

WASHINGTON TRUST BANCORP, INC.

Investor Deck

Q3 2023

NASDAQ: WASH

Safe Harbor

This presentation 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, 2022, as filed with the Securities and Exchange Commission and updated by our Quarterly Reports on Form 10-Q. 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 presentation, 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.

Investor Information

Elizabeth B. Eckel
Executive Vice President, Chief Marketing and Corporate Communications Officer

401-348-1309, ebeckel@washtrust.com

Experienced Leadership Team



Ned Handy
Chairman and Chief Executive Officer



Mary Noons
President and Chief Operating Officer



Ron Ohsberg
Senior EVP, Chief Financial Officer and Treasurer

The Washington Trust Investment Story

LEVERAGING OUR STRONG MARKET POSITION AND RESILIENT BUSINESS MODEL TO DELIVER SUSTAINABLE VALUE FOR OUR SHAREHOLDERS

1. **Relationship-driven leader** with distinguished history and prestigious recognition
2. **Proven performance** with diverse revenue streams – consistent results through range of economic cycles
3. **Effective risk and asset/liability management -** strong balance sheet, strong credit profile and consistent returns
4. **Attractive dividend** payout and shareholder-friendly capital deployment strategy
5. **Customer-first strategy** – Advancing digital offerings, high-touch service, competitive products & pricing

WASHINGTON TRUST AT-A-GLANCE

$7B Regional Financial Services Provider

Founded in

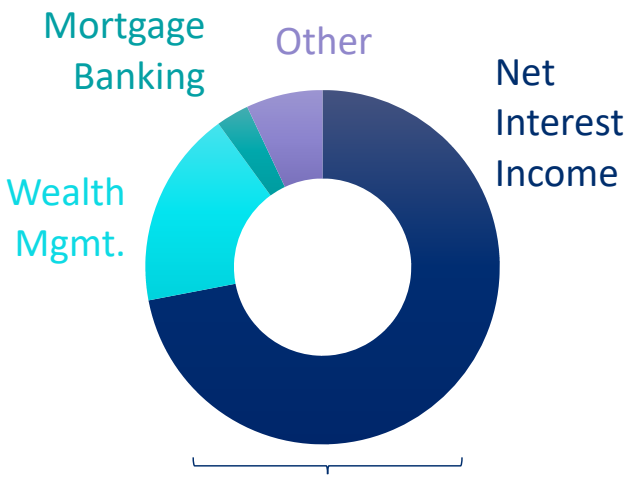
1800

Oldest Community bank in the US

Largest State Chartered Bank In Rhode Island

$7.2B	$5.6B	$5.4B
Assets	Loans	Deposits

Diverse Revenue Streams



~ 25-30% fee-based revenue

Premier Regional Wealth Management Firm

$6.1B Assets under administration

Market Area: RI, MA, CT

- 26 bank branches
- 5 wealth management offices
- 7 mortgage loan offices
- 4 commercial lending centers

Consistent Shareholder Returns

- ROA: 0.62%
- ROE: 9.65%
- ROTCE: 11.33% (1)

$400M

Market Capitalization (2)

At or for the quarter ended September 30, 2023, unless otherwise noted
(1) Non-GAAP; see "Non-GAAP Financial Measures"
(2) At October 30, 2023

Prestigious Recognition

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

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

Named as one of Rhode Island's Best Places to Work by Providence Business News for the 13th year in a row.

Named by Newsweek as Best Small Bank in Rhode Island for the 2nd consecutive year.

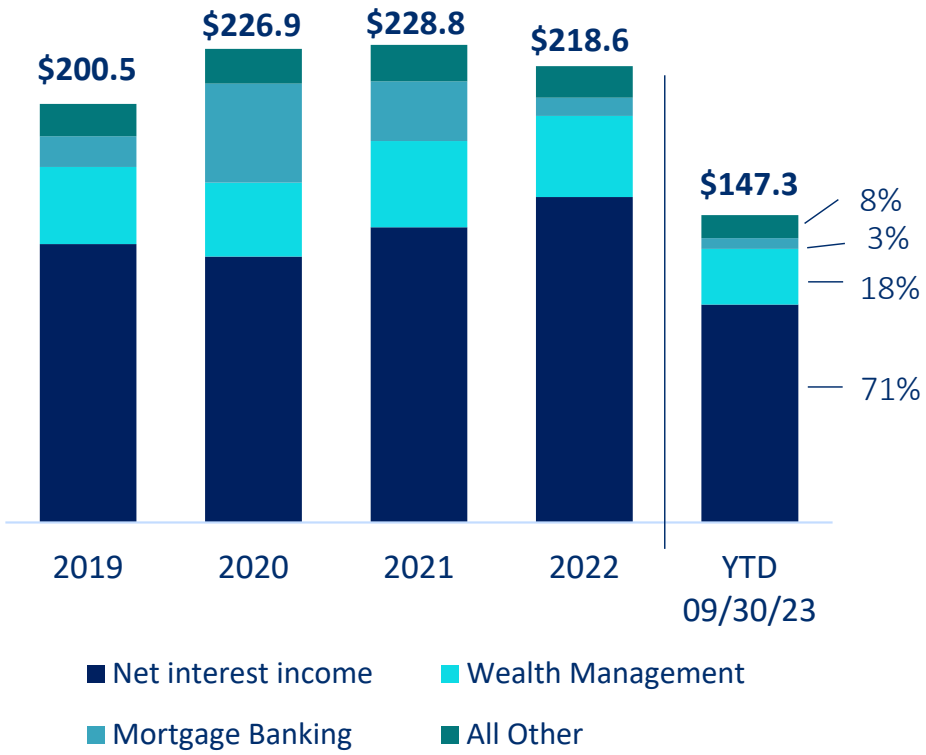
Named as one of the Healthiest Employers in Rhode Island for the 3rd consecutive year.

REVENUE

Generating Diverse, High-Quality Revenue

Revenue Contributions From All Major Business Lines

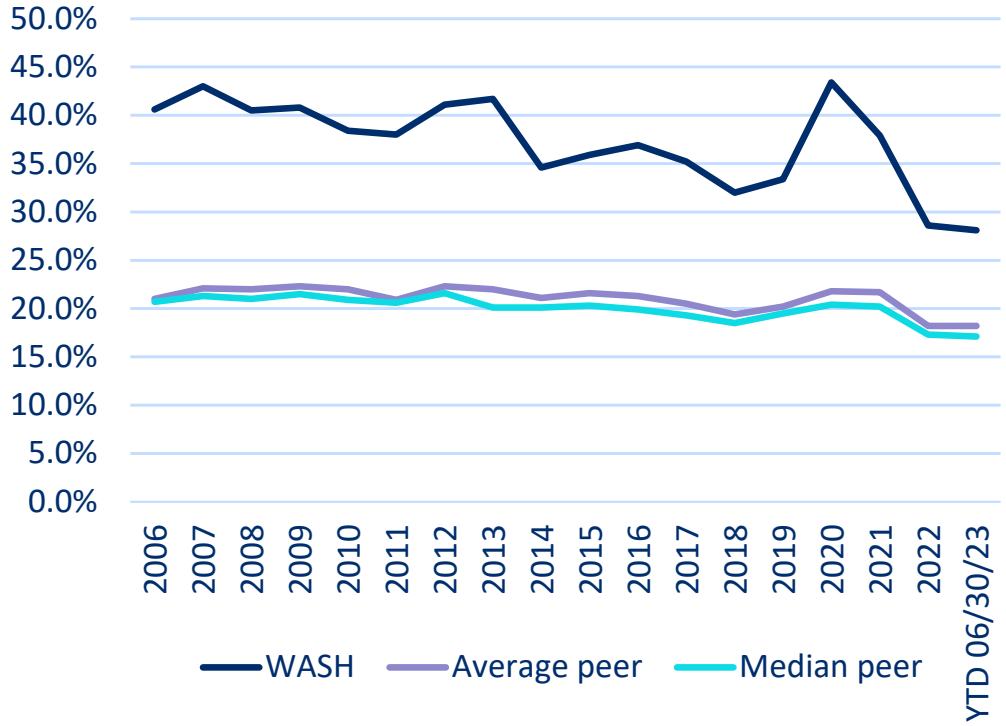
($ in millions)



Quality of Revenue Outpaces Peer Group

Better than 92% of peer group (1)

Non-Interest Income / Operating Income

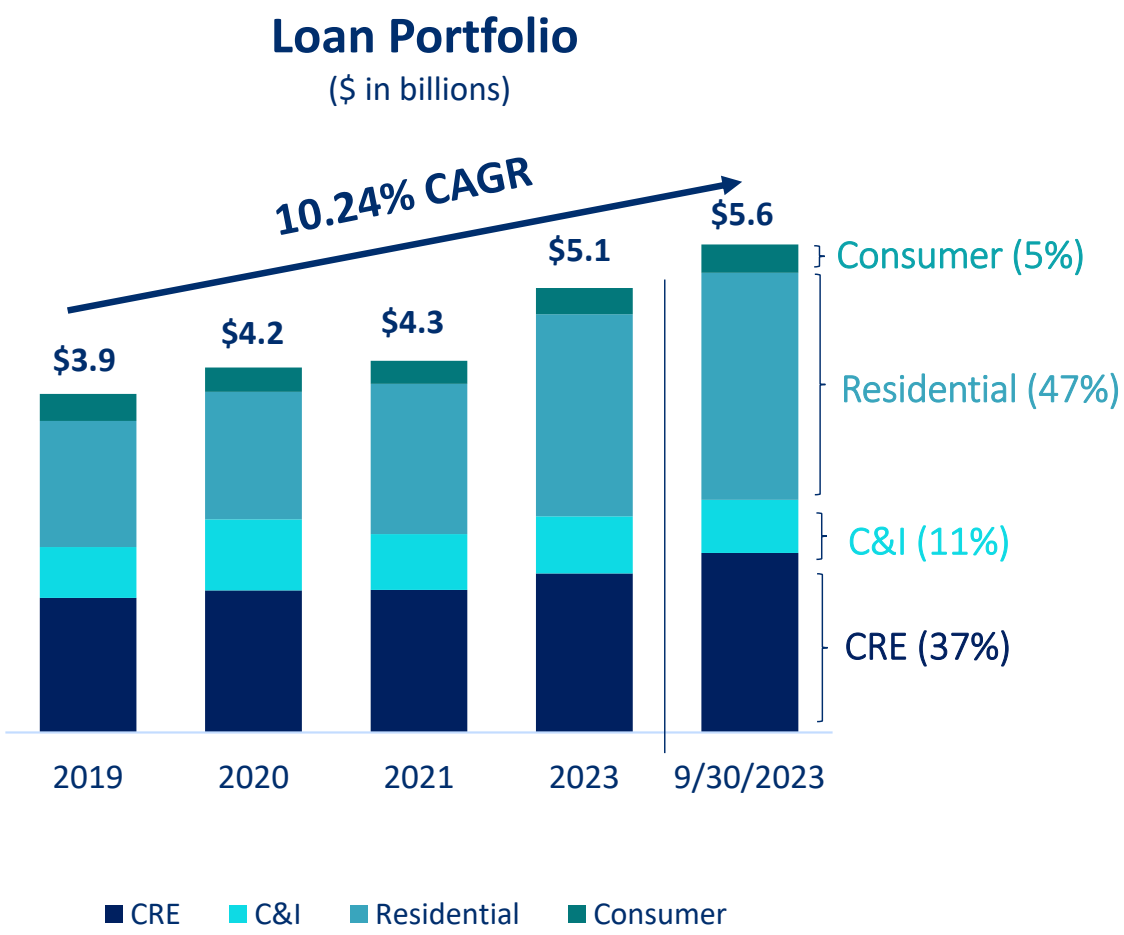


Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 06/30/23.

(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Source: S&P Global Market Intelligence

LOANS

Strong Growth and High-Value Mix in Loan Portfolio



59%
Variable rate loans

99%
Residential lending in RI, MA, & CT

Well-diversified Portfolio

- Significant growth in commercial portfolio
- Low commercial net loan charge-offs

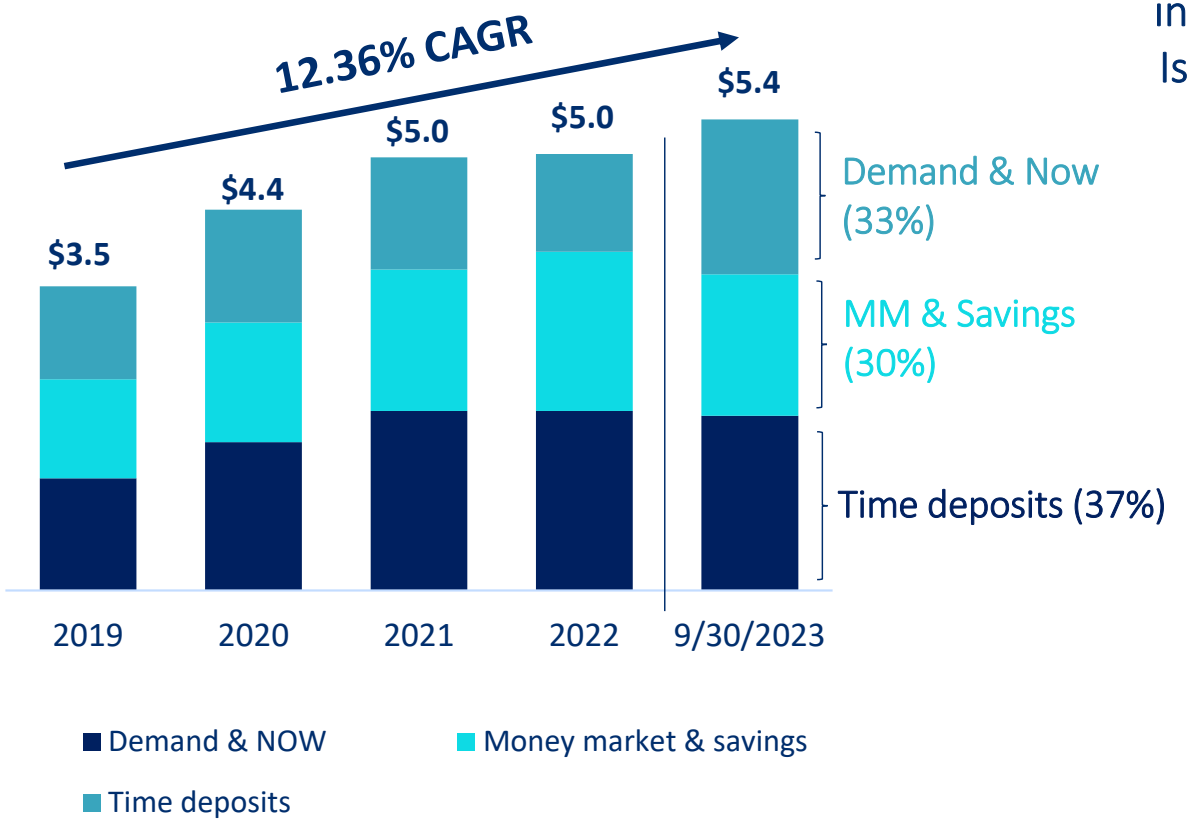
at December 31st unless otherwise noted

DEPOSITS

Steady, Balanced Mix of Deposits

Deposit Portfolio

($ in billions)



12%
Market Share in Rhode Island [1]

$183M
Ave. in-market deposits per branch

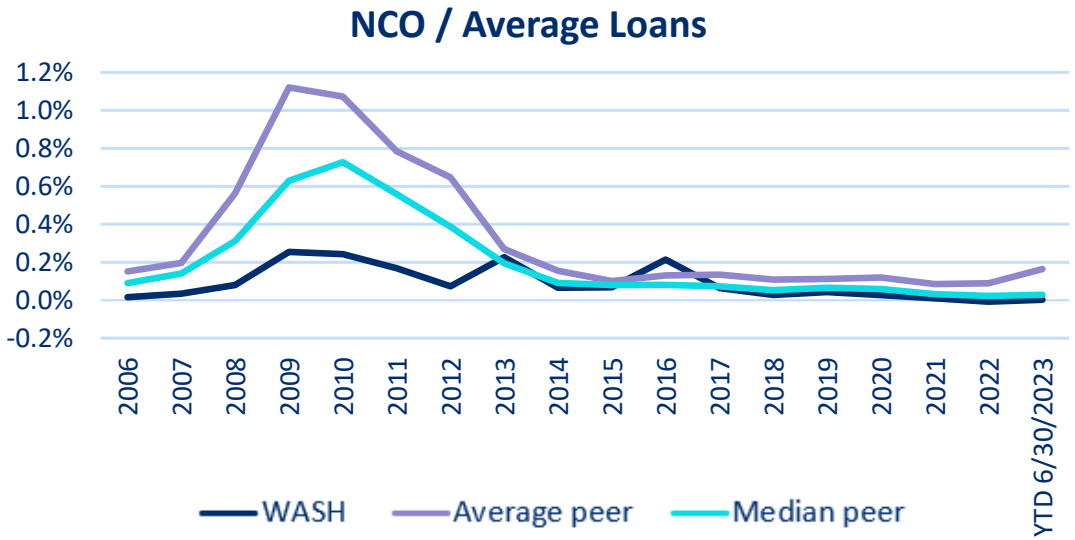
#1
Largest state-chartered bank

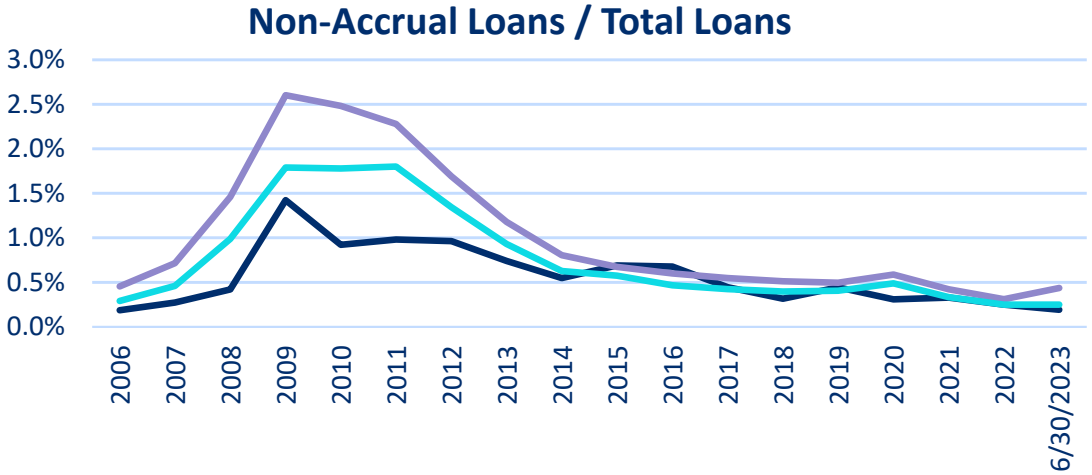
High Quality Assets

- 35% of deposits are commercial-based
- 18% uninsured deposits after exclusions [2]

at December 31st unless otherwise noted
(1) FDIC deposits as of June 30, 2023; most recent data available
(2) Determined in accordance with regulatory requirements excluding affiliate deposits and fully-collateralized preferred deposits

A Historical Differentiator for Washington Trust





161 bps

Cumulative losses
2006 – YTD 06/30/2023 (bps)

WASH	161
Average peer	601
Median peer	362

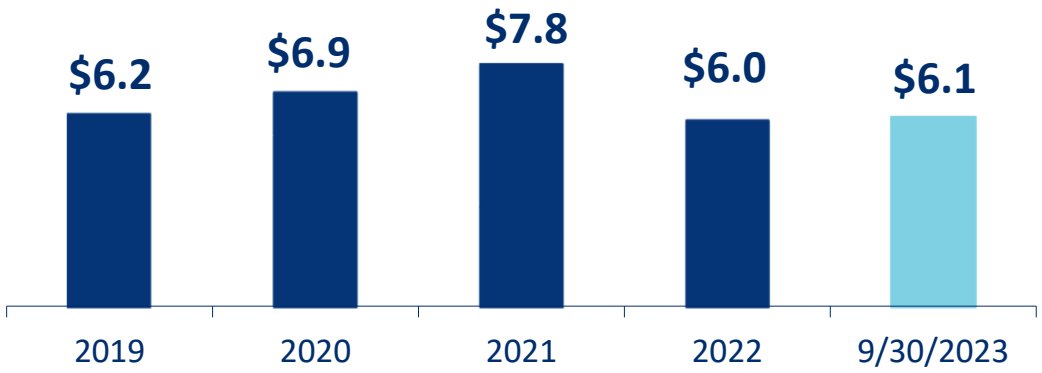
Most recent complete peer data as of 06/30/23
Percentile ranking for the year ended December 31st unless otherwise noted among public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

WEALTH MANAGEMENT

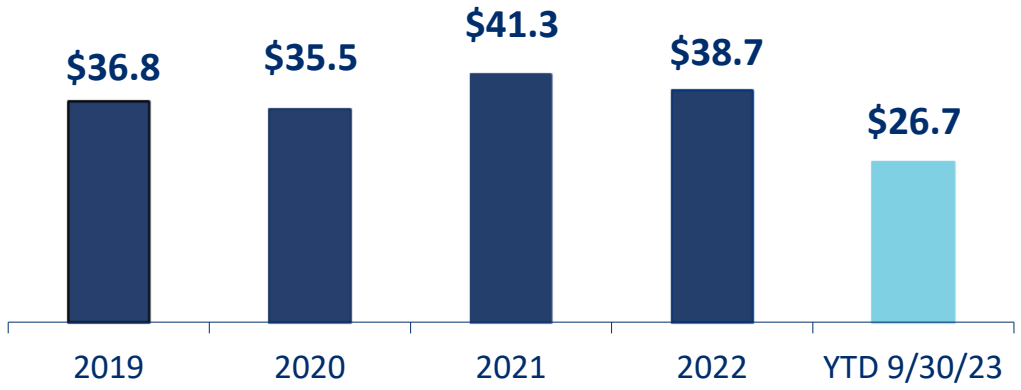
Sizeable Wealth Management Operation

Assets Under Administration (AUA)

($ billions)

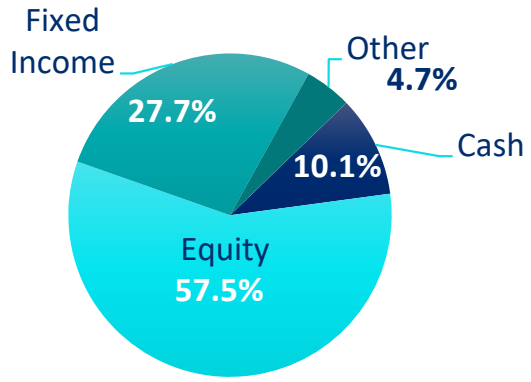


Revenues ($ millions)



$6.1B AUA

Asset Mix at September 30, 2023



- Key contributor to pre-tax income
- Average client size: $2.8 million
- 60% high net worth individuals
- Average fee: 55 basis points

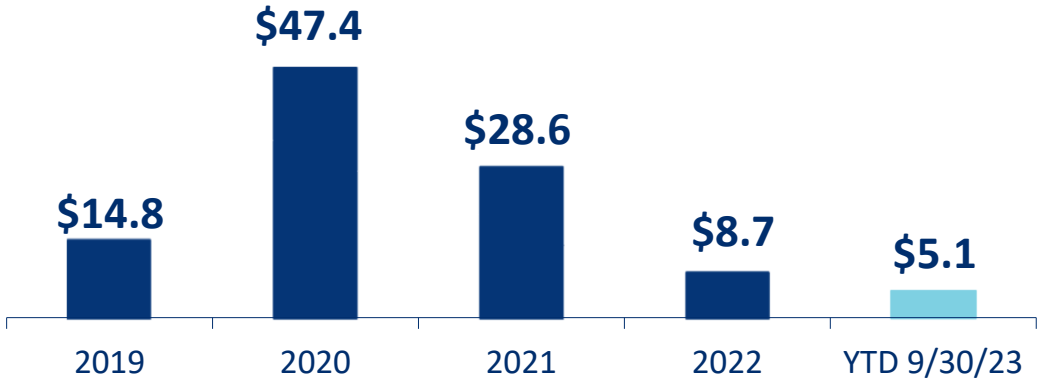
At or for the year ended December, unless otherwise noted.

MORTGAGE BANKING

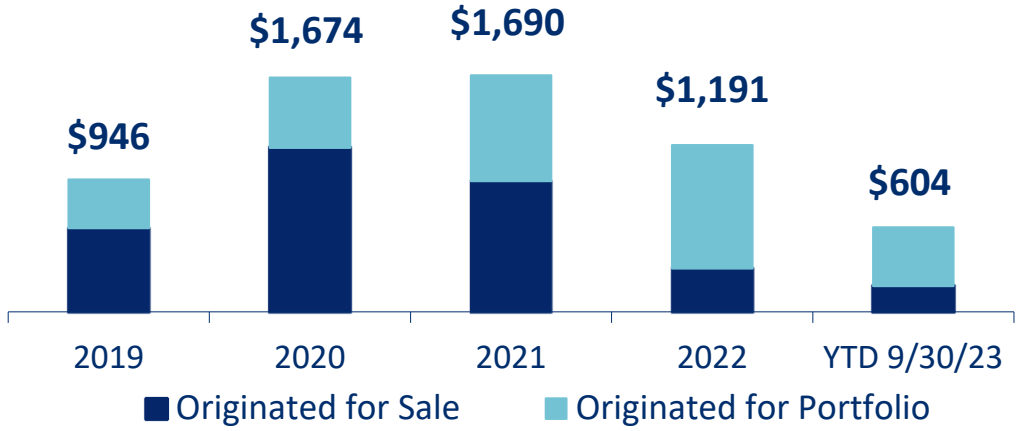
Strategic Funnel for Broader Banking Relationships

Mortgage Banking Revenues (1)

($ millions)



Mortgage Originations (2) ($ millions)



Mortgage Portfolio

- Flexible origination model where loans can be sold or put in portfolio
- Working to shift origination mix from portfolio to sale
- Success in leveraging clients' mortgage experience to offer other banking services

at December 31st unless otherwise noted

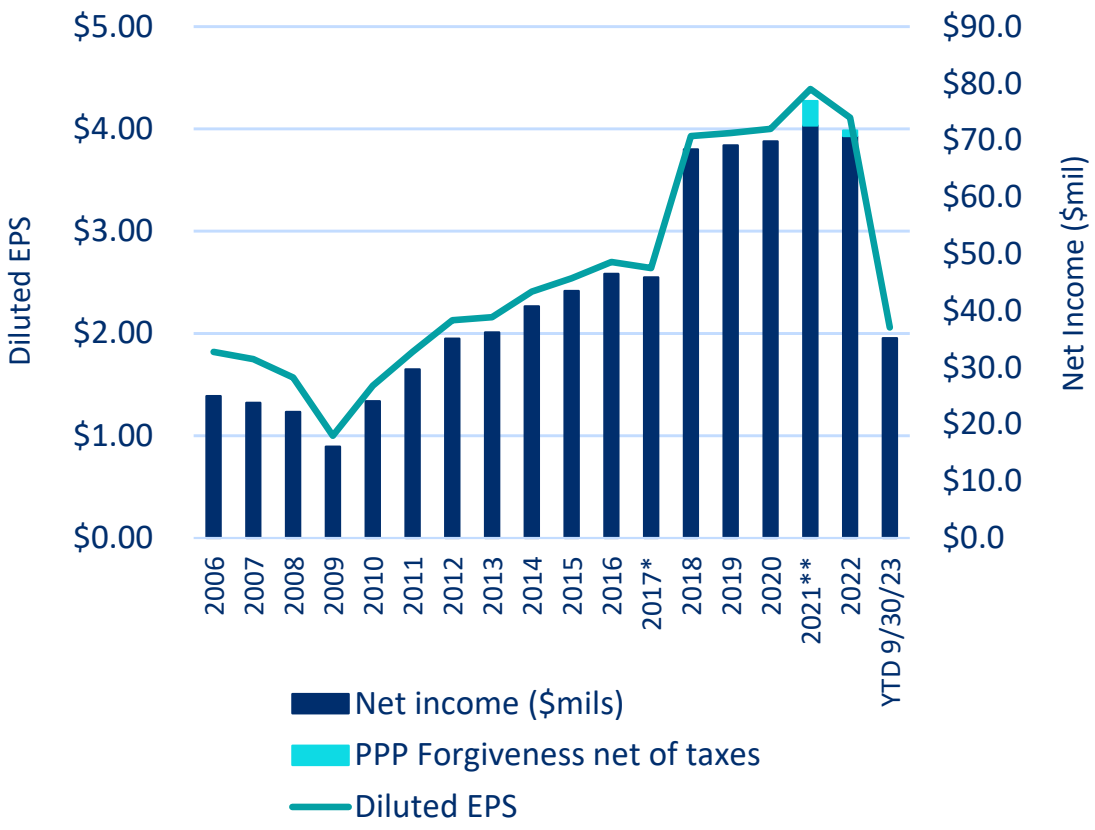
(1) Net gains on loan sales and commissions on loans originated for others, fair value changes on mortgage loans held for sale and forward loan commitments, and net loan servicing fee income

(2) Includes loans originated for portfolio or sale and as broker for other parties

PROFITABILITY

Proven Track Record Through All Market Conditions

Earnings Generation and Profitability



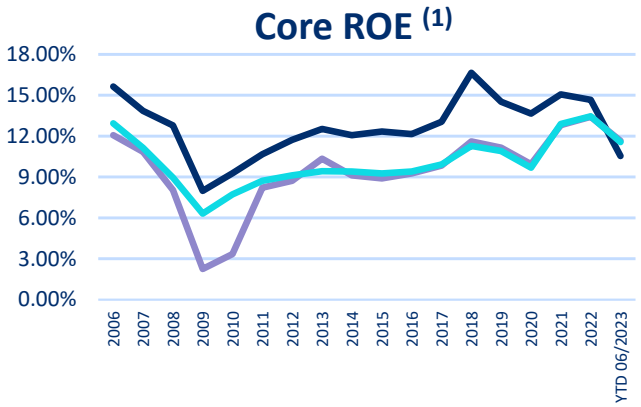
Consistent Results

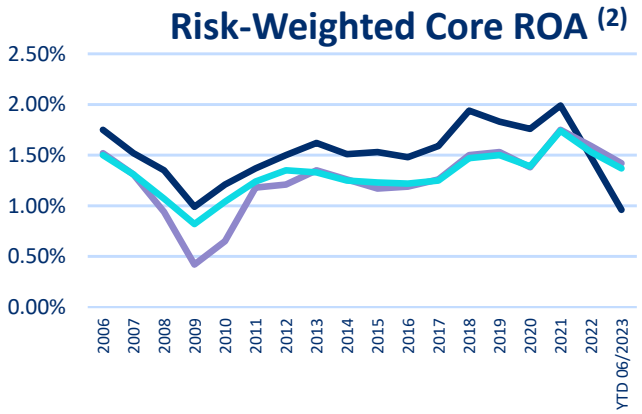
- Demonstrated management through range of economic conditions
- Currently, financial market and geopolitical headwinds have increased earnings pressure
- We are positioning Washington Trust with the right people, products and strategy to navigate the current environment and emerge stronger

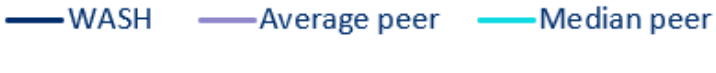
At December 31st unless otherwise noted
* Includes $6.2 million deferred tax asset write-down resulting from Tax Reform Act
** Includes $5.4 million after tax net non-operating expense (FHLB prepayment fees)

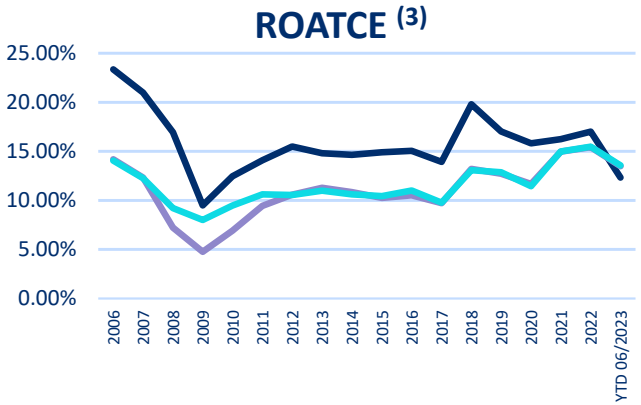
PROFITABILITY METRICS

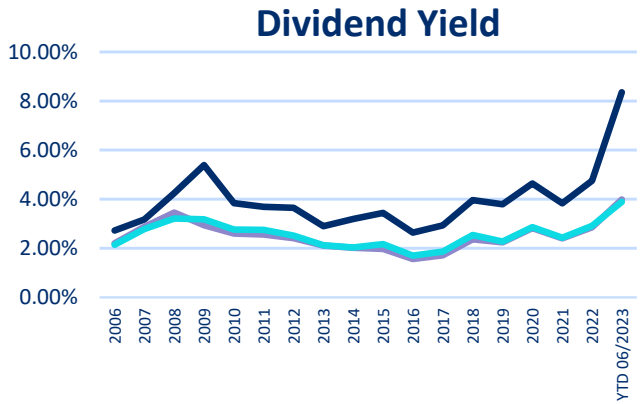
History of Outperforming











Quality Performance

- Washington has a long track record of outperforming on key ratios
- We remain focused on continued execution against our strategy
- Low risk balance sheet

Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 06/30/23. Source: S&P Global Market Intelligence

(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Non-GAAP; see "Non-GAAP Financial Measures"

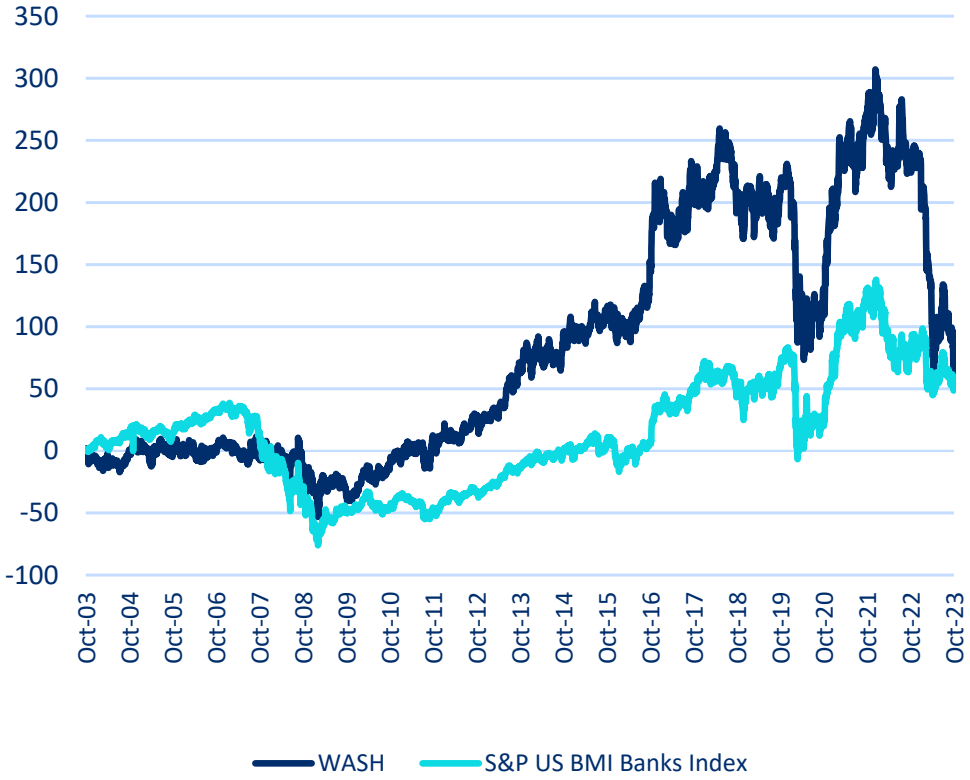
(2) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items divided by risk-weighted assets." Non-GAAP; see "Non-GAAP Financial Measures"

(3) Non-GAAP; see "Non-GAAP Financial Measures"

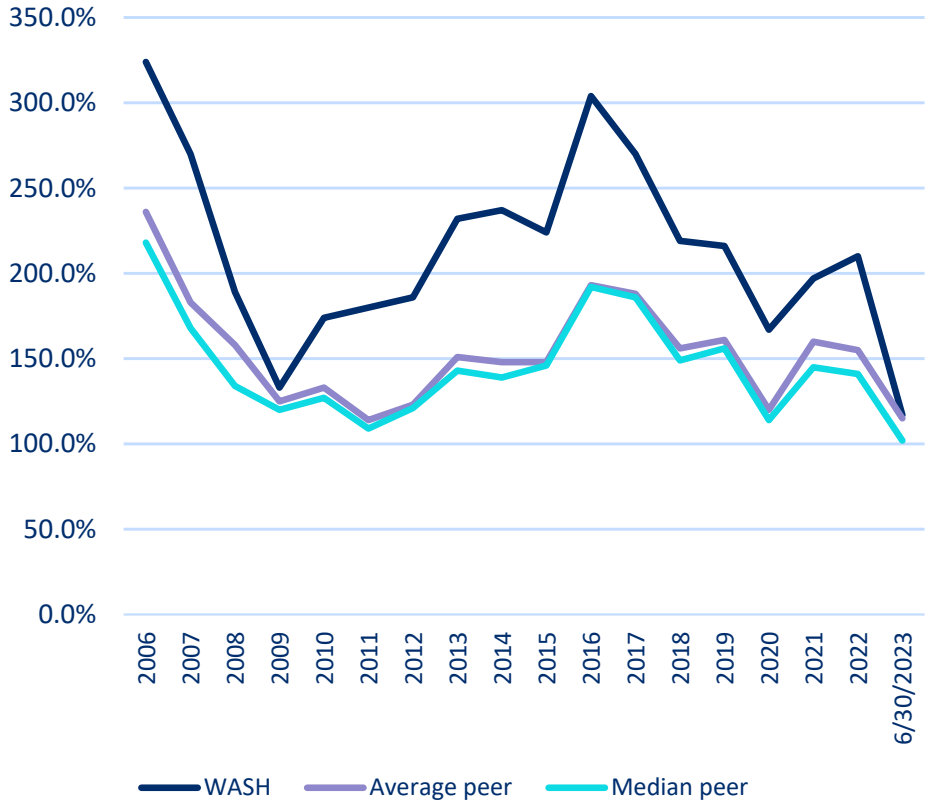
20 YEAR TOTAL STOCK RETURNS

Providing Consistent Shareholder Returns

WASH Total Return (%) versus S&P US BMI Banks Index



Price / Tangible Book Multiple



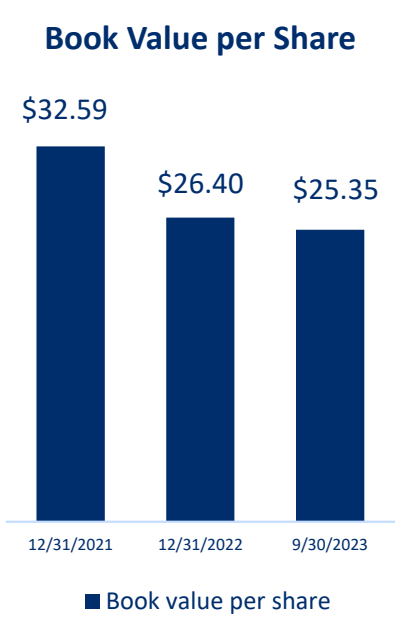
Source: S&P Global Market Intelligence as of October 30, 2023

Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Most recent complete peer data as of 06/30/23.

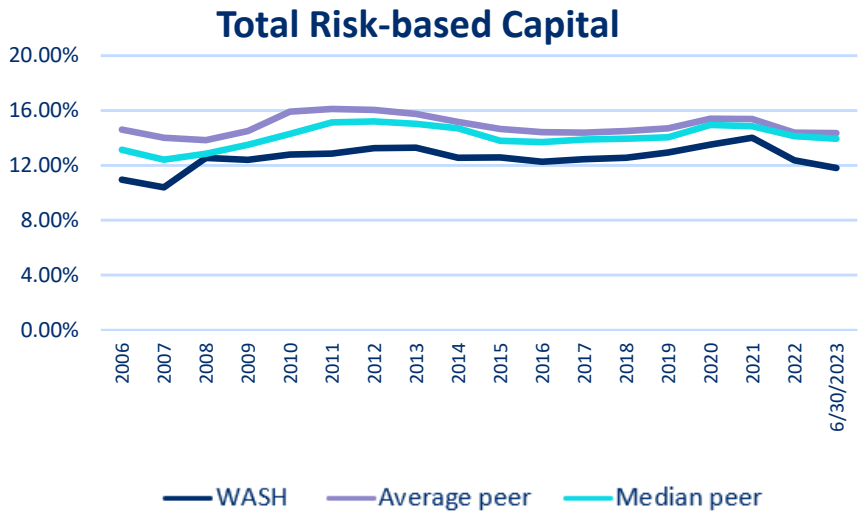
(1) Based on core income defined as "net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items." Source: S&P Global Market Intelligence

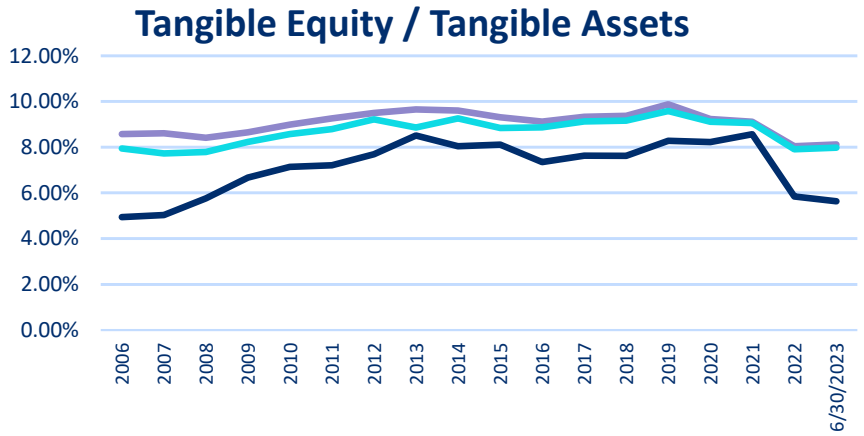
Adequate Capital to Support Dividend and Growth

- Solid balance sheet, fee-intensive business model
- Improving NIM by slowing loan growth
- Temporary decline for Tangible Equity / Tangible Assets ratio due to AFS securities unrealized losses









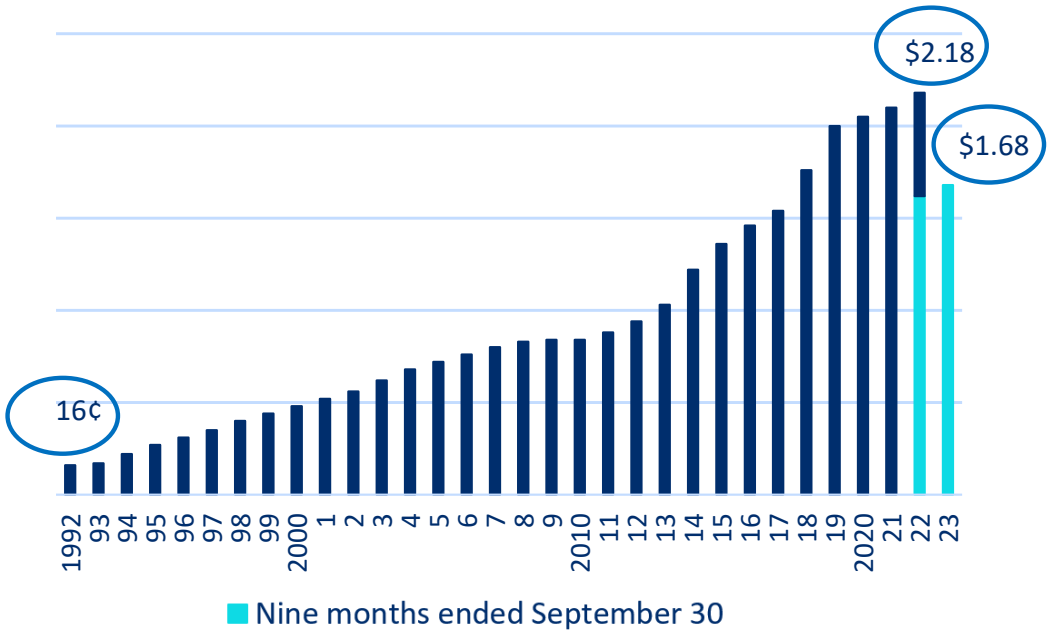
Most recent complete peer data as of 06/30/23
(1) Non-GAAP; see "Non-GAAP Financial Measures"
Peers are public banks & thrifts with $3 billion to $10 billion in total assets excluding Puerto Rico; Source: S&P Global Market Intelligence

DIVIDEND

Long History of Industry-Leading Dividend Yields

- Increased dividend in Q4-22 for 12th consecutive year
- Paid consistent dividend for more than a century

Cash Dividend Declared

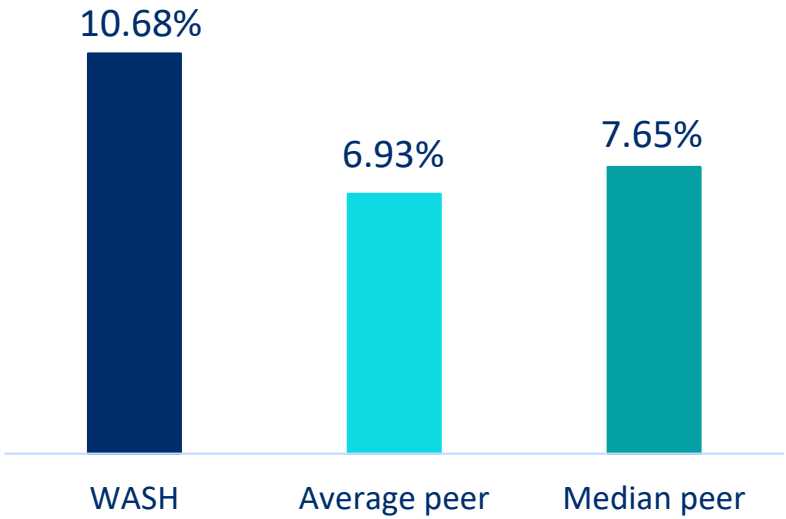


9.53% (1)

Dividend Yield

Tangible Book Value per Share Plus Cumulative Dividend per Share CAGR

12/31/2006 to 6/30/2023

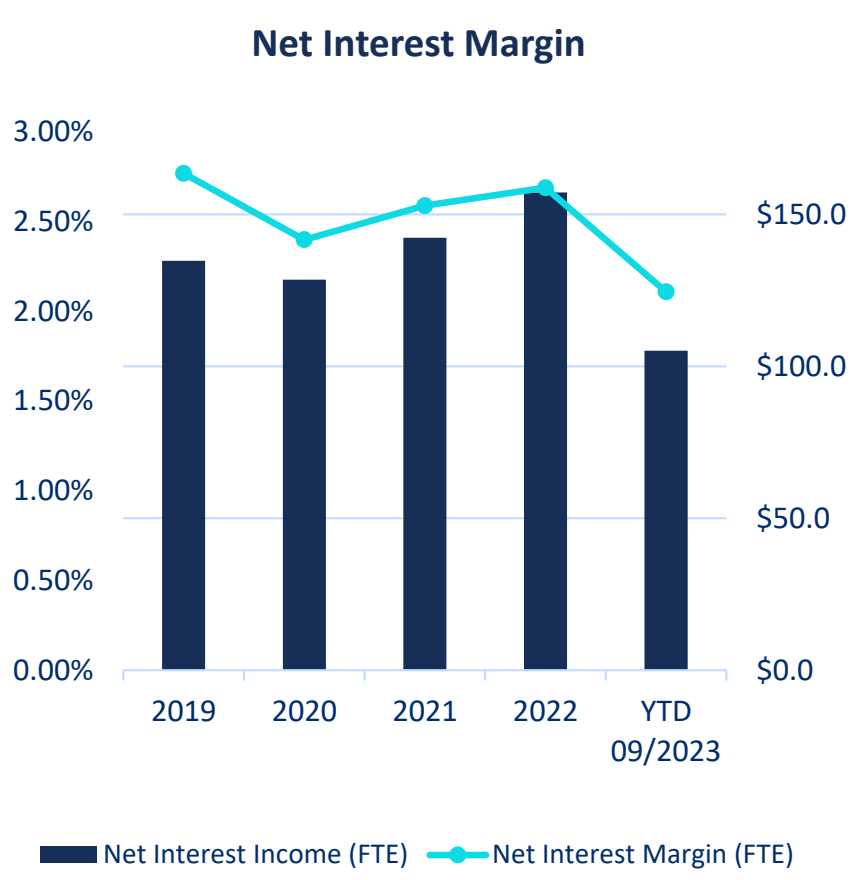


(1) As of October30, 2023

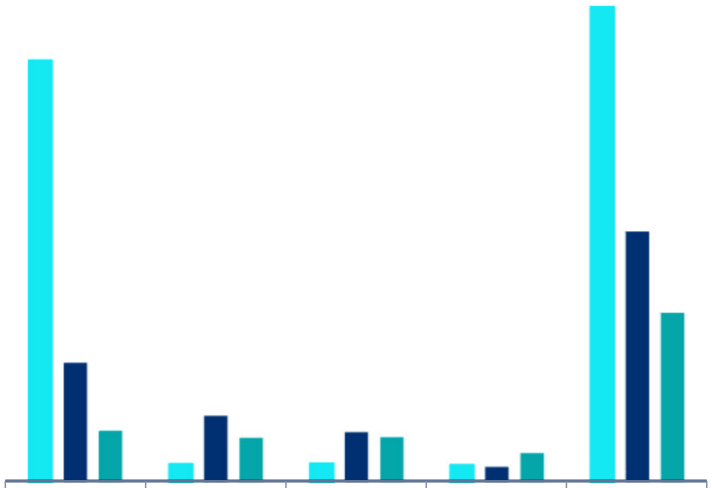
Net Interest Margin & Repricing

Challenging Rate Environment

- Adjustable rate loans mainly 1M LIBOR and Prime
- Adjustable rate loans largely funded with short-term adjustable liabilities (<= 1 year)



Loan & Funding Repricing



	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Total
Adjustable rate loans	$1,903	$81	$84	$77	$2,145
Wholesale Funds	$538	$298	$225	$68	$1,129
Retail CDs	$231	$199	$202	$130	$763

$ millions; as of and for the years ended December 31st unless otherwise noted

OUR STRATEGY

Accelerating Growth While Enhancing Stakeholder Value

Strategic Priorities

#1 Growing deposits and change mix

#2 Achieving digital excellence

#3 Deepening client relationships

#4 Expanding brand and market presence

#5 Advancing our corporate responsibility

- ✓ Return to historical rate of earnings expansion
- ✓ Steady growth
- ✓ Prudent risk management

STRATEGIC PRIORITY #1

Accelerating Deposit Growth

Strategic Initiatives

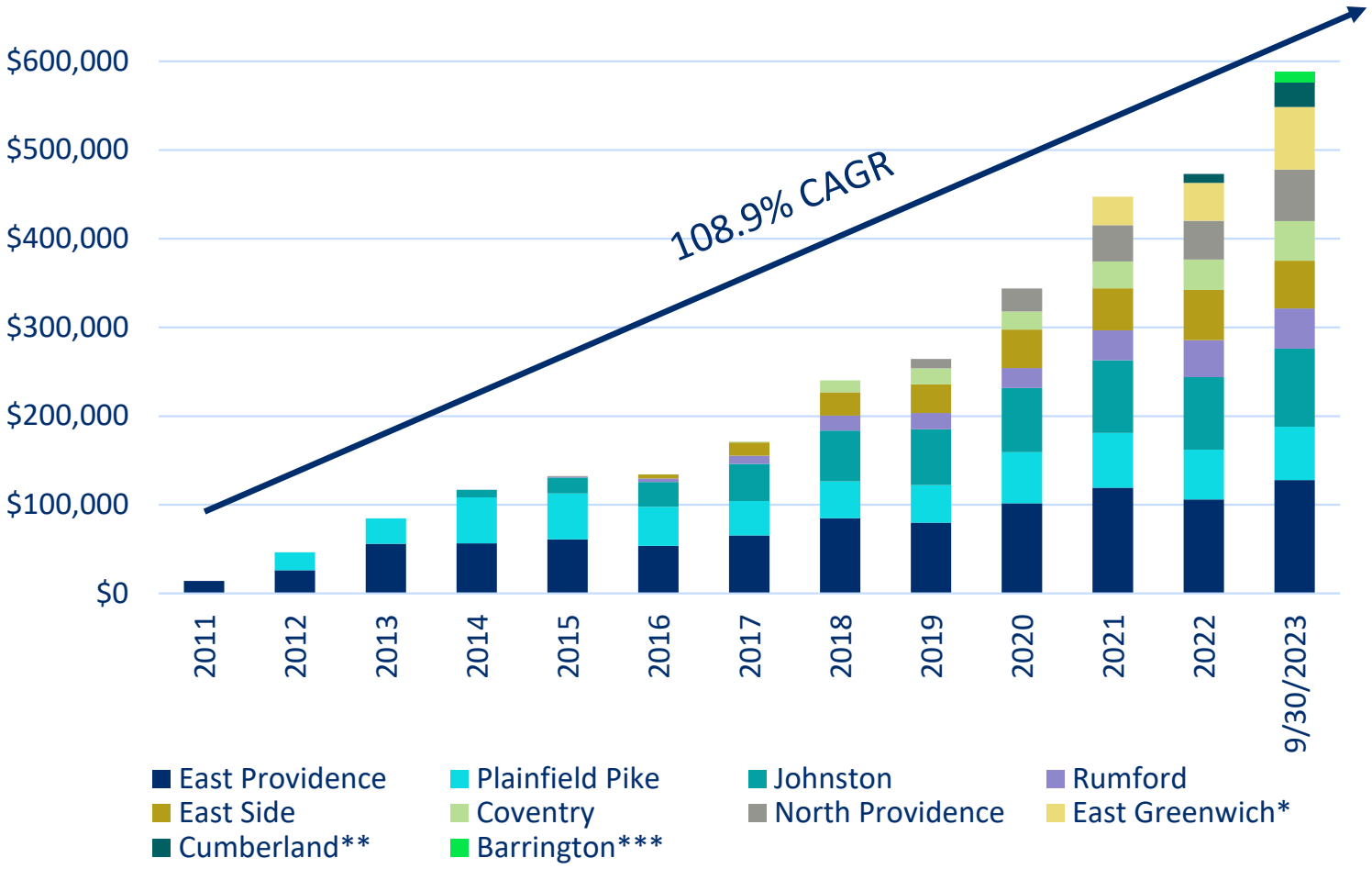
- *De Novo branching*
- *Product development*
- *Account openings*
- *Business opportunities*
- *M&A opportunities*

Goal: Improve Core Bank Yields



A CLOSER LOOK AT

De Novo Branch Deposit Growth



Strategy for Growth in Market Share

- Continued de novo branching in RI
- Planned Smithfield, RI location to open 2024
- Planned 3rd Providence branch to open 2024

*East Greenwich branch opened in May 2021
**Cumberland branch opened in August 2022
***Barrington branch opened in April 2023

STRATEGIC PRIORITY #2

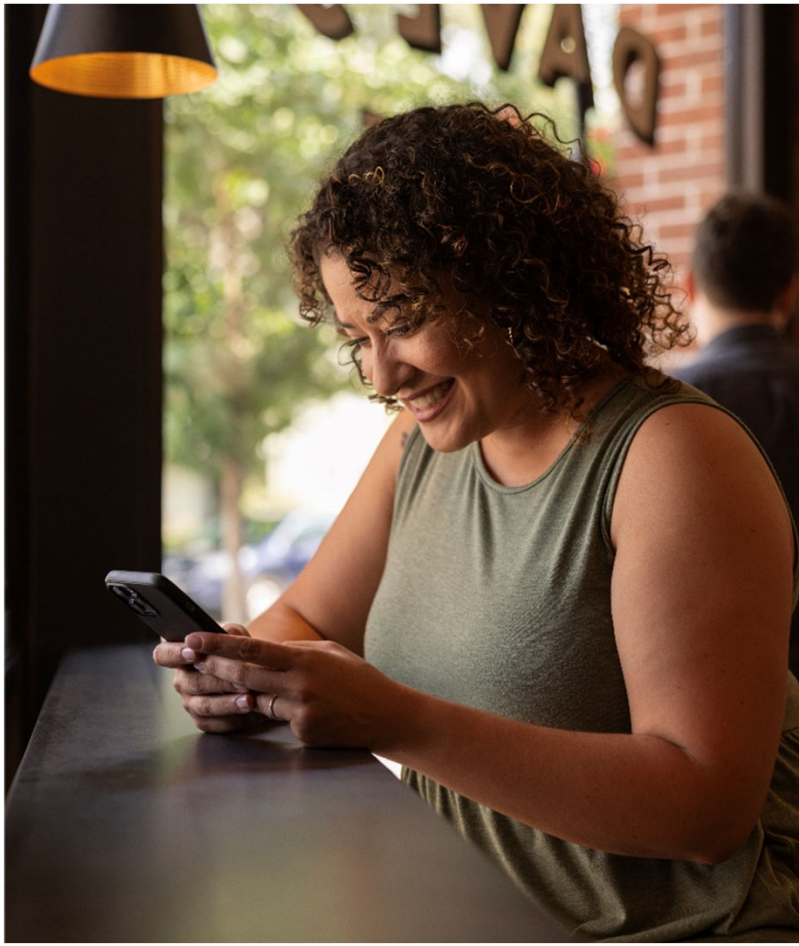
Achieving Digital Excellence

ENHANCING DIGITAL CAPABILITIES

- Approach customers and prospects in high-touch, digitally adept way
- Develop easy-to-use customer applications
- Integrate customer profiles across services

PROTECTING DATA

- Cyber threat intelligence
- ACH fraud detection
- Cloud-based data systems
- Network modernization



STRATEGIC PRIORITY #3

Deepen Client Relationships

IMPROVE RELATIONSHIPS

- Digital banking enhancements
- Financial planning process
- Automated asset verification
- Financial wellness center

EXPAND RELATIONSHIPS

- Business line integration
- Private clients
- COI networking
- Enhanced product suite



STRATEGIC PRIORITY #4

Expand Brand & Market Presence

- "What We Value Is You™"
- RI branches
- CT commercial banking office
- Brand marketing



STRATEGIC PRIORITY #5

Advancing ESG Priorities that Drive Stakeholder Value

Employee Engagement	Diversity, Equity & Inclusion Commitment	Corporate Governance	Data Security & Privacy	Community Involvement & Investment	Environmental Responsibility
					
Attract, motivate, & retain a talented, engaged, & diverse workforce focused on excellence	Celebrate a culture with diverse and mutual respect	Ensure we operate with highest ethical standards	Safeguard customer information/privacy and help customers protect themselves from fraud	Be an indispensable asset to our community & those who seek financial security & economic empowerment	Bring sustainable thinking into our business to help preserve our environment

A CLOSER LOOK AT

Advancing Financial Security & Economic Empowerment

We have a long-standing commitment to supporting our customers, their families, and our communities on their journey to financial wellness.



Community Lending Program

Variety of creative affordable loan opportunities, and financial literacy and educational programs.



Financial Wellness Centers

Free, multi-lingual digital resource library that provides interactive and relevant financial education for all ages.



School Financial Literacy Program

Partnering with schools throughout RI to offer free financial education software and classroom materials for the 2023-2024 school year.

IN SUMMARY

The Washington Trust Investment Story

LEVERAGING OUR STRONG MARKET POSITION AND RESILIENT BUSINESS MODEL TO DELIVER SUSTAINABLE VALUE FOR OUR SHAREHOLDERS

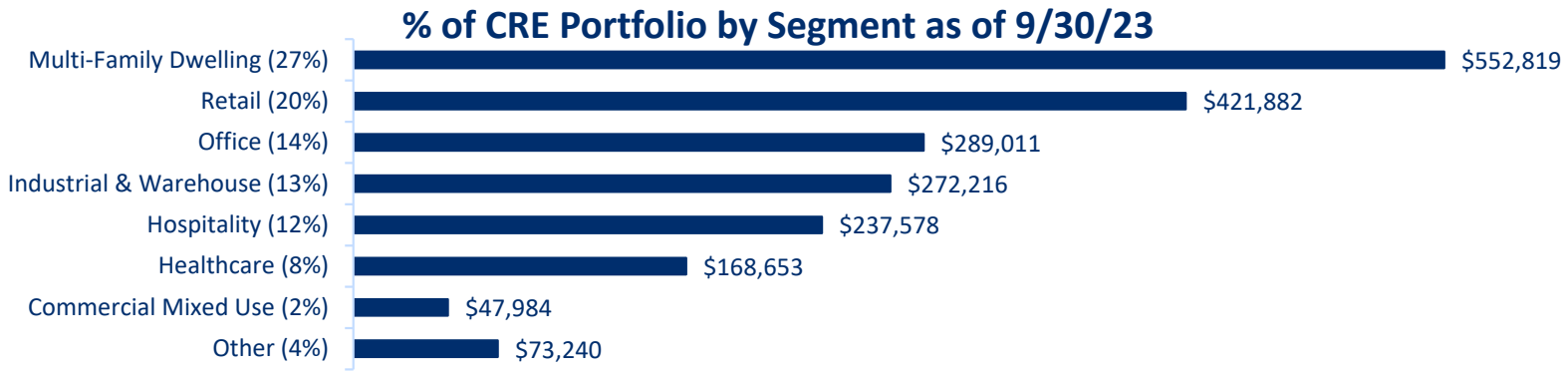
1. **Relationship-driven leader** with distinguished history and prestigious recognition
2. **Proven performance** with diverse revenue streams – consistent results through range of economic cycles
3. **Effective risk and asset/liability management -** strong balance sheet, strong credit profile and consistent returns
4. **Attractive dividend** payout and shareholder-friendly capital deployment strategy
5. **Customer-first strategy** – Advancing digital offerings, high-touch service, competitive products & pricing

Supplemental Information

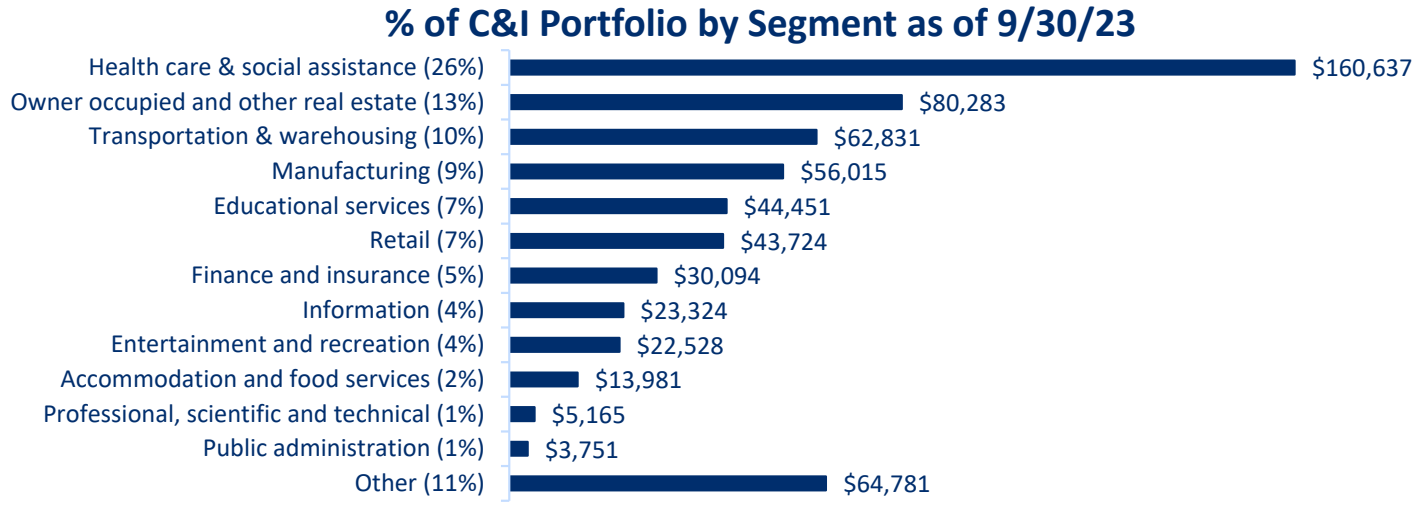


Commercial Lending Portfolio

Commercial real estate: $2.1 billion



Commercial & Industrial (C&I): $611.6 million



Office Portfolio

- Office portfolio consists of 53 loans and 47 relationships with a Carry Value of $289 million and Exposure of $323 million.
- Largest = $29.9mm ($14.9mm outstanding, in construction)
- Average LTV = 55.4%

			Weighted Average		Asset Quality							
					Pass		Special Mention		Classified		Non-Accrual (included in Classified)	
	Balance [2]	Avg Loan Size [3]	LTV	DSC	$	%	$	%	$	%	$	%
CRE Office Class:												
Class A	113,135	10,409	58%	1.48X	106,761	37%	6,374	2%	-	0%	-	0%
Class B	101,373	4,121	61%	1.42X	75,640	26%	13,560	5%	12,173	4%	8,646	3%
Class C	13,222	1,653	59%	1.40X	13,222	5%	-	0%	-	0%	-	0%
Medical Office	40,884	6,423	61%	1.44X	40,884	14%	-	0%	-	0%	-	0%
Lab Space	20,397	23,455	76%	1.34X	4,057	1%	-	0%	16,340	6%	-	0%
Total CRE Office [1]	289,011	6,087	62%	1.43X	240,564	83%	19,934	7%	28,513	10%	8,646	3%

$ thousands; at September 30, 2023

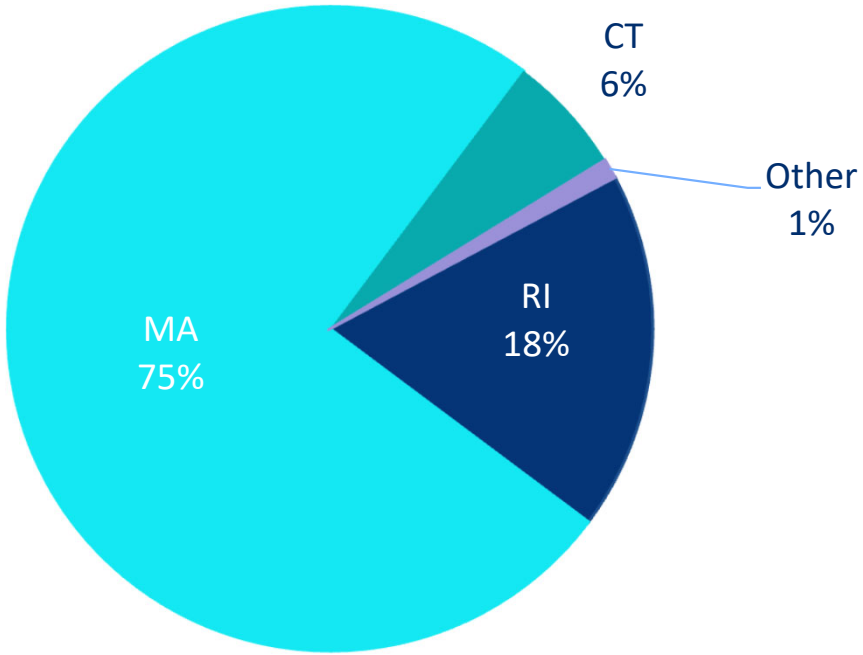
(1) Approximately 67% of the total commercial real estate office balance of $289 million is secured by income producing properties located in suburban areas. Approximately 20% the balance of total commercial real estate office balance will mature in two years.

(2) Does not include $33.5 million of unfunded commitments.

(3) Total commitment (outstanding loan balance plus unfunded commitments) divided by number of loans.

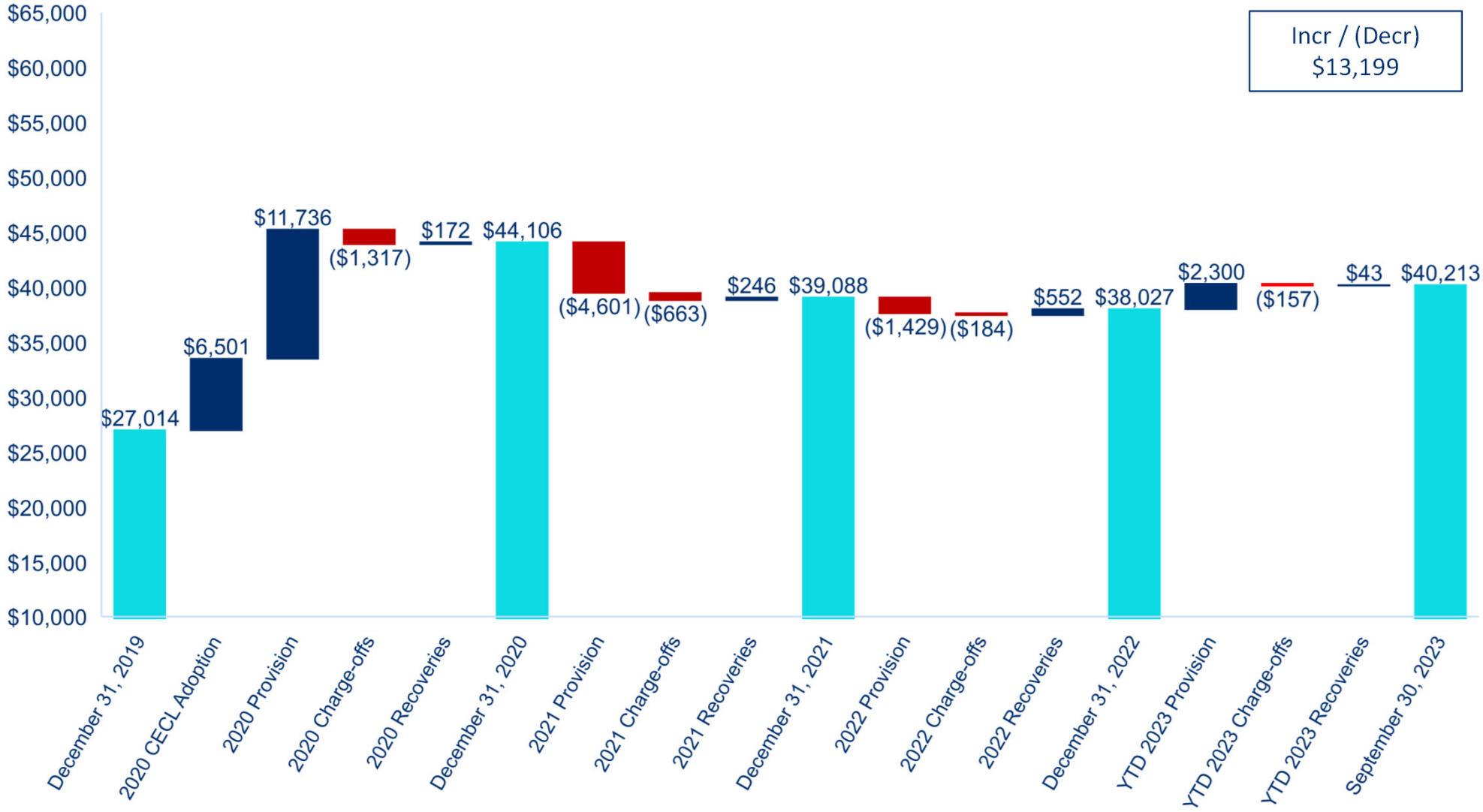
Residential & Home Equity

	Residential	Home Equity
Total portfolio ($ millions)	$ 2,611.1	$ 305.7
FICO score*	764	760
Total delinquencies	0.30%	0.63%
Nonperforming	0.36%	0.29%
Net charge-offs to average loans	0.00%	0.00%
LTV (1)	56.0%	25.8%



At or for the nine months ended September 30,2023
** Weighted average; refreshed August 2023*
(1) Weighted average LTV for residential loans is based on updated collateral values and current loan balances. LTV for home equity represent the LTV at origination.

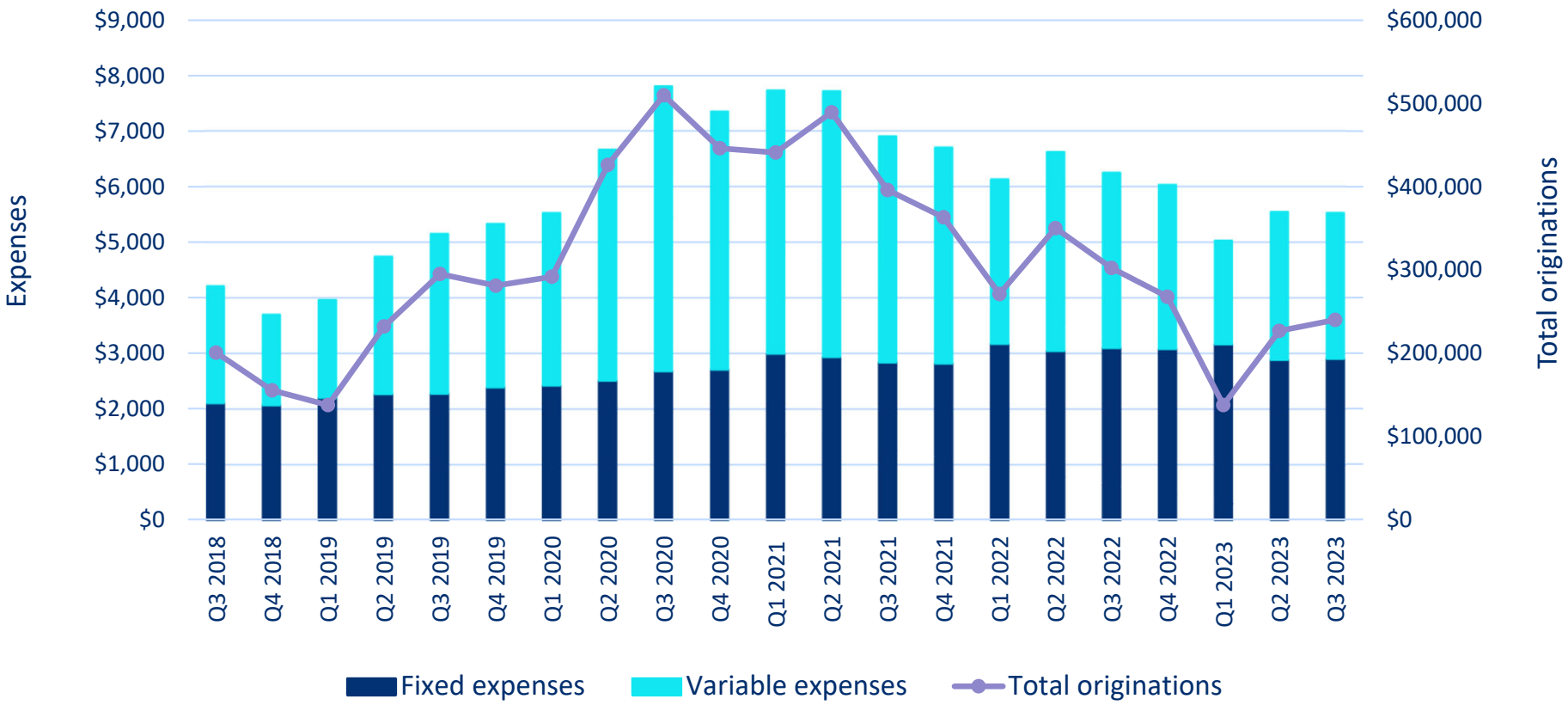
ACL Rollforward



$ thousands

Mortgage Execution

- Expense base is largely variable with volumes
- Fintech processing provides speed of execution and closing reliability



Expenses exclude deferred labor

Income Statement

$s in thousands	For the Quarter Ended Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Interest and dividend income	$ 80,721	$ 75,230	$ 68,762	$ 61,761	$ 52,138
Interest expense	46,970	41,730	31,569	20,419	10,096
Net interest income	33,751	33,500	37,193	41,342	42,042
Provision for credit losses	500	700	800	800	800
Net interest income after provision for credit losses	33,251	32,800	36,393	40,542	41,242
Total noninterest income	15,226	14,325	13,283	13,788	15,803
Noninterest expense	34,390	33,016	33,564	33,359	33,067
Income before income taxes	14,087	14,109	16,112	20,971	23,978
Income tax expense	2,926	2,853	3,300	4,398	5,310
Net income	$ 11,161	$ 11,256	$ 12,812	$ 16,573	$ 18,668

Balance Sheet

$s in thousands	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Assets:					
Cash and cash equivalents	$ 113,009	$ 128,316	$ 138,280	$ 118,422	$ 132,839
Total securities	1,011,658	1,068,326	1,097,248	1,037,391	1,015,513
Total loans	5,611,115	5,381,113	5,227,969	5,110,139	4,848,873
Less allowance for credit losses on loans	40,213	39,343	38,780	38,027	36,863
Net loans	5,570,902	5,341,770	5,189,189	5,072,112	4,812,010
Other assets	487,906	473,348	434,465	432,126	447,689
Total assets	$7,183,475	$7,011,760	$6,859,182	$6,660,051	$6,408,051
Liabilities and Shareholders' Equity:					
Total deposits	$5,415,563	$5,314,478	$5,268,514	$5,018,962	$5,069,857
FHLB advances	1,120,000	1,040,000	925,000	980,000	700,000
Other liabilities	193,827	175,440	178,004	184,739	183,239
Junior subordinated debentures	22,681	22,681	22,681	22,681	22,681
Total shareholders' equity	431,404	459,161	464,983	453,669	432,274
Total liabilities and shareholders' equity	$7,183,475	$7,011,760	$6,859,182	$6,660,051	$6,408,051

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Sep 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Calculation of tangible book value per share				
Total shareholders' equity at end of period	$431,404	$453,669	$564,808	$534,195
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,919	4,554	5,414	6,305
Total tangible shareholders' equity at end of period	$363,576	$385,206	$495,485	$463,981
Shares outstanding at end of period	17,019	17,183	17,331	17,265
Book value per share – GAAP	$25.35	$26.40	$32.59	$30.94
Tangible book value per share – Non-GAAP	$21.36	$22.42	$28.59	$26.87
Calculation of tangible equity to tangible assets				
Total tangible shareholders' equity at end of period	$363,576	$385,206	$495,485	$463,981
Total assets at end of period	$7,183,475	$6,660,051	$5,851,127	$5,713,169
Less:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	3,919	4,554	5,414	6,305
Total tangible assets at end of period	$7,115,647	$6,591,588	$5,781,804	$5,642,955
Equity to assets - GAAP	6.01%	6.81%	9.65%	9.35%
Tangible equity to tangible assets – Non-GAAP	5.11%	5.84%	8.57%	8.22%

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.

Non-GAAP Financial Measures

$s in thousands, except per share amounts	Quarter Ended Sep 30, 2023	Dec 31, 2022	FYE Dec 31, 2021	Dec 31, 2020
Calculation of return on average tangible assets:				
Net income, as reported	$ 11,161	$ 71,681	$ 76,870	$ 69,829
Total average assets, as reported	7,115,157	6,102,755	5,837,966	5,704,950
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,021	4,977	5,852	6,755
Total average tangible assets	$7,047,227	$6,033,869	$5,768,205	$5,634,286
Return on average assets - GAAP	0.62%	1.17%	1.32%	1.22%
Return on average tangible assets - Non-GAAP	0.63%	1.19%	1.33%	1.24%
Calculation of return on average tangible equity				
Net income available to common shareholders	$11,140	$71,479	$76,648	$69,678
Total average equity	$458,015	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,021	4,977	5,852	6,755
Total tangible assets at end of period	$390,085	$424,366	$476,432	$445,038
Return on average equity - GAAP	9.65%	14.49%	14.03%	13.51%
Return on average tangible equity - Non-GAAP	11.33%	16.84%	16.09%	15.66%

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.

Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	YTD June 30, 2023	FYE Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Calculation of adjusted return on average tangible equity				
Net income available to common shareholders	$24,020	$71,479	$76,648	$69,678
Adjustments:				
Amortization*	334	679	703	722
Adjusted net income available to common shareholders	24,354	72,158	77,351	70,400
Total average equity	463,183	$493,252	$546,193	$515,702
Less average balances:				
Goodwill	63,909	63,909	63,909	63,909
Identifiable intangible assets, net	4,339	4,977	5,852	6,755
Total tangible assets at end of period	$394,935	$424,366	$476,432	$445,038
Adjusted return on average tangible equity - Non-GAAP	12.33%	17.00%	16.24%	15.82%

* Tax effected

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.

Non-GAAP Financial Measures

As calculated by S&P Global Market Intelligence

$s in thousands, except per share amounts	YTD Jun 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of core return on average equity						
Net income, as reported	$24,068	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	334	679	703	722	745	773
Non-recurring revenue*			(790)	(1,287)	(72)	
Non-recurring expense*			5,475	1,116	42	985
Net income, adjusted	24,402	72,360	82,258	70,380	69,833	70,190
Total average equity	463,183	493,252	546,193	515,702	481,004	421,506
Core return on average equity	10.54%	14.67%	15.06%	13.65%	14.52%	16.65%

$s in thousands, except per share amounts	YTD Jun 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Calculation of risk weighted core return on average assets						
Net income, as reported	$24,068	$71,681	$76,870	$69,829	$69,118	$68,432
Adjustments:						
Amortization*	334	679	703	722	745	773
Non-recurring revenue*			(790)	(1,287)	(72)	
Non-recurring expense*			5,475	1,116	42	985
Net income, adjusted	24,402	72,360	82,258	70,380	69,833	70,190
Risk weighted assets	5,110,128	4,892,016	4,126,308	3,994,149	3,821,602	3,626,820
Risk weighted core return on average assets	0.96%	1.48%	1.99%	1.76%	1.83%	1.94%

* Tax effected

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.