, 2015 |               |
|---|--|----------------------|---------------|
|   |  | Balance              | % of Total    |
| <b>Commercial Real Estate Loans by Property Location:</b> |  |                      |               |
| Rhode Island, Connecticut, Massachusetts                  |  | \$959,883            | 91.0%         |
| New York, New Jersey, Pennsylvania                        |  | 80,989               | 7.7%          |
| New Hampshire   |  | 13,377               | 1.3%          |
| <b>Total commercial real estate loans (1)</b>             |  | <b>\$1,054,249</b>   | <b>100.0%</b> |

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

| (Dollars in thousands)                                 |  | At December 31, 2015 |               |
|--|--|----------------------|---------------|
|  |  | Balance              | % of Total    |
| <b>Residential Mortgages by Property Location:</b>     |  |                      |               |
| Rhode Island, Connecticut, Massachusetts               |  | \$995,743            | 98.2%         |
| New Hampshire  |  | 10,186               | 1.0%          |
| New York, Virginia, New Jersey, Maryland, Pennsylvania |  | 4,163                | 0.4%          |
| Ohio   |  | 1,557                | 0.2%          |
| Other  |  | 1,906                | 0.2%          |
| <b>Total residential mortgages</b>                     |  | <b>\$1,013,555</b>   | <b>100.0%</b> |

| (Dollars in thousands)   |  | Period End Balances At |                    |                    |                    |                    |
|--|--|------------------------|--------------------|--------------------|--------------------|--------------------|
|  |  | Dec 31,<br>2015        | Sep 30,<br>2015    | Jun 30,<br>2015    | Mar 31,<br>2015    | Dec 31,<br>2014    |
| <b>Deposits:</b>   |  |                        |                    |                    |                    |                    |
| Demand deposits  |  | \$537,298              | \$513,856          | \$457,755          | \$477,046          | \$459,852          |
| NOW accounts   |  | 412,602                | 358,973            | 357,922            | 333,321            | 326,375            |
| Money market accounts  |  | 823,490                | 855,858            | 789,334            | 821,353            | 802,764            |
| Savings accounts   |  | 326,967                | 305,775            | 300,108            | 298,802            | 291,725            |
| Time deposits  |  | 833,898                | 801,818            | 834,000            | 852,621            | 874,102            |
| <b>Total deposits</b>  |  | <b>\$2,934,255</b>     | <b>\$2,836,280</b> | <b>\$2,739,119</b> | <b>\$2,783,143</b> | <b>\$2,754,818</b> |
| Out-of-market brokered certificates of deposits included in time deposits    |  | \$302,479              | \$267,552          | \$284,590          | \$290,863          | \$299,129          |
| In-market deposits, excluding out-of-market brokered certificates of deposit |  | \$2,631,776            | \$2,568,728        | \$2,454,529        | \$2,492,280        | \$2,455,689        |

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

| (Dollars in thousands)                                | Period End Balances At |                 |                 |                 |                 |
|---|------------------------|-----------------|-----------------|-----------------|-----------------|
|   | Dec 31,<br>2015        | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
| <b>Asset Quality Ratios:</b>                          |                        |                 |                 |                 |                 |
| Total past due loans to total loans                   | 0.58%                  | 0.74%           | 0.82%           | 0.66%           | 0.63%           |
| Nonperforming assets to total assets                  | 0.58%                  | 0.48%           | 0.45%           | 0.48%           | 0.48%           |
| Nonaccrual loans to total loans                       | 0.70%                  | 0.57%           | 0.52%           | 0.55%           | 0.56%           |
| Allowance for loan losses to nonaccrual loans         | 128.61%                | 161.25%         | 182.32%         | 175.29%         | 175.75%         |
| Allowance for loan losses to total loans              | 0.90%                  | 0.92%           | 0.94%           | 0.97%           | 0.98%           |
| <b>Nonperforming Assets:</b>                          |                        |                 |                 |                 |                 |
| Commercial mortgages                                  | \$5,711                | \$4,915         | \$4,915         | \$5,115         | \$5,315         |
| Commercial construction & development                 | —                      | —               | —               | —               | —               |
| Commercial & industrial                               | 3,018                  | 1,137           | 1,039           | 2,193           | 1,969           |
| Residential real estate mortgages                     | 10,666                 | 9,472           | 7,411           | 6,956           | 7,124           |
| Consumer  | 1,652                  | 1,320           | 1,766           | 1,601           | 1,537           |
| Total nonaccrual loans                                | 21,047                 | 16,844          | 15,131          | 15,865          | 15,945          |
| Nonaccrual investment securities                      | —                      | —               | —               | —               | —               |
| Property acquired through foreclosure or repossession | 716                    | 955             | 1,388           | 1,398           | 1,176           |
| Total nonperforming assets                            | \$21,763               | \$17,799        | \$16,519        | \$17,263        | \$17,121        |
| <b>Troubled Debt Restructured Loans:</b>              |                        |                 |                 |                 |                 |
| Accruing troubled debt restructured loans:            |                        |                 |                 |                 |                 |
| Commercial mortgages                                  | \$9,430                | \$10,637        | \$9,448         | \$9,448         | \$9,676         |
| Commercial & industrial                               | 853                    | 2,069           | 2,209           | 881             | 954             |
| Residential real estate mortgages                     | 669                    | 674             | 679             | 684             | 1,252           |
| Consumer  | 228                    | 232             | 201             | 134             | 135             |
| Accruing troubled debt restructured loans             | 11,180                 | 13,612          | 12,537          | 11,147          | 12,017          |
| Nonaccrual troubled debt restructured loans:          |                        |                 |                 |                 |                 |
| Commercial mortgages                                  | 5,296                  | 4,498           | 4,498           | 4,698           | 4,898           |
| Commercial & industrial                               | 1,371                  | 380             | 381             | 1,442           | 1,193           |
| Residential real estate mortgages                     | 596                    | 613             | 92              | 338             | 248             |
| Consumer  | —                      | —               | 33              | 34              | —               |
| Nonaccrual troubled debt restructured loans           | 7,263                  | 5,491           | 5,004           | 6,512           | 6,339           |
| Total troubled debt restructured loans                | \$18,443               | \$19,103        | \$17,541        | \$17,659        | \$18,356        |

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

| (Dollars in thousands)                      | Period End Balances At |                 |                 |                 |                 |
|---|------------------------|-----------------|-----------------|-----------------|-----------------|
|   | Dec 31,<br>2015        | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
| <b>Past Due Loans:</b>                      |                        |                 |                 |                 |                 |
| Loans 30-59 Days Past Due:                  |                        |                 |                 |                 |                 |
| Commercial mortgages                        | \$51                   | \$147           | \$14            | \$497           | \$—             |
| Commercial & industrial                     | 405                    | 162             | 2,581           | 229             | 2,136           |
| Residential real estate mortgages           | 3,028                  | 3,610           | 5,120           | 4,470           | 2,943           |
| Consumer loans                              | 1,653                  | 899             | 1,634           | 1,512           | 954             |
| Loans 30-59 days past due                   | \$5,137                | \$4,818         | \$9,349         | \$6,708         | \$6,033         |
| Loans 60-89 Days Past Due:                  |                        |                 |                 |                 |                 |
| Commercial mortgages                        | \$—                    | \$—             | \$—             | \$61            | \$—             |
| Commercial & industrial                     | 9                      | 3,455           | 2,299           | 229             | 1,202           |
| Residential real estate mortgages           | 2,964                  | 2,458           | 913             | 1,352           | 821             |
| Consumer loans                              | 863                    | 338             | 397             | 565             | 345             |
| Loans 60-89 days past due                   | \$3,836                | \$6,251         | \$3,609         | \$2,207         | \$2,368         |
| Loans 90 Days or More Past Due:             |                        |                 |                 |                 |                 |
| Commercial mortgages                        | \$4,504                | \$4,915         | \$4,915         | \$5,115         | \$5,315         |
| Commercial & industrial                     | 48                     | 720             | 638             | 721             | 181             |
| Residential real estate mortgages           | 3,294                  | 4,499           | 4,871           | 3,607           | 3,284           |
| Consumer loans                              | 740                    | 608             | 647             | 723             | 897             |
| Loans 90 days or more past due              | \$8,586                | \$10,742        | \$11,071        | \$10,166        | \$9,677         |
| Total Past Due Loans:                       |                        |                 |                 |                 |                 |
| Commercial mortgages                        | \$4,555                | \$5,062         | \$4,929         | \$5,673         | \$5,315         |
| Commercial & industrial                     | 462                    | 4,337           | 5,518           | 1,179           | 3,519           |
| Residential real estate mortgages           | 9,286                  | 10,567          | 10,904          | 9,429           | 7,048           |
| Consumer loans                              | 3,256                  | 1,845           | 2,678           | 2,800           | 2,196           |
| Total past due loans                        | \$17,559               | \$21,811        | \$24,029        | \$19,081        | \$18,078        |
| Accruing loans 90 days or more past due     | \$—                    | \$—             | \$—             | \$—             | \$—             |
| Nonaccrual loans included in past due loans | \$13,635               | \$13,964        | \$12,397        | \$12,314        | \$12,721        |

| (Dollars in thousands)                    | For the Quarters Ended |                 |                 |                 |                 |
|---|------------------------|-----------------|-----------------|-----------------|-----------------|
|   | Dec 31,<br>2015        | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
| <b>Allowance for Loan Losses:</b>         |                        |                 |                 |                 |                 |
| Balance at beginning of period            | \$27,161               | \$27,587        | \$27,810        | \$28,023        | \$27,768        |
| Provision charged to earnings             | 750                    | 200             | 100             | —               | 500             |
| Charge-offs                               | (904)                  | (725)           | (355)           | (321)           | (311)           |
| Recoveries                                | 62                     | 99              | 32              | 108             | 66              |
| Balance at end of period                  | \$27,069               | \$27,161        | \$27,587        | \$27,810        | \$28,023        |
| <b>Net Loan Charge-Offs (Recoveries):</b> |                        |                 |                 |                 |                 |
| Commercial mortgages                      | \$405                  | (\$4)           | \$196           | \$120           | (\$5)           |
| Commercial & industrial                   | 217                    | 348             | 26              | (7)             | 144             |
| Residential real estate mortgages         | 117                    | 12              | 4               | 46              | 45              |
| Consumer                                  | 103                    | 270             | 97              | 54              | 61              |
| Total                                     | \$842                  | \$626           | \$323           | \$213           | \$245           |

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

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

Three Months Ended

| (Dollars in thousands)                                       | December 31, 2015  |                 |              | September 30, 2015 |                 |              | December 31, 2014  |                 |              |
|--|--------------------|-----------------|--------------|--------------------|-----------------|--------------|--------------------|-----------------|--------------|
|  | Average Balance    | Interest        | Yield/Rate   | Average Balance    | Interest        | Yield/Rate   | Average Balance    | Interest        | Yield/Rate   |
| <b>Assets:</b>   |                    |                 |              |                    |                 |              |                    |                 |              |
| Commercial loans   | \$1,601,794        | \$15,411        | 3.82%        | \$1,571,645        | \$15,475        | 3.91%        | \$1,470,360        | \$15,688        | 4.23%        |
| Residential real estate loans, including loans held for sale | 1,049,007          | 10,338          | 3.91%        | 1,050,949          | 10,329          | 3.90%        | 1,009,382          | 10,329          | 4.06%        |
| Consumer loans   | 344,690            | 3,251           | 3.74%        | 343,603            | 3,283           | 3.79%        | 338,050            | 3,231           | 3.79%        |
| <b>Total loans</b>   | <b>2,995,491</b>   | <b>29,000</b>   | <b>3.84%</b> | <b>2,966,197</b>   | <b>29,087</b>   | <b>3.89%</b> | <b>2,817,792</b>   | <b>29,248</b>   | <b>4.12%</b> |
| Cash, federal funds sold and short-term investments          | 72,031             | 37              | 0.20%        | 89,280             | 47              | 0.21%        | 63,736             | 29              | 0.18%        |
| FHLBB stock  | 24,316             | 315             | 5.14%        | 37,730             | 309             | 3.25%        | 37,730             | 141             | 1.48%        |
| Taxable debt securities                                      | 341,130            | 2,262           | 2.63%        | 316,214            | 2,178           | 2.73%        | 336,661            | 2,399           | 2.83%        |
| Nontaxable debt securities                                   | 35,799             | 550             | 6.10%        | 37,780             | 567             | 5.95%        | 50,505             | 747             | 5.87%        |
| <b>Total securities</b>                                      | <b>376,929</b>     | <b>2,812</b>    | <b>2.96%</b> | <b>353,994</b>     | <b>2,745</b>    | <b>3.08%</b> | <b>387,166</b>     | <b>3,146</b>    | <b>3.22%</b> |
| <b>Total interest-earning assets</b>                         | <b>3,468,767</b>   | <b>32,164</b>   | <b>3.68%</b> | <b>3,447,201</b>   | <b>32,188</b>   | <b>3.70%</b> | <b>3,306,424</b>   | <b>32,564</b>   | <b>3.91%</b> |
| Noninterest-earning assets                                   | 231,674            |                 |              | 231,286            |                 |              | 215,079            |                 |              |
| <b>Total assets</b>  | <b>\$3,700,441</b> |                 |              | <b>\$3,678,487</b> |                 |              | <b>\$3,521,503</b> |                 |              |
| <b>Liabilities and Shareholders' Equity:</b>                 |                    |                 |              |                    |                 |              |                    |                 |              |
| Interest-bearing demand deposits                             | \$42,324           | \$11            | 0.10%        | \$30,392           | \$5             | 0.07%        | \$19,163           | \$—             | —%           |
| NOW accounts   | 376,185            | 56              | 0.06%        | 357,128            | 53              | 0.06%        | 320,313            | 49              | 0.06%        |
| Money market accounts  | 856,405            | 707             | 0.33%        | 820,597            | 951             | 0.46%        | 829,472            | 903             | 0.43%        |
| Savings accounts   | 310,608            | 47              | 0.06%        | 303,587            | 52              | 0.07%        | 291,683            | 45              | 0.06%        |
| Time deposits (in-market)                                    | 533,224            | 1,333           | 0.99%        | 541,486            | 1,338           | 0.98%        | 602,005            | 1,735           | 1.14%        |
| Wholesale brokered time deposits                             | 277,681            | 943             | 1.35%        | 279,839            | 909             | 1.29%        | 257,415            | 799             | 1.23%        |
| FHLBB advances   | 373,652            | 1,966           | 2.09%        | 425,931            | 1,987           | 1.85%        | 325,518            | 1,867           | 2.28%        |
| Junior subordinated debentures                               | 22,681             | 157             | 2.75%        | 22,681             | 232             | 4.06%        | 22,681             | 241             | 4.22%        |
| Other  | 92                 | 2               | 8.62%        | 104                | 2               | 7.63%        | 140                | 3               | 8.50%        |
| <b>Total interest-bearing liabilities</b>                    | <b>2,792,852</b>   | <b>5,222</b>    | <b>0.74%</b> | <b>2,781,745</b>   | <b>5,529</b>    | <b>0.79%</b> | <b>2,668,390</b>   | <b>5,642</b>    | <b>0.84%</b> |
| Demand deposits  | 475,215            |                 |              | 477,393            |                 |              | 458,782            |                 |              |
| Other liabilities  | 59,177             |                 |              | 52,625             |                 |              | 41,415             |                 |              |
| Shareholders' equity   | 373,197            |                 |              | 366,724            |                 |              | 352,916            |                 |              |
| <b>Total liabilities and shareholders' equity</b>            | <b>\$3,700,441</b> |                 |              | <b>\$3,678,487</b> |                 |              | <b>\$3,521,503</b> |                 |              |
| <b>Net interest income (FTE)</b>                             |                    | <b>\$26,942</b> |              |                    | <b>\$26,659</b> |              |                    | <b>\$26,922</b> |              |
| Interest rate spread   |                    |                 | 2.94%        |                    |                 | 2.91%        |                    |                 | 3.07%        |
| Net interest margin  |                    |                 | 3.08%        |                    |                 | 3.07%        |                    |                 | 3.23%        |

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

| (Dollars in thousands)     | Three Months Ended |              |              |
|----------------------------|--------------------|--------------|--------------|
|                            | Dec 31, 2015       | Sep 30, 2015 | Dec 31, 2014 |
| Commercial loans           | \$489              | \$461        | \$403        |
| Nontaxable debt securities | 198                | 201          | 256          |
| <b>Total</b>               | <b>\$687</b>       | <b>\$662</b> | <b>\$659</b> |

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

| (Dollars in thousands)                                       | Twelve Months Ended |           |                |                    |           |                |
|--|---------------------|-----------|----------------|--------------------|-----------|----------------|
|  | December 31, 2015   |           |                | December 31, 2014  |           |                |
|  | Average<br>Balance  | Interest  | Yield/<br>Rate | Average<br>Balance | Interest  | Yield/<br>Rate |
| <b>Assets:</b>   |                     |           |                |                    |           |                |
| Commercial loans   | \$1,573,238         | \$62,128  | 3.95%          | \$1,382,036        | \$59,421  | 4.30%          |
| Residential real estate loans, including loans held for sale | 1,038,836           | 41,083    | 3.95%          | 904,556            | 37,033    | 4.09%          |
| Consumer loans   | 340,889             | 12,885    | 3.78%          | 334,368            | 12,758    | 3.82%          |
| Total loans  | 2,952,963           | 116,096   | 3.93%          | 2,620,960          | 109,212   | 4.17%          |
| Cash, federal funds sold and short-term investments          | 69,169              | 138       | 0.20%          | 65,045             | 128       | 0.20%          |
| FHLBB stock  | 34,349              | 953       | 2.77%          | 37,730             | 561       | 1.49%          |
| Taxable debt securities                                      | 325,166             | 8,875     | 2.73%          | 331,514            | 10,437    | 3.15%          |
| Nontaxable debt securities                                   | 39,751              | 2,408     | 6.06%          | 55,283             | 3,267     | 5.91%          |
| Total securities   | 364,917             | 11,283    | 3.09%          | 386,797            | 13,704    | 3.54%          |
| Total interest-earning assets                                | 3,421,398           | 128,470   | 3.75%          | 3,110,532          | 123,605   | 3.97%          |
| Noninterest-earning assets                                   | 226,623             |           |                | 210,746            |           |                |
| Total assets   | \$3,648,021         |           |                | \$3,321,278        |           |                |
| <b>Liabilities and Shareholders' Equity:</b>                 |                     |           |                |                    |           |                |
| Interest-bearing demand deposits                             | \$37,168            | \$27      | 0.07%          | \$12,988           | \$—       | —%             |
| NOW accounts   | 356,713             | 209       | 0.06%          | 311,927            | 190       | 0.06%          |
| Money market accounts  | 824,625             | 3,482     | 0.42%          | 768,626            | 3,054     | 0.40%          |
| Savings accounts   | 301,652             | 196       | 0.06%          | 291,880            | 182       | 0.06%          |
| Time deposits (in-market)                                    | 549,039             | 5,531     | 1.01%          | 637,279            | 7,380     | 1.16%          |
| Wholesale brokered time deposits                             | 284,448             | 3,697     | 1.30%          | 187,325            | 2,131     | 1.14%          |
| FHLBB advances   | 398,866             | 7,746     | 1.94%          | 274,879            | 7,698     | 2.80%          |
| Junior subordinated debentures                               | 22,681              | 871       | 3.84%          | 22,681             | 964       | 4.25%          |
| Other  | 110                 | 9         | 8.18%          | 157                | 13        | 8.28%          |
| Total interest-bearing liabilities                           | 2,775,302           | 21,768    | 0.78%          | 2,507,742          | 21,612    | 0.86%          |
| Demand deposits  | 458,369             |           |                | 432,857            |           |                |
| Other liabilities  | 52,152              |           |                | 36,868             |           |                |
| Shareholders' equity   | 362,198             |           |                | 343,811            |           |                |
| Total liabilities and shareholders' equity                   | \$3,648,021         |           |                | \$3,321,278        |           |                |
| Net interest income (FTE)                                    |                     | \$106,702 |                |                    | \$101,993 |                |
| Interest rate spread   |                     |           | 2.97%          |                    |           | 3.11%          |
| Net interest margin  |                     |           | 3.12%          |                    |           | 3.28%          |

| (Dollars in thousands)     | Twelve Months Ended |                 |
|----------------------------|---------------------|-----------------|
|                            | Dec 31,<br>2015     | Dec 31,<br>2014 |
| Commercial loans           | \$1,867             | \$1,370         |
| Nontaxable debt securities | 853                 | 1,118           |
| Total                      | \$2,720             | \$2,488         |

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

At or for the Quarters Ended

| (Dollars in thousands, except per share amounts)           | Dec 31,<br>2015 | Sep 30,<br>2015 | Jun 30,<br>2015 | Mar 31,<br>2015 | Dec 31,<br>2014 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Calculation of Tangible Book Value per Share:</b>       |                 |                 |                 |                 |                 |
| Total shareholders' equity at end of period                | \$375,388       | \$370,527       | \$359,167       | \$353,879       | \$346,279       |
| Less:  |                 |                 |                 |                 |                 |
| Goodwill   | 64,059          | 64,196          | 58,114          | 58,114          | 58,114          |
| Identifiable intangible assets, net                        | 11,460          | 11,793          | 4,539           | 4,694           | 4,849           |
| Total tangible shareholders' equity at end of period       | \$299,869       | \$294,538       | \$296,514       | \$291,071       | \$283,316       |
| Shares outstanding at end of period                        | 17,020          | 16,985          | 16,834          | 16,773          | 16,746          |
| Book value per share - GAAP                                | \$22.06         | \$21.82         | \$21.34         | \$21.10         | \$20.68         |
| Tangible book value per share - Non-GAAP                   | \$17.62         | \$17.34         | \$17.61         | \$17.35         | \$16.92         |
| <b>Calculation of Tangible Equity to Tangible Assets:</b>  |                 |                 |                 |                 |                 |
| Total tangible shareholders' equity at end of period       | \$299,869       | \$294,538       | \$296,514       | \$291,071       | \$283,316       |
| Total assets at end of period                              | \$3,771,604     | \$3,674,836     | \$3,644,477     | \$3,602,514     | \$3,586,874     |
| Less:  |                 |                 |                 |                 |                 |
| Goodwill   | 64,059          | 64,196          | 58,114          | 58,114          | 58,114          |
| Identifiable intangible assets, net                        | 11,460          | 11,793          | 4,539           | 4,694           | 4,849           |
| Total tangible assets at end of period                     | \$3,696,085     | \$3,598,847     | \$3,581,824     | \$3,539,706     | \$3,523,911     |
| Equity to assets - GAAP                                    | 9.95%           | 10.08%          | 9.86%           | 9.82%           | 9.65%           |
| Tangible equity to tangible assets - Non-GAAP              | 8.11%           | 8.18%           | 8.28%           | 8.22%           | 8.04%           |
| <b>Calculation of Return on Average Tangible Assets:</b>   |                 |                 |                 |                 |                 |
| Net income   | \$10,744        | \$10,208        | \$11,503        | \$11,010        | \$11,191        |
| Total average assets                                       | \$3,700,441     | \$3,678,487     | \$3,622,715     | \$3,588,881     | \$3,521,503     |
| Less:  |                 |                 |                 |                 |                 |
| Average goodwill   | 64,194          | 62,524          | 58,114          | 58,114          | 58,114          |
| Average identifiable intangible assets, net                | 11,616          | 8,768           | 4,614           | 4,770           | 4,924           |
| Total average tangible assets                              | \$3,624,631     | \$3,607,195     | \$3,559,987     | \$3,525,997     | \$3,458,465     |
| Return on average assets - GAAP                            | 1.16%           | 1.11%           | 1.27%           | 1.23%           | 1.27%           |
| Return on average tangible assets - Non-GAAP               | 1.19%           | 1.13%           | 1.29%           | 1.25%           | 1.29%           |
| <b>Calculation of Return on Average Tangible Equity:</b>   |                 |                 |                 |                 |                 |
| Net income   | \$10,744        | \$10,208        | \$11,503        | \$11,010        | \$11,191        |
| Total average shareholders' equity                         | \$373,197       | \$366,724       | \$357,365       | \$351,215       | \$352,916       |
| Less:  |                 |                 |                 |                 |                 |
| Average goodwill   | 64,194          | 62,524          | 58,114          | 58,114          | 58,114          |
| Average identifiable intangible assets, net                | 11,616          | 8,768           | 4,614           | 4,770           | 4,924           |
| Total average tangible shareholders' equity                | \$297,387       | \$295,432       | \$294,637       | \$288,331       | \$289,878       |
| Return on average shareholders' equity - GAAP              | 11.52%          | 11.13%          | 12.88%          | 12.54%          | 12.68%          |
| Return on average tangible shareholders' equity - Non-GAAP | 14.45%          | 13.82%          | 15.62%          | 15.27%          | 15.44%          |

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

| (Dollars in thousands)                                     | Twelve Months Ended |                 |
|--|---------------------|-----------------|
|  | Dec 31,<br>2015     | Dec 31,<br>2014 |
| <b>Calculation of Return on Average Tangible Assets:</b>   |                     |                 |
| Net income   | \$43,465            | \$40,824        |
| Total average assets                                       | \$3,648,021         | \$3,321,278     |
| Less:  |                     |                 |
| Average goodwill   | 60,657              | 58,114          |
| Average identifiable intangible assets, net                | 7,625               | 5,164           |
| Total average tangible assets                              | \$3,579,739         | \$3,258,000     |
| Return on average assets - GAAP                            | 1.19%               | 1.23%           |
| Return on average tangible assets - Non-GAAP               | 1.21%               | 1.25%           |
| <b>Calculation of Return on Average Tangible Equity:</b>   |                     |                 |
| Net income   | \$43,465            | \$40,824        |
| Total average shareholders' equity                         | \$362,198           | \$343,811       |
| Less:  |                     |                 |
| Average goodwill   | 60,657              | 58,114          |
| Average identifiable intangible assets, net                | 7,625               | 5,164           |
| Total average tangible shareholders' equity                | \$293,916           | \$280,533       |
| Return on average shareholders' equity - GAAP              | 12.00%              | 11.87%          |
| Return on average tangible shareholders' equity - Non-GAAP | 14.79%              | 14.55%          |