

WASHINGTON TRUST BANCORP INC
Form 10-Q
November 08, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **SEPTEMBER 30, 2006** or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number: 000-13091

WASHINGTON TRUST BANCORP, INC.

(Exact name of registrant as specified in its charter)

RHODE ISLAND

(State or other jurisdiction of
incorporation or organization)

05-0404671

(I.R.S. Employer
Identification No.)

23 BROAD STREET

WESTERLY, RHODE ISLAND

(Address of principal executive
offices)

02891

(Zip Code)

(401) 348-1200

(Registrant's telephone number,
including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of common stock of the registrant outstanding as of October 31, 2006 was 13,464,109.

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WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
For the Quarter Ended September 30, 2006

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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. All statements, other than statements of historical facts, including statements regarding our strategy, effectiveness of investment programs, evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, success of acquisitions, future operations, market position, financial position, and prospects, plans, goals and objectives of management are forward-looking statements. The actual results, performance or achievements of the Corporation (as defined below) could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in general national or regional economic conditions, changes in interest rates, reductions in the market value of wealth management and trust assets under administration, reductions in loan demand, reductions in deposit levels necessitating increased borrowing to fund loans and investments, changes in loan default and charge-off rates, changes in the size and nature of the Corporation’s competition, changes in legislation or regulation and accounting principles, policies and guidelines, and changes in the assumptions used in making such forward-looking statements. The Corporation assumes no obligation to update

forward-looking statements or update the reasons actual results, performance or achievements could differ materially from those provided in the forward-looking statements, except as required by law.

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****WASHINGTON TRUST BANCORP, INC. AND
SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Dollars in thousands)**

(Unaudited)

September 30,
2006December 31,
2005**Assets:**

Cash and due from banks	\$	52,862	\$	48,997
Federal funds sold and other short-term investments		15,923		17,166
Mortgage loans held for sale		2,913		439

Securities:

Available for sale, at fair value; amortized cost \$581,154 in 2006 and \$620,638 in 2005		580,506		619,234
Held to maturity, at cost; fair value \$159,099 in 2006 and \$162,756 in 2005		160,844		164,707
Total securities		741,350		783,941
Federal Home Loan Bank stock, at cost		31,966		34,966

Loans:

Commercial and other		561,314		554,734
Residential real estate		587,372		582,708
Consumer		279,798		264,466
Total loans		1,428,484		1,401,908
Less allowance for loan losses		18,645		17,918
Net loans		1,409,839		1,383,990
Premises and equipment, net		24,068		23,737
Accrued interest receivable		11,441		10,594
Investment in bank-owned life insurance		39,374		30,360
Goodwill		44,558		39,963
Identifiable intangible assets, net		13,200		14,409
Other assets		15,772		13,441
Total assets	\$	2,403,266	\$	2,402,003

Liabilities:**Deposits:**

Demand deposits	\$	189,329	\$	196,102
NOW accounts		172,317		178,677
Money market accounts		295,431		223,255
Savings accounts		193,029		212,499
Time deposits		850,080		828,725
Total deposits		1,700,186		1,639,258
Dividends payable		2,558		2,408
Federal Home Loan Bank advances		464,148		545,323
Junior subordinated debentures		22,681		22,681
Other borrowings		14,928		9,774
Accrued expenses and other liabilities		26,345		24,113
Total liabilities		2,230,846		2,243,557

Shareholders' Equity:

Common stock of \$.0625 par value; authorized 30,000,000 shares; issued 13,459,740 shares in 2006 and 13,372,295 in 2005		841		836
Paid-in capital		35,096		32,778
Retained earnings		137,900		126,735

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Accumulated other comprehensive loss	(1,050)	(1,653)
Treasury stock, at cost; 14,676 shares in 2006 and 10,519 shares in 2005	(367)	(250)
Total shareholders' equity	172,420	158,446
Total liabilities and shareholders' equity	\$ 2,403,266	\$ 2,402,003

The accompanying notes are an integral part of these consolidated financial statements.

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**WASHINGTON TRUST BANCORP,
INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
INCOME**

(Dollars and shares in thousands,

except per share amounts)

Periods ended September 30,	(Unaudited)			
	Three Months		Nine Months	
	2006	2005	2006	2005
Interest income:				