



WASHINGTON TRUST BANCORP, INC.

2022  
Annual  
Report

# Chairman's Message

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“Community banking is about people, and we are committed to providing the right solutions to meet our employee and customer needs.”  
— Edward O. “Ned” Handy III

## Letter to Shareholders

I'm pleased to report Washington Trust once again delivered solid financial results and consistent returns to shareholders in 2022, a year marked by significant economic challenges brought about by the lingering effects of the global pandemic, inflationary pressures, changes in the interest rate environment, and more. We remained committed to offering a high level of personal service, digital solutions, and trusted advice, while ensuring we were intentionally engaged and supportive of our employees, customers, and communities to help them through these turbulent times. Our strong capital position, disciplined credit culture, and diverse business model sustained us through previous economic cycles and contributed to our success.

Growth is a key strategic initiative, and we take a disciplined approach to market expansion. Over the past decade, de novo branching provided a source of new deposits and helped us retain our position as the top state-chartered bank for FDIC-insured deposits in Rhode Island. In 2022 we opened a branch in Cumberland, Rhode Island and identified future branch

locations in Providence, Barrington, and Smithfield. Over the years, we have successfully expanded our mortgage lending, commercial banking, and wealth management operations outside of our core Rhode Island market area. Our key business line performances reflect the continued challenges of financial market volatility, intense competition, increased regulation, and other environmental factors. Our wealth management division withstood client attrition late in the year, but we remain committed to growing this key line of business for the long term. In 2022, we expanded our team of local commercial banking professionals and opened a commercial lending office in New Haven, Connecticut. We look forward to building and deepening customer relationships and enhancing our brand presence in the Connecticut market. We believe there are additional growth opportunities for a bank like Washington Trust in these attractive markets.

Community banking is about people, and we are committed to providing the right solutions to meet our employee and customer needs. We quickly adapted to

## Financial highlights for the year ended December 31, 2022:

**\$71.7M**  
in net income  
or \$4.11 diluted  
earnings per share | **CONSISTENT  
PROFITABILITY**

**14.49%**  
return on average  
equity and 1.17% return  
on average assets | **SOLID  
RETURNS**

**\$6.7B**  
in total assets | **RECORD  
LEVEL**

**\$5.1B**  
in total loans | **ALL-TIME  
HIGH**

**\$5.0B**  
in total deposits | **SOLID IN-MARKET  
DEPOSIT GROWTH**

**\$6.0B**  
in wealth  
management assets  
under administration | **A KEY SOURCE  
OF NONINTEREST  
INCOME**

**\$2.18**  
cash dividends  
per share | **TWELFTH  
CONSECUTIVE  
YEAR OF DIVIDEND  
INCREASES**



## Chairman’s Message

**In April 2023, Mark Gim will retire, and Mary Noons will become the first female President and Chief Operating Officer in Washington Trust history.**

“I am grateful for Mark’s leadership and look forward to his continued guidance in his new role as a member of the Corporation’s Board of Directors. I am excited to work alongside Mary, who has a proven track record of achieving business line growth, service excellence, and customer satisfaction during her almost 30-year career with us, and who offers great strategic vision for the Corporation’s future success.”  
— *Edward O. “Ned” Handy III*



the new work and lifestyle preferences and behaviors brought about by the pandemic. We made investments in technology, introduced digital solutions, and employed new processes across business lines to improve employee and customer experiences. We successfully blended high-touch customer service, for which we are well-known, with access to high-tech tools, providing the speed, security, and convenience many consumers desire. We welcomed employees “back to the office,” post-pandemic, offering a hybrid work environment and providing secure tools to enable them to perform efficiently, and serve customers effectively, while affording them the desired work-life balance.

Washington Trust has a strong and distinctive corporate culture, and we remain committed to fostering a supportive and inclusive work environment, attracting a highly talented and diverse workforce, and supporting and empowering our team to achieve their personal and professional goals. We have a formalized strategy that guides our diversity, equity & inclusion (“DE&I”) efforts, focusing on four pillars – culture and employee experience; recruitment, development, and retention; leadership and workforce engagement; and impactful community relationships. To assist us in implementing our DE&I strategy,

we have established the Washington Trust DE&I Council, a cross functional group of colleagues representing different perspectives, backgrounds, and experiences. We are excited by the Council’s passion and look forward to their contributions in ensuring Washington Trust continues to offer a welcoming environment and remains an employer of choice.

We are proud of the recognition we received in 2022, which include being:

- Listed as one of the nation’s “Best Banks to Work For” by *American Banker*® magazine, for the fourth consecutive year
- Selected as one of the “Healthiest Employers in Rhode Island” by *Providence Business News*, for the second consecutive year
- Given outstanding recognition by *Newsweek* as “Best Small Bank in Rhode Island”
- Recognized as one of “Rhode Island’s Best Places to Work” by *Providence Business News*, for the twelfth consecutive year

In 2022 we celebrated our 222nd Anniversary and are proud to be the oldest community bank in the nation. With this mantle we bear great responsibility

to ensure our actions are authentic and we continue to do what’s right for our employees, our customers, our communities, and our shareholders. Our 2022 Environmental, Social, and Governance (“ESG”) Report will share the many ways we provide “those little assistances,” as our original charter states. In honor of our 222nd Anniversary, our employees committed more than 222 “Acts of Kindness,” serving as community leaders and volunteers to make a difference in the lives of their family, neighbors, and friends. I’m immensely proud of our team and the work they do every day to make Washington Trust the “Best Place to Work”.

We are confident in our business model and our team and believe we are well-positioned to meet the challenges ahead. We remain committed to enhancing long-term value for our shareholders and thank you for your continued support.

Sincerely,

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

# Operational Review & Looking Forward

## Driving Growth in a Challenging Market



### The Year in Review with Mark Gim

In 2022 we shifted from the “emergency response” environment of 2020 and 2021 to a more “normalized” environment, and continued our focus on three major priorities: expanding our reach, enhancing our capabilities for customers, and producing attractive returns for shareholders.

Over the past decade we have successfully expanded our physical presence by opening offices in new markets—branches in our home state of Rhode Island and mortgage offices in nearby Massachusetts and Connecticut. However, in recent years our region has seen an increase in office closings due to mergers and acquisitions and planned network consolidation. This market disruption, coupled with changing customer behavior, has presented us with new opportunities. We believe there is room for a company like Washington Trust—which offers a unique blend of sophisticated financial products, digital conveniences, and high-touch personal service—to further expand in southeastern New England. We are committed to doing just that and, in 2022, opened a retail branch in Cumberland, Rhode Island and selected future

branch locations in Barrington, Providence, and Smithfield, Rhode Island. We also opened a commercial banking office in New Haven, Connecticut, adjacent to our wealth management office, to enhance our presence and capitalize on opportunities in the area.

Physical expansion has proven to be a successful strategy for us, as it symbolizes our investment in the local community, which is a key part of our community banking model. It works for customers too, as they can meet face-to-face with our caring, experienced trusted advisors for access to our comprehensive array of financial solutions. We have found, even in today’s digital age, the knowledge our employees confer and the personal service they provide is still valued by customers and presents a distinctive competitive advantage. We assist customers through all life stages, through personal banking, commercial banking, trust and wealth management services, or a combination thereof, ensuring our customers and their families have access to a team of advisors to meet their needs.

While traditional office and branch delivery has proven to be a formula for success, we recognize it is also important to meet customers through the channels they choose. The pandemic rapidly changed

customer behavioral patterns, as well as the definition and expectations of ‘service’. We understand the importance of adapting to changing customer needs and demands and, in recent years, greatly enhanced our digital capabilities and operational processes.

**We view technology as a customer experience enhancer, and believe, in conjunction with human knowledge and touch, it can be a tremendous differentiator for us going forward.**

In 2022 we continued to make appropriate investments in technology and introduced new digital tools to meet customer preferences for fast, convenient access to personal, business, and wealth services. Whether it was online applications, e-signatures, or video conferences, delivering services through preferred methods was paramount to enhancing the customer experience.

We believe listening to customers, adapting to their changing patterns of use, and providing sound solutions fosters satisfaction. We regularly survey our customers to ensure we are meeting their financial needs and expectations for service excellence. By focusing on ways to provide holistic solutions to customers’ financial needs, we can meet customers through the

## Operational Review & Looking Forward

“Over the last three years how we work has changed radically, but our ability to quickly pivot, without losing our culture, has been critical.” — *Mark Gim*

channels most relevant to them, providing faster and more cost-effective service. By blending the convenience and access of digital services with our high-touch service, we can satisfy customers now and in the future. We understand that the challenge is maintaining the right balance to ensure relevance and sustain continued growth and profitability.

Our success is ultimately measured by the actions we take to satisfy our employees, customers, and communities. Over the last three years how we work has changed radically, but our ability to quickly pivot, without losing our culture, has been critical. If we lost our culture, we wouldn't be Washington Trust, because people and human connections are what make us different and special. We have been voted one of the best places to work by our employees, and our positive impact on our communities hasn't faltered. We've adjusted

as people's needs have changed. We've maintained consistency in our workforce by offering employees a more flexible work environment and affording them the work-life balance they desire, without sacrificing customer service or satisfaction. If we can maintain our culture as we grow, we can continue to deliver financial returns for our shareholders. To us, the sum is greater than the parts. Our track record is strong. We've shown that we can manage through great changes and deliver the right outcomes for our employees, customers, the community, and our shareholders.

### Looking Forward with Mary Noons

In my new role as President and Chief Operating Officer, I will apply the 'lessons learned' over my 30-year career, which have shaped my approach to community banking. Washington Trust has always put the customer first and we must retain that focus—especially as delivery channels and customer preferences change. I believe there is a place for community banks who are forward-looking, provide meaningful and convenient solutions, and make a difference in the lives of their employees, customers, and communities. My goal is to strengthen business integration and innovative thinking to all areas of the

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company, so we remain a relevant and financially successful company.

**Business integration involves finding the right balance of people, process, and technology. As a business strategy it can effectively drive revenue and growth by improving internal workflows, creating operational efficiencies, mitigating risk, and enhancing customer experiences.**

In recent years we've introduced technology that has automated tasks previously performed by employees, streamlining processes without sacrificing the high-quality service for which Washington Trust is known. In fact, our Net Promoter Score, a metric used to measure customer loyalty and satisfaction, consistently ranks above national averages.

Our approach to integration entails viewing the customer journey “through their eyes”— as this allows us to better understand our customers' needs, desires, and preferences. We believe every customer has a unique story. Our goal is to build meaningful relationships with our customers by providing solutions that meet their needs through all stages of their life journey. People can get deposits, loans, and wealth management services anywhere.

At Washington Trust we look beyond the product—our trusted advisors collaborate to help a customer save for a child's education, fulfill their dream of home ownership, create a plan for retirement, and finance a growing business—all in one place!

Innovative thinking occurs when employees at all levels are encouraged to start sharing ideas and solving problems. Allowing this type of collaboration not only strengthens our employees' motivation, but is engaging, exciting, and empowering! It gives me confidence knowing our employees genuinely care about our customers and our company. We have a great wealth of knowledge in our talent pool, and I believe by encouraging innovative thinking companywide, we can discover new and better ways of doing our jobs, serving our customers, and delivering returns for our shareholders.



# Financial Highlights

(Dollars in thousands, except per share amounts)

FINANCIAL CONDITION	2022	2021	2020
Total assets	<b>\$6,660,051</b>	\$5,851,127	\$5,713,169
Total securities	<b>993,928</b>	1,042,859	894,571
Total loans	<b>5,110,139</b>	4,272,925	4,195,990
Allowance for credit losses on loans	<b>38,027</b>	39,088	44,106
Total deposits	<b>5,018,962</b>	4,980,051	4,378,353
Total shareholders' equity	<b>453,669</b>	564,808	534,195
Book value per share	<b>26.40</b>	32.59	30.94
Total risk-based capital ratio	<b>12.37%</b>	14.01%	13.51%
Equity to assets	<b>6.81%</b>	9.65%	9.35%

OPERATING RESULTS	2022	2021	2020
Net interest income	<b>\$155,990</b>	\$141,435	\$127,444
Provision for credit losses	<b>(1,300)</b>	(4,822)	12,342
Wealth management revenues	<b>38,746</b>	41,282	35,454
Mortgage banking revenues	<b>8,733</b>	28,626	47,377
Other noninterest income	<b>15,123</b>	17,486	16,611
Total noninterest expenses	<b>128,722</b>	135,464	125,384
Income before income taxes	<b>91,170</b>	98,187	89,160
Income tax expense	<b>19,489</b>	21,317	19,331
Net income	<b>71,681</b>	76,870	69,829
Earnings per common share – diluted	<b>4.11</b>	4.39	4.00
Cash dividends declared per share	<b>2.18</b>	2.10	2.05
Return on average assets	<b>1.17%</b>	1.32%	1.22%
Return on average equity	<b>14.49%</b>	14.03%	13.51%
Net interest margin (taxable equivalent basis)	<b>2.69%</b>	2.59%	2.40%

ASSET QUALITY	2022	2021	2020
Nonperforming assets to total assets	<b>0.19%</b>	0.24%	0.23%
Total past due loans to total loans	<b>0.23%</b>	0.24%	0.30%
Allowance for credit losses on loans to total loans	<b>0.74%</b>	0.91%	1.05%
Net loan (recoveries) charge-offs to average loans	<b>(0.01%)</b>	0.01%	0.03%

This report contains certain statements that may be considered “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results, performance or achievements of Washington Trust may differ materially from those discussed in these forward-looking statements, as a result of, among other factors, the factors described under the caption “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the Securities and Exchange Commission (“SEC”) and updated by our Quarterly Reports on Form 10-Q and other filings with the SEC. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this report, and Washington Trust assumes no obligation to update forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.



## Executive Leadership

The Washington Trust Company

**Edward O. Handy III**  
Chairman and Chief Executive Officer

**Mark K. W. Gim**  
President and Chief Operating Officer

**Mary E. Noons**  
Senior Executive Vice President and Chief Retail Lending Officer

**Kristen L. DiSanto**  
Senior Executive Vice President, Chief Human Resources Officer and Corporate Secretary

**Ronald S. Ohsberg**  
Senior Executive Vice President, Chief Financial Officer and Treasurer

**William K. Wray, Sr.**  
Senior Executive Vice President and Chief Risk Officer

**Dennis L. Algieri**  
Executive Vice President, Chief Compliance Officer and Director of Community Affairs

**Anthony A. Botelho**  
Executive Vice President and Chief Commercial Lending Officer

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

**Debra A. Gormley**  
Executive Vice President and Chief Retail Banking Officer

**Maria N. Janes, CPA**  
Executive Vice President, Chief Accounting Officer and Controller

**Jame A. Mignone**  
Executive Vice President and Chief Information Officer

**Kathleen A. Ryan, Esq.**  
Executive Vice President and Chief Wealth Management Officer

**Julia Anne M. Slom**  
Executive Vice President and Chief Commercial Real Estate Lending Officer

**C. Scott Ostrowski**  
Senior Vice President and Chief Audit Executive

### *The Washington Trust Company Directors' Advisory Council:*

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

## Board of Directors

Washington Trust Bancorp, Inc.

**John J. Bowen**  
Chancellor Emeritus, Johnson & Wales University

**Steven J. Crandall**  
Vice President, Ashaway Line & Twine Mfg. Co.

**Robert A. DiMuccio, CPA**  
Retired Chairman, President and Chief Executive Officer, Amica Mutual Insurance Company

**Joseph P. Gencarella, CPA**  
Retired Audit Partner, KPMG LLP

**Mark K. W. Gim**  
President and Chief Operating Officer, Washington Trust Bancorp, Inc.

**Edward O. Handy III**  
Chairman and Chief Executive Officer, Washington Trust Bancorp, Inc.

**Constance A. Howes, Esq.**  
Retired Healthcare Executive

**Joseph J. MarcAurele**  
Retired Chairman and Chief Executive Officer, Washington Trust Bancorp, Inc.

**Kathleen E. McKeough**  
Retired Senior Vice President of Human Resources, GTECH Holdings Corporation

**Sandra Glaser Parrillo**  
Retired President and Chief Executive Officer, Providence Mutual Fire Insurance Company

**John T. Ruggieri**  
Retired Senior Vice President and Chief Financial Officer, Gilbane Building Company, and Vice President and Chief Financial Officer, Gilbane, Inc.

**Edwin J. Santos**  
Retired Financial Services Executive

**Lisa M. Stanton**  
Retired General Manager, Enterprise Strategy, American Express

### *Officers of the Corporation:*

**Edward O. Handy III**  
Chairman and Chief Executive Officer

**Mark K. W. Gim**  
President and Chief Operating Officer

**Kristen L. DiSanto**  
Senior Executive Vice President, Chief Human Resources Officer and Corporate Secretary

**Ronald S. Ohsberg**  
Senior Executive Vice President, Chief Financial Officer and Treasurer

**Maria N. Janes, CPA**  
Executive Vice President, Chief Accounting Officer and Controller

**WEBSITES**

[ir.washtrust.com](http://ir.washtrust.com)

[washtrust.com](http://washtrust.com)

[washtrustmortgage.com](http://washtrustmortgage.com)

[washtrustwealth.com](http://washtrustwealth.com)

**TICKER SYMBOL**

NASDAQ: WASH

The Corporation has an Affirmative Action Plan and is an Equal Opportunity Employer. Washington Trust is also a member of the FDIC and an Equal Housing Lender.

**Stock Transfer and Dividend Disbursing Agent:**

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue, Brooklyn, NY 11219  
800-852-0354 • [www.astfinancial.com](http://www.astfinancial.com)

The Corporation's 2023 Proxy Statement and 2022 Form 10-K are available online by visiting the Corporation's website [ir.washtrust.com/proxy](http://ir.washtrust.com/proxy), by calling the Corporation's toll-free number at 800-475-2265 extension 1566, or by email at [investor.relations@washtrust.com](mailto:investor.relations@washtrust.com).

**Auditors:** Crowe LLP, Grand Rapids, Michigan

**Counsel:** Goodwin Procter LLP, Boston, Massachusetts

