UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 **June 30, 2026** 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: 001-32991

WASHINGTON TRUST BANCORP, INC.

(Exact name of registrant as specified in its charter)

Rhode Island	**05-0404671**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
23 Broad Street, Westerly, Rhode Island	**02891**
(Address of principal executive offices)	(Zip Code)

(401) 348-1200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:		
Title of each class	Trading Symbol(s)	Name of each exchange on which registered
COMMON STOCK, $.0625 PAR VALUE PER SHARE	**WASH**	**Nasdaq Global Select Market**

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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 July 31, 2026 was 19,074,321.

FORM 10-Q
WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
For the Quarter Ended June 30, 2026

TABLE OF CONTENTS

Glossary of Acronyms and Terms

The following is a list of acronyms and terms that are used throughout this Quarterly Report on Form 10-Q:

2025 Repurchase Program	Washington Trust Bancorp, Inc.'s Stock Repurchase Program commencing May 15, 2025
2026 Repurchase Program	Washington Trust Bancorp, Inc.'s Stock Repurchase Program commencing May 16, 2026
ACL	Allowance for credit losses
ALCO	Asset/Liability Committee
AOCL	Accumulated other comprehensive loss
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated teller machine
AUA	Assets under administration
Bancorp	Washington Trust Bancorp, Inc.
Bank	The Washington Trust Company, of Westerly
BOLI	Bank-owned life insurance
C&I	Commercial and industrial
CDARS	Certificate of Deposit Account Registry Service
CODM	Chief Operating Decision Maker
Corporation	The Bancorp and its subsidiaries
CRE	Commercial real estate
DDM	Demand Deposit Marketplace
EPS	Earnings per common share
ERM	Enterprise risk management
Exchange Act	Securities Exchange Act of 1934, as amended
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank of Boston
FRBB	Federal Reserve Bank of Boston
FTE	Fully taxable equivalent
GAAP	Accounting principles generally accepted in the United States of America
ICS	Insured Cash Sweep
LTV	Loan to value
NIM	Net interest margin
OREO	Property acquired through foreclosure or repossession
S&P	Standard and Poors, Inc.
SBA	Small Business Administration
SEC	U.S. Securities and Exchange Commission
SNC	Shared National Credit
TLM	Troubled loan modification
Washington Trust	The Bancorp and its subsidiaries

PART I. Financial Information
Item 1. Financial Statements

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Balance Sheets (unaudited)
(Dollars in thousands, except par value)

	June 30, 2026	December 31, 2025
Assets:		
Cash and due from banks	$26,443	$29,481
Interest-earning deposits with correspondent banks	89,069	61,375
Short-term investments	11,883	12,878
Mortgage loans held for sale, at fair value	33,608	35,833
Available for sale debt securities, at fair value (amortized cost of $981,994, net of allowance for credit losses on securities of $0 at June 30, 2026; and amortized cost of $1,035,205; net of allowance for credit losses on securities of $0 at December 31, 2025)	885,321	940,342
Federal Home Loan Bank stock, at cost	23,809	29,473
Loans:		
Total loans	5,103,069	5,134,388
Less: allowance for credit losses on loans	42,571	37,236
Net loans	5,060,498	5,097,152
Premises and equipment, net	26,171	25,402
Operating lease right-of-use assets	35,029	35,904
Investment in bank-owned life insurance	116,914	115,126
Goodwill	63,909	63,909
Identifiable intangible assets, net	3,992	4,303
Other assets	171,258	170,516
Total assets	$6,547,904	$6,621,694
Liabilities:		
Deposits:		
Noninterest-bearing deposits	$644,011	$595,092
Interest-bearing deposits	4,714,862	4,674,898
Total deposits	5,358,873	5,269,990
Federal Home Loan Bank advances	456,000	626,000
Junior subordinated debentures	22,681	22,681
Operating lease liabilities	37,935	38,726
Other liabilities	118,892	120,713
Total liabilities	5,994,381	6,078,110
Commitments and contingencies (Note 15)		
Shareholders' Equity:		
Common stock of $.0625 par value; authorized 60,000,000 shares; 19,561,985 shares issued and 19,070,704 shares outstanding at June 30, 2026 and 19,561,985 shares issued and 19,034,935 shares outstanding at December 31, 2025	1,223	1,223
Paid-in capital	198,088	198,323
Retained earnings	449,650	442,741
Accumulated other comprehensive loss	(77,360)	(79,309)
Treasury stock, at cost; 491,281 shares at June 30, 2026 and 527,050 shares at December 31, 2025	(18,078)	(19,394)
Total shareholders' equity	553,523	543,584
Total liabilities and shareholders' equity	$6,547,904	$6,621,694

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

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Statements of Income (unaudited)
(Dollars and shares in thousands, except per share amounts)

		Three Months		Six Months	
Periods ended June 30,		2026	2025	2026	2025
Interest income:					
Interest and fees on loans		$64,711	$67,345	$129,049	$134,001
Interest on mortgage loans held for sale		478	442	853	1,400
Taxable interest on debt securities		8,468	9,230	17,236	18,057
Nontaxable interest on debt securities		8	8	15	15
Dividends on Federal Home Loan Bank stock		506	792	1,091	1,814
Other interest income		998	1,029	1,907	3,022
Total interest and dividend income		75,169	78,846	150,151	158,309
Interest expense:					
Deposits		27,567	30,864	54,937	62,612
Federal Home Loan Bank advances		5,491	10,451	12,268	21,397
Junior subordinated debentures		308	346	618	693
Total interest expense		33,366	41,661	67,823	84,702
Net interest income		41,803	37,185	82,328	73,607
Provision for credit losses		1,600	600	5,600	1,800
Net interest income after provision for credit losses		40,203	36,585	76,728	71,807
Noninterest income:					
Wealth management revenues		11,201	10,120	21,848	20,011
Mortgage banking revenues		3,473	3,034	6,518	5,338
Card interchange fees		1,305	1,247	2,690	2,756
Service charges on deposit accounts		842	808	1,627	1,552
Loan related derivative income		583	676	810	777
Income from bank-owned life insurance		904	826	1,789	1,595
Gain on sale of bank-owned properties, net		—	—	—	6,994
Other income		354	367	683	698
Total noninterest income		18,662	17,078	35,965	39,721
Noninterest expense:					
Salaries and employee benefits		25,312	23,025	49,652	45,447
Outsourced services		4,266	4,404	8,649	8,750
Net occupancy		2,735	2,662	5,625	5,403
Equipment		887	930	1,790	1,821
Legal, audit, and professional fees		824	726	1,760	1,476
FDIC deposit insurance costs		952	1,235	1,887	2,497
Advertising and promotion		771	717	1,318	1,127
Amortization of intangibles		156	203	311	407
Pension plan settlement charge		—	—	—	6,436
Other expenses		2,694	2,628	5,370	5,362
Total noninterest expense		38,597	36,530	76,362	78,726
Income before income taxes		20,268	17,133	36,331	32,802
Income tax expense		4,287	3,888	7,750	7,378
Net income		$15,981	$13,245	$28,581	$25,424
Weighted average common shares outstanding - basic		19,064	19,285	19,051	19,280
Weighted average common shares outstanding - diluted		19,204	19,374	19,189	19,372
Per share information:	Basic earnings per common share	$0.84	$0.69	$1.50	$1.32
	Diluted earnings per common share	$0.83	$0.68	$1.49	$1.31

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

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Net income	$15,981	$13,245	$28,581	$25,424
Other comprehensive income, net of tax:				
Net change in fair value of available for sale debt securities	(23)	2,132	(1,357)	14,762
Net change in fair value of cash flow hedges	1,079	1,076	3,269	1,669
Net change in defined benefit plan obligations	19	22	37	6,791
Total other comprehensive income, net of tax	1,075	3,230	1,949	23,222
Total comprehensive income	$17,056	$16,475	$30,530	$48,646

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

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (unaudited)
(Dollars and shares in thousands, except per share amounts)

For the three months ended June 30, 2026	Common Shares Outstanding	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at March 31, 2026	19,041	$1,223	$198,654	$444,508	($78,435)	($19,177)	$546,773
Net income	—	—	—	15,981	—	—	15,981
Total other comprehensive income, net of tax	—	—	—	—	1,075	—	1,075
Cash dividends declared ($0.56 per share)	—	—	—	(10,839)	—	—	(10,839)
Share-based compensation	—	—	847	—	—	—	847
Exercise of stock options, issuance of other compensation-related equity awards, net of awards surrendered	30	—	(1,413)	—	—	1,099	(314)
Balance at June 30, 2026	19,071	$1,223	$198,088	$449,650	($77,360)	($18,078)	$553,523

For the six months ended June 30, 2026	Common Shares Outstanding	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2025	19,035	$1,223	$198,323	$442,741	($79,309)	($19,394)	$543,584
Net income	—	—	—	28,581	—	—	28,581
Total other comprehensive income, net of tax	—	—	—	—	1,949	—	1,949
Cash dividends declared ($1.12 per share)	—	—	—	(21,672)	—	—	(21,672)
Share-based compensation	—	—	1,498	—	—	—	1,498
Exercise of stock options, issuance of other compensation-related equity awards, net of awards surrendered	36	—	(1,733)	—	—	1,316	(417)
Balance at June 30, 2026	19,071	$1,223	$198,088	$449,650	($77,360)	($18,078)	$553,523

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

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (unaudited)
(Dollars and shares in thousands, except per share amounts)

For the three months ended June 30, 2025	Common Shares Outstanding	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at March 31, 2025	19,276	$1,223	$197,570	$435,233	($99,179)	($13,167)	$521,680
Net income	—	—	—	13,245	—	—	13,245
Total other comprehensive income, net of tax	—	—	—	—	3,230	—	3,230
Cash dividends declared ($0.56 per share)	—	—	—	(10,958)	—	—	(10,958)
Share-based compensation	—	—	873	—	—	—	873
Exercise of stock options, issuance of other compensation-related equity awards, net of awards surrendered	17	—	(1,051)	—	—	796	(255)
Treasury stock purchased under 2025 Repurchase Program	(10)	—	—	—	—	(296)	(296)
Balance at June 30, 2025	19,283	$1,223	$197,392	$437,520	($95,949)	($12,667)	$527,519

For the six months ended June 30, 2025	Common Shares Outstanding	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2024	19,274	$1,223	$196,947	$434,014	($119,171)	($13,285)	$499,728
Net income	—	—	—	25,424	—	—	25,424
Total other comprehensive income, net of tax	—	—	—	—	23,222	—	23,222
Cash dividends declared ($1.12 per share)	—	—	—	(21,918)	—	—	(21,918)
Share-based compensation	—	—	1,653	—	—	—	1,653
Exercise of stock options, issuance of other compensation-related equity awards, net of awards surrendered	19	—	(1,208)	—	—	914	(294)
Treasury stock purchased under 2025 Repurchase Program	(10)	—	—	—	—	(296)	(296)
Balance at June 30, 2025	19,283	$1,223	$197,392	$437,520	($95,949)	($12,667)	$527,519

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

Washington Trust Bancorp, Inc. and Subsidiaries
Consolidated Statement of Cash Flows (unaudited)
(Dollars in thousands)

Six months ended June 30,		2026	2025
Cash flows from operating activities:			
Net income		$28,581	$25,424
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses		5,600	1,800
Gain on sale of bank-owned properties, net		—	(6,994)
Depreciation of premises and equipment		1,622	1,770
Net amortization of premiums and discounts on debt securities and loans		243	364
Amortization of intangibles		311	407
Amortization of terminated cash flow hedge loss		2,845	4,255
Pension plan settlement charge		—	6,436
Share-based compensation		1,498	1,653
Tax expense from stock option exercises and other equity awards		(12)	(174)
Income from bank-owned life insurance		(1,789)	(1,595)
Net gains on loan sales, including changes in fair value		(5,494)	(4,187)
Proceeds from sales of loans, net		244,765	189,449
Loans originated for sale		(237,754)	(199,134)
Decrease in operating lease right-of-use assets		1,742	1,783
Decrease in operating lease liabilities		(1,657)	(1,697)
Decrease in other assets		2,936	8,949
Decrease in other liabilities		(4,195)	(8,717)
Net cash provided by operating activities		39,242	19,792
Cash flows from investing activities:			
Purchases of:	Available for sale debt securities: Mortgage-backed	—	(73,303)
Maturities, calls, and principal payments of:	Available for sale debt securities: Mortgage-backed	50,734	34,271
	Available for sale debt securities: Other	2,000	3,250
Net redemptions of Federal Home Loan Bank stock		5,664	4,544
Net decrease (increase) in loans		32,697	(6,367)
Net proceeds from sale of portfolio loans		—	283,182
Purchases of loans		(501)	(453)
Purchases of premises and equipment		(2,391)	(489)
Net proceeds from the sale of bank-owned properties		—	11,780
Purchases of bank-owned life insurance		—	(5,000)
Equity investments in real estate limited partnerships		(494)	(74)
Purchases of other equity investments		(125)	(375)
Net cash provided by investing activities		87,584	250,966
Cash flows from financing activities:			
Net increase (decrease) in deposits		88,883	(70,552)
Proceeds from Federal Home Loan Bank advances		1,015,000	1,022,000
Repayments of Federal Home Loan Bank advances		(1,185,000)	(1,146,000)
Treasury stock purchased		—	(296)
Net proceeds from stock option exercises and issuance of other equity awards, net of awards surrendered		(417)	(294)
Cash dividends paid		(21,631)	(21,781)
Net cash used in financing activities		(103,165)	(216,923)
Net increase in cash and cash equivalents		23,661	53,835
Cash and cash equivalents at beginning of period		103,734	113,889
Cash and cash equivalents at end of period		$127,395	$167,724
Noncash Investing and Financing Activities:			
Loans charged-off		$162	$3,189
Commitment for equity investments in real estate limited partnerships		14,098	—
Supplemental Disclosures:			
Interest payments		$69,108	$92,695
Income taxes paid		5,515	23

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

Condensed Notes to Unaudited Consolidated Financial Statements

Note 1 - Basis of Presentation

Nature of Operations

The Bancorp is a publicly-owned registered bank holding company that has elected to be a financial holding company. The Bancorp's principal subsidiary is the Bank, a Rhode Island chartered financial institution founded in 1800. The Bank is the oldest community bank in the nation and the largest state-chartered bank headquartered in Rhode Island.

Washington Trust offers a full range of financial services, including commercial, residential, and consumer lending, retail and commercial deposit products, and wealth management and trust services through its offices in Rhode Island, Massachusetts, and Connecticut.

Basis of Presentation

The accounting and reporting policies of the Washington Trust conform to GAAP and to general practices of the banking industry.

The Corporation's Unaudited Consolidated Financial Statements include the accounts of the Bancorp and its wholly-owned subsidiaries, except subsidiaries that are not deemed necessary to be consolidated. Through consolidation, intercompany balances and transactions have been eliminated.

The Unaudited Consolidated Financial Statements of the Corporation presented herein have been prepared pursuant to the rules of the SEC for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) and disclosures considered necessary for the fair presentation of the accompanying Unaudited Consolidated Financial Statements have been included. Interim results are not necessarily indicative of the results of the entire year. The accompanying Unaudited Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements and notes thereto included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ from those estimates. Management considers the ACL on loans to be a material estimate that is particularly susceptible to change.

Note 2 - Recently Issued Accounting Pronouncements

Accounting Standards Adopted in 2026

<u>Financial Instruments - Credit Losses - Topic 326</u>

Accounting Standards Update No. 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05") was issued in July 2025 to introduce a practical expedient intended to simplify the estimation of expected credit losses on current accounts receivable and contract assets arising from revenue transactions under ASC 606. The practical expedient permits entities to assume that current conditions as of the reporting date remain unchanged for the remaining life of the asset. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years, with early adoption permitted. The Corporation adopted the provisions of ASU 2025-05 on a prospective basis. The adoption of ASU 2025-05 did not have a material impact on the Corporation's financial statements.

Accounting Standards Pending Adoption

<u>Income Statement - Reporting Comprehensive Income - Subtopic 220</u>

Accounting Standards Update No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses" ("ASU 2024-03"), was issued in November 2024 to enhance and provide additional disclosure on certain costs and expenses. The effective date of ASU 2024-03 was further clarified in ASU 2025-01, which was subsequently issued in January 2025. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The provisions under ASU 2024-03 can be applied on either a prospective or retrospective basis. ASU 2024-03 is not expected to have a material impact on the Corporation's financial statements.

Intangibles - Goodwill and Other - Internal-Use Software - Subtopic 350

Accounting Standards Update No. 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" ("ASU 2025-06") was issued in September 2025 to modernize the accounting framework for internal-use software development costs to better reflect contemporary development practices. ASU 2025-06 eliminates the previous stage-based model (i.e. preliminary, application development, and post-implementation stages) and introduces a principles-based capitalization model. Under this ASU, software development costs are capitalized when management has authorized and committed to funding the project, and it is probable that the project will be completed and the software will perform its intended function. The ASU also consolidates guidance for website development costs into ASC 350-40 and aligns disclosure requirements with those under ASC 360-10, including the nature and amount of capitalized internal-use software costs, the accounting policy and capitalization criteria, any significant judgments and estimates applied, amortization methods and useful lives, and qualitative and quantitative information about major software projects. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual periods, with early adoption permitted. The provisions under ASU 2025-06 can be applied on either a prospective, modified retrospective, or full retrospective basis. The Corporation is currently evaluating the impact of ASU 2025-06 on its financial statements.

Derivatives and Hedging - Topic 815

Accounting Standards Update No. 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements" ("ASU 2025-09") was issued in November 2025 to make targeted amendments to the hedge accounting guidance to better align accounting outcomes with an entity's risk management activities and to clarify certain aspects of the guidance originally amended by ASU 2017-12. The amendments primarily affect cash flow hedges, but also include limited changes related to fair value hedges and net investment hedges. Among other things, ASU 2025-09 expands the ability to hedge groups of forecasted transactions with similar risk exposures, provides a framework to facilitate hedge accounting for forecasted interest payments on variable-rate debt instruments that permit changes to the reference rate and tenor, clarifies hedge accounting for forecasted purchases and sales of nonfinancial assets, updates guidance related to net written options used as hedging instruments, and addresses certain recognition and presentation matters involving foreign currency-denominated debt used in multiple hedging relationships. ASU 2025-09 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those periods, with early adoption permitted. The amendments are required to be applied on a prospective basis, with transition provisions that allow certain hedging relationships to continue without de-designation. The Corporation is currently evaluating the impact of ASU 2025-09 on its financial statements.

Interim Reporting - Topic 270

Accounting Standards Update No. 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements" ("ASU 2025-11") was issued in December 2025 to clarify the scope and applicability of interim reporting guidance, reorganize and clarify interim disclosure requirements, and introduce a disclosure principle requiring entities to disclose events occurring since the end of the most recent annual reporting period that have a material impact on the entity. The amendments are intended to improve clarity and consistency in interim reporting and do not change the underlying recognition or measurement requirements under U.S. GAAP. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments can either be applied on a prospective or retrospective basis. ASU 2025-11 is not expected to have a material impact on the Corporation's financial statements.

Note 3 - Securities

Available for Sale Debt Securities

The following tables present the amortized cost, gross unrealized holding gains, gross unrealized holding losses, ACL on securities, and fair value of securities by major security type and class of security:

(Dollars in thousands)

June 30, 2026	Amortized Cost	Unrealized Gains	Unrealized Losses	ACL	Fair Value
Available for Sale Debt Securities:					
Obligations of U.S. government agencies and U.S. government-sponsored enterprises	$41,641	$19	($1,870)	$—	$39,790
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	922,297	3,266	(97,428)	—	828,135
Obligations of states and political subdivisions	650	10	—	—	660
Individual name issuer trust preferred debt securities	6,189	—	(93)	—	6,096
Corporate bonds	11,217	—	(577)	—	10,640
Total available for sale debt securities	$981,994	$3,295	($99,968)	$—	$885,321

(Dollars in thousands)

December 31, 2025	Amortized Cost	Unrealized Gains	Unrealized Losses	ACL	Fair Value
Available for Sale Debt Securities:					
Obligations of U.S. government agencies and U.S. government-sponsored enterprises	$41,639	$93	($1,774)	$—	$39,958
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	973,520	5,100	(97,726)	—	880,894
Obligations of states and political subdivisions	650	13	—	—	663
Individual name issuer trust preferred debt securities	6,186	—	(83)	—	6,103
Corporate bonds	13,210	2	(488)	—	12,724
Total available for sale debt securities	$1,035,205	$5,208	($100,071)	$—	$940,342

Available for sale debt securities balances exclude accrued interest receivable of $2.2 million and $3.1 million, respectively, as of June 30, 2026 and December 31, 2025.

At June 30, 2026 and December 31, 2025, securities with a fair value of $384.3 million and $392.4 million, respectively, were pledged as collateral for FHLB borrowings, potential borrowings with the FRBB, certain public deposits, and for other purposes. See Note 9 for additional discussion on FHLB borrowings.

The schedule of maturities of available for sale debt securities is presented below. Mortgage-backed securities are included based on weighted average maturities, adjusted for anticipated prepayments. All other debt securities are included based on contractual maturities. Actual maturities may differ from amounts presented because certain issuers have the right to call or prepay obligations with or without call or prepayment penalties.

(Dollars in thousands) June 30, 2026	Amortized Cost	Fair Value
Due in one year or less	$111,726	$101,550
Due after one year to five years	322,379	291,296
Due after five years to ten years	242,087	217,371
Due after ten years	305,802	275,104
Total debt securities	$981,994	$885,321

Included in the above table are debt securities with an amortized cost balance of $44.7 million and a fair value of $42.2 million at June 30, 2026 that are callable at the discretion of the issuers. Final maturities of the callable securities range from 10 months to 18 years, with call features ranging from 1 month to 7 years.

Assessment of Available for Sale Debt Securities for Impairment

Management assesses the decline in fair value of investment securities on a regular basis. Unrealized losses on debt securities may occur from current market conditions, increases in interest rates since the time of purchase, a structural change in an investment, volatility of earnings of a specific issuer, or deterioration in credit quality of the issuer. Management evaluates both qualitative and quantitative factors to assess whether an impairment exists.

The following tables summarize available for sale debt securities in an unrealized loss position, for which an ACL on securities has not been recorded, segregated by length of time that the securities have been in a continuous unrealized loss position:

(Dollars in thousands)	Less than 12 Months			12 Months or Longer			Total		
June 30, 2026	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses
Obligations of U.S. government agencies and U.S. government-sponsored enterprises	4	$1,269	($21)	3	$23,501	($1,849)	7	$24,770	($1,870)
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	2	1,410	(14)	89	434,135	(97,414)	91	435,545	(97,428)
Individual name issuer trust preferred debt securities	—	—	—	2	6,096	(93)	2	6,096	(93)
Corporate bonds	—	—	—	3	10,640	(577)	3	10,640	(577)
Total	6	$2,679	($35)	97	$474,372	($99,933)	103	$477,051	($99,968)

(Dollars in thousands)	Less than 12 Months			12 Months or Longer			Total		
December 31, 2025	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses
Obligations of U.S. government agencies and U.S. government-sponsored enterprises	2	$611	($5)	3	$23,582	($1,769)	5	$24,193	($1,774)
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	1	1,519	(1)	91	453,251	(97,725)	92	454,770	(97,726)
Individual name issuer trust preferred debt securities	—	—	—	2	6,103	(83)	2	6,103	(83)
Corporate bonds	—	—	—	3	10,724	(488)	3	10,724	(488)
Total	3	$2,130	($6)	99	$493,660	($100,065)	102	$495,790	($100,071)

There were no debt securities on nonaccrual status at June 30, 2026 and 2025 and, therefore there was no accrued interest related to debt securities reversed against interest income for the three and six months ended June 30, 2026 and 2025.

As of June 30, 2026, the Corporation does not intend to sell the debt securities in an unrealized loss position and has determined that it is more-likely-than-not that the Corporation will not be required to sell each security before the recovery of its amortized cost basis. In addition, management does not believe that any of the securities are impaired due to reasons of credit quality. As further described below, management believes the unrealized losses on these debt securities are primarily attributable to changes in the investment spreads and interest rates. Therefore, no ACL was recorded at both June 30, 2026 and December 31, 2025.

Obligations of U.S. Government Agency and U.S. Government-Sponsored Enterprise Securities, including Mortgage-Backed Securities

The contractual cash flows for these securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major credit rating agencies, and have a long history of no credit losses. The issuers of these securities continue to make timely principal and interest payments, and none of these securities were past due at June 30, 2026. Additionally, the Corporation utilizes a zero credit loss estimate for these securities.

Individual Name Issuer Trust Preferred Debt Securities

These securities in an unrealized loss position at June 30, 2026 included two trust preferred securities issued by two individual companies in the banking sector. Management reviewed the collectability of these securities taking into consideration such factors as the financial condition of the issuers, reported regulatory capital ratios of the issuers, credit ratings, including ratings in effect as of the reporting period date, as well as credit rating changes between the reporting period date and the filing date of this report, and other information. As of June 30, 2026, there was one individual name issuer trust preferred debt security with an amortized cost of $2.0 million and unrealized losses of $69 thousand that was rated below investment grade by S&P. We noted no downgrades to below investment grade between June 30, 2026 and the filing date of this report. Based on the information available through the filing date of this report, all individual name issuer trust preferred debt securities continue to accrue interest and make payments as expected with no payment deferrals or defaults on the part of the issuers.

Corporate Bonds

These securities in an unrealized loss position at June 30, 2026 included three corporate bond holdings issued by two individual companies in the financial services industry. Management reviewed the collectability of these securities taking into consideration such factors as the financial condition of the issuers, reported regulatory capital ratios of the issuers, credit ratings, including ratings in effect as of the reporting period date, as well as credit rating changes between the reporting period date and the filing date of this report, and other information. As of June 30, 2026, there were no corporate bond debt securities that were rated below investment grade by S&P. We noted no downgrades to below investment grade between June 30, 2026 and the filing date of this report. Based on the information available through the filing date of this report, all corporate bond debt securities continue to accrue interest and make payments as expected with no payment deferrals or defaults on the part of the issuers.

Note 4 - Loans

The following table presents the carrying value of loans, segregated by class of loans:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Commercial:		
Commercial real estate (1)	$2,050,249	$2,183,985
Commercial & industrial (2)	665,855	564,082
Total commercial	2,716,104	2,748,067
Residential Real Estate:		
Residential real estate (3)	2,042,406	2,050,399
Consumer:		
Home equity	328,802	318,862
Other (4)	15,757	17,060
Total consumer	344,559	335,922
Total loans (5)	$5,103,069	$5,134,388

(1) CRE consists of commercial mortgages primarily secured by non-owner occupied income-producing property, as well as construction and development loans. Construction and development loans are made to businesses for land development or the on-site construction of industrial, commercial, or residential buildings.

(2) C&I consists of loans to businesses and individuals, a portion of which are fully or partially collateralized by owner occupied real estate.

(3) Residential real estate consists of mortgage and homeowner construction loans secured by one- to four-family residential properties. Also, includes negative basis adjustments associated with fair value hedges of $1.5 million and $335 thousand, respectively, at June 30, 2026 and December 31, 2025. See Note 6 for additional disclosure.

(4) Other consists of loans to individuals secured by general aviation aircraft and other personal installment loans.

(5) Includes net unamortized loan origination costs of $11.3 million and $11.0 million, respectively, at June 30, 2026 and December 31, 2025 and net unamortized premiums on loans purchased from and serviced by other financial institutions of $185 thousand and $198 thousand, respectively, at June 30, 2026 and December 31, 2025.

The carrying value of loans excludes accrued interest receivable of $19.4 million and $20.1 million, respectively, as of June 30, 2026 and December 31, 2025.

As of June 30, 2026 and December 31, 2025, loans amounting to $2.8 billion and $2.9 billion, respectively, were pledged as collateral to the FHLB under a blanket pledge agreement and to the FRBB for the discount window. See Note 9 for additional disclosure regarding borrowings.

Concentrations of Credit Risk

A significant portion of our loan portfolio is concentrated among borrowers in southern New England, and a substantial portion of the portfolio is collateralized by real estate in this area. The ability of single family residential and consumer borrowers to honor their repayment commitments is generally dependent on the level of overall economic activity within the market area and real estate values. The ability of commercial borrowers to honor their repayment commitments is dependent on the general economy, as well as the health of the real estate economic sector in the Corporation’s market area.

Past Due Loans

Past due status is based on the contractual payment terms of the loan. The following tables present an aging analysis of past due loans, segregated by class of loans:

(Dollars in thousands)		Days Past Due				
June 30, 2026	Current	30-59	60-89	90 or More	Total Past Due	Total Loans
Commercial:						
Commercial real estate	$2,021,326	$—	$—	$28,923	$28,923	$2,050,249
Commercial & industrial	665,391	4	334	126	464	665,855
Total commercial	2,686,717	4	334	29,049	29,387	2,716,104
Residential Real Estate:						
Residential real estate	2,032,498	4,358	4,059	1,491	9,908	2,042,406
Consumer:						
Home equity	326,716	1,220	136	730	2,086	328,802
Other	15,730	26	1	—	27	15,757
Total consumer	342,446	1,246	137	730	2,113	344,559
Total loans	$5,061,661	$5,608	$4,530	$31,270	$41,408	$5,103,069

(Dollars in thousands)		Days Past Due				
December 31, 2025	Current	30-59	60-89	90 or More	Total Past Due	Total Loans
Commercial:						
Commercial real estate	$2,183,337	$648	$—	$—	$648	$2,183,985
Commercial & industrial	564,075	7	—	—	7	564,082
Total commercial	2,747,412	655	—	—	655	2,748,067
Residential Real Estate:						
Residential real estate	2,041,304	3,533	2,560	3,002	9,095	2,050,399
Consumer:						
Home equity	317,255	1,095	166	346	1,607	318,862
Other	17,034	26	—	—	26	17,060
Total consumer	334,289	1,121	166	346	1,633	335,922
Total loans	$5,123,005	$5,309	$2,726	$3,348	$11,383	$5,134,388

Included in past due loans as of June 30, 2026 and December 31, 2025, were nonaccrual loans of $36.2 million and $8.3 million, respectively. In addition, all loans 90 days or more past due at June 30, 2026 and December 31, 2025 were classified as nonaccrual.

Nonaccrual Loans

Loans, with the exception of certain well-secured loans that are in the process of collection, are placed on nonaccrual status and interest recognition is suspended when such loans are 90 days or more overdue with respect to principal and/or interest, or sooner if considered appropriate by management. Well-secured loans are permitted to remain on accrual status provided that full collection of principal and interest is assured and the loan is in the process of collection. Loans are also placed on nonaccrual status when, in the opinion of management, full collection of principal and interest is doubtful. When loans are placed on nonaccrual status, interest previously accrued but not collected is reversed against current period income. Subsequent interest payments received on nonaccrual loans are applied to the outstanding principal balance of the loan or recognized as interest income depending on management's assessment of the ultimate collectability of the loan. Loans are removed from nonaccrual status when they have been current as to principal and interest (generally for six months), the borrower has demonstrated an ability to comply with repayment terms, and when, in management's opinion, the loans are considered to be fully collectible.

The following table is a summary of nonaccrual loans, segregated by class of loans:

(Dollars in thousands)	June 30, 2026			December 31, 2025		
	Nonaccrual Loans			Nonaccrual Loans		
	With an ACL	Without an ACL	Total	With an ACL	Without an ACL	Total
Commercial:						
Commercial real estate	$28,923	$—	$28,923	$—	$—	$—
Commercial & industrial	—	126	126	—	—	—
Total commercial	28,923	126	29,049	—	—	—
Residential Real Estate:						
Residential real estate	8,309	763	9,072	9,830	1,269	11,099
Consumer:						
Home equity	1,668	27	1,695	1,824	—	1,824
Other	—	—	—	—	—	—
Total consumer	1,668	27	1,695	1,824	—	1,824
Total nonaccrual loans	$38,900	$916	$39,816	$11,654	$1,269	$12,923
Accruing loans 90 days or more past due			$—			$—

Nonaccrual loans of $3.7 million and $4.6 million, respectively, at June 30, 2026 and December 31, 2025 were current as to the payment of principal and interest.

As of June 30, 2026 and December 31, 2025, nonaccrual loans secured by one- to four-family residential properties amounting to $1.7 million and $3.0 million, respectively, were in process of foreclosure.

The following table presents interest income recognized on nonaccrual loans:

(Dollars in thousands)	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Commercial:				
Commercial real estate	$—	$—	$588	$—
Commercial & industrial	—	2	—	32
Total commercial	—	2	588	32
Residential Real Estate:				
Residential real estate	93	124	240	268
Consumer:				
Home equity	29	48	42	83
Other	—	—	—	—
Total consumer	29	48	42	83
Total	$122	$174	$870	$383

Troubled Loan Modifications

A loan that has been modified is considered a TLM when the modification is made to a borrower experiencing financial difficulty and the modification has a direct impact to the contractual cash flows. If both of the aforementioned criteria are met, then the modification is considered a TLM and subject to the enhanced disclosure requirements.

In the course of resolving problem loans, the Corporation may choose to modify the contractual terms of loans to borrowers who are experiencing financial difficulty. Such modifications to borrowers experiencing financial difficulty may include modified contractual terms that have a direct impact to contractual cash flows, including principal forgiveness, interest rate reductions, maturity extensions, other-than-insignificant payment delays, or any combination thereof. Debt could be bifurcated with separate terms for each tranche of the TLM. Executing a TLM in lieu of aggressively enforcing the collection of the loan may benefit the Corporation by increasing the ultimate probability of collection.

Nonaccrual loans that become TLMs generally remain on nonaccrual status for six months, subsequent to being modified, before management considers their return to accrual status. If a TLM is on accrual status prior to being modified, it is reviewed to determine if the modified loan should remain on accrual status.

If the TLM successfully meets all repayment terms according to the modification documents for a specified period of time (generally 12 months) and the borrower is no longer experiencing financial difficulty, it would be declassified from TLM status.

As of June 30, 2026 and December 31, 2025, the carrying value of TLMs amounted to $7.9 million and $8.2 million, respectively.

There were no loans modified as a TLM during the three months or six months ended June 30, 2026.

The following tables present the carrying value at June 30, 2025 of TLMs made during the periods indicated, segregated by class of loans and type of concession granted:

(Dollars in thousands)

Three months ended June 30, 2025	Combination (1)	Total	% of Loan Class (2)
Commercial:			
Commercial real estate	$4,276	$4,276	—%
Total	$4,276	$4,276	—%

(1) Combination includes an interest rate reduction, maturity extension and other-than-insignificant payment delay.
(2) Percentage of TLMs to the total loans outstanding within the respective loan class.

(Dollars in thousands)

Six months ended June 30, 2025	Other-than-Insignificant Payment Delay	Combination (1)	Total	% of Loan Class (2)
Commercial:				
Commercial real estate	$—	$4,276	$4,276	—%
Residential Real Estate:				
Residential real estate	1,429	—	1,429	—
Total	$1,429	$4,276	$5,705	—%

(1) Combination includes an interest rate reduction, maturity extension and other-than-insignificant payment delay.
(2) Percentage of TLMs to the total loans outstanding within the respective loan class.

The following tables describe the financial effect of TLMs made during the periods indicated, segregated by class of loans:

Three months ended June 30, 2025	Financial Effect
Combination - Interest Rate Reduction, Maturity Extension and Other-than-Insignificant Payment Delay:	
Commercial real estate	Provided a weighted average interest rate reduction of 1.7%, maturity extension of 8 months, and payment delay of 8 months

Six months ended June 30, 2025	Financial Effect
Combination - Interest Rate Reduction, Maturity Extension and Other-than-Insignificant Payment Delay:	
Commercial real estate	Provided a weighted average interest rate reduction of 1.7%, maturity extension of 8 months, and payment delay of 8 months
Other-than-Insignificant Payment Delay:	
Residential real estate	Provided a weighted average payment delay of 6 months

Management closely monitors the performance of TLMs to understand the effectiveness of the modifications. As of the dates indicated, the following tables present an aging analysis of TLMs that have been modified in the past 12 months:

(Dollars in thousands)		Days Past Due				
June 30, 2026	Current	30-59	60-89	90 or More	Total Past Due	Total Loans
Commercial:						
Commercial real estate	$5,593	$—	$—	$—	$—	$5,593
Residential Real Estate:						
Residential real estate	629	—	—	—	—	629
Total loans	$6,222	$—	$—	$—	$—	$6,222

(Dollars in thousands)		Days Past Due				
June 30, 2025	Current	30-59	60-89	90 or More	Total Past Due	Total Loans
Commercial:						
Commercial real estate	$4,276	$—	$—	$—	$—	$4,276
Commercial & industrial	5,000	—	—	—	—	5,000
Total commercial	9,276	—	—	—	—	9,276
Residential Real Estate:						
Residential real estate	1,429	—	—	—	—	1,429
Total loans	$10,705	$—	$—	$—	$—	$10,705

At both June 30, 2026 and June 30, 2025, there were no TLMs made in the previous 12 months for which there was a subsequent payment default.

There were no significant commitments to lend additional funds to borrowers experiencing financial difficulty whose loans were modified as TLMs at June 30, 2026.

Individually Analyzed Loans
Individually analyzed loans include nonaccrual commercial loans, TLMs, as well as certain other loans based on the underlying risk characteristics and the discretion of management to individually analyze such loans.

As of June 30, 2026 and December 31, 2025, the carrying value of individually analyzed loans amounted to $37.7 million and $8.9 million, respectively.

The carrying value of collateral dependent individually analyzed loans was $13.1 million and $7.5 million, respectively, at June 30, 2026 and December 31, 2025. For collateral dependent loans where management has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and repayment of the loan is to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the loan as of the measurement date. See Note 7 for additional disclosure regarding fair value of individually analyzed collateral dependent loans.

The following table presents the carrying value of collateral dependent individually analyzed loans:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Carrying Value	Related Allowance	Carrying Value	Related Allowance
Commercial:				
Commercial real estate (1)	$12,167	$2,300	$5,605	$—
Commercial & industrial (2)	126	—	—	—
Total commercial	12,293	2,300	5,605	—
Residential Real Estate:				
Residential real estate (3)	763	—	1,903	—
Consumer:				
Home equity (3)	27	—	—	—
Other	—	—	—	—
Total consumer	27	—	—	—
Total	$13,083	$2,300	$7,508	$—

(1) Secured by income-producing property.
(2) Secured by business assets.
(3) Secured by one- to four-family residential properties.

Credit Quality Indicators
Commercial
The Corporation utilizes an internal rating system to assign a risk to each of its commercial loans. Loans are rated on a scale of 1 to 10. This scale can be assigned to three broad categories including “pass” for ratings 1 through 6, “special mention” for 7-rated loans, and “classified” for loans rated 8, 9 or 10. Additionally, ratings 7 through 10 are considered criticized, as defined by regulatory agencies. The loan risk rating system takes into consideration parameters including the borrower’s financial condition, the borrower’s performance with respect to loan terms, the adequacy of collateral, the adequacy of guarantees, and other credit quality characteristics. The Corporation takes the risk rating into consideration along with other credit attributes in the establishment of an appropriate ACL on loans. See Note 5 for additional information.

A description of the commercial loan categories is as follows:

Pass - Loans with acceptable credit quality, defined as ranging from superior or very strong to a status of lesser stature. Superior or very strong credit quality is characterized by a high degree of cash collateralization or strong balance sheet liquidity. Lesser stature loans have an acceptable level of credit quality, but may exhibit some weakness in various credit metrics such as collateral adequacy, cash flow, performance or may be in an industry or of a loan type known to have a higher degree of risk. These weaknesses may be mitigated by secondary sources of repayment, including SBA guarantees.

Special Mention - Loans with potential weaknesses that deserve management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Bank’s position as creditor at some future date. Special Mention assets are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification. Examples of these conditions include but are not limited to outdated or poor quality financial data, strains on liquidity and leverage, losses or negative trends in operating results, marginal cash flow, weaknesses in occupancy rates or trends in the case of commercial real estate, and frequent delinquencies.

Classified - Loans identified as “substandard,” “doubtful” or “loss” based on criteria consistent with guidelines provided by banking regulators. A “substandard” loan has defined weaknesses which make payment default or principal exposure likely, but not yet certain. Such loans are apt to be dependent upon collateral liquidation, a secondary source of repayment or an event outside of the normal course of business. The loans are closely watched and are either already on nonaccrual status or may be placed on nonaccrual status when management determines there is uncertainty of collectability. A “doubtful” loan is placed on nonaccrual status and has a high probability of loss, but the extent of the loss is difficult to quantify due to dependency upon collateral having a value that is difficult to determine or upon some near-term event which lacks certainty. A loan in the “loss” category is considered generally uncollectible or the timing or amount of payments cannot be determined. “Loss” is not intended to imply that the loan has no recovery value, but rather, it is not practical or desirable to continue to carry the asset.

The Corporation’s procedures call for loan risk ratings and classifications to be revised whenever information becomes available that indicates a change is warranted. On a quarterly basis, management reviews a watched asset list, which generally consists of commercial loans that are risk-rated 6 or worse, highly leveraged transaction loans, high-volatility commercial real estate, and other selected loans. Management’s review focuses on the current status of the loans, the appropriateness of risk ratings and strategies to improve the credit.

An annual credit review program is conducted by a third party to provide an independent evaluation of the creditworthiness of the commercial loan portfolio, the quality of the underwriting and credit risk management practices, and the appropriateness of the risk rating classifications. This review is supplemented with selected targeted internal reviews of the commercial loan portfolio.

Residential and Consumer

Management monitors the relatively homogeneous residential real estate and consumer loan portfolios on an ongoing basis using delinquency information by loan type.

In addition, other techniques are utilized to monitor indicators of credit deterioration in the residential real estate loans and home equity consumer loans. Among these techniques is the periodic tracking of loans with an updated Fair Isaac Corporation (commonly known as “FICO”) score and an updated estimated LTV ratio. LTV is estimated based on such factors as geographic location, the original appraised value, and changes in median home prices, and takes into consideration the age of the loan. The results of these analyses and other credit review procedures, including selected targeted internal reviews, are taken into account in the determination of qualitative loss factors for residential real estate and home equity consumer credits.

Washington Trust may renew commercial loans at or immediately prior to their maturity. In the tables below, renewals subject to full credit evaluation before being granted are reported as originations in the period renewed. Loans with extensions of maturity dates of more than three months, including TLMs, are reported as originations in the period extended. Gross charge-offs are reported in the loan’s initial origination year.

The following table includes information on credit quality indicators and gross charge-offs for the Corporation’s loan portfolio, segregated by class of loans as of June 30, 2026:

(Dollars in thousands)	Term Loans Amortized Cost by Origination Year								
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost	Revolving Loans Converted to Term Loans	Total
Commercial:									
CRE:									
Pass	$166,154	$326,073	$93,411	$231,216	$441,280	$663,308	$45,358	$915	$1,967,715
Special mention	—	27,904	—	11,979	3,883	3,750	—	—	47,516
Classified	—	6,574	—	—	22,349	6,095	—	—	35,018
Total CRE	166,154	360,551	93,411	243,195	467,512	673,153	45,358	915	2,050,249
Gross charge-offs	—	—	—	—	—	—	—	—	—
C&I:									
Pass	128,445	96,727	38,260	51,167	116,844	162,292	69,715	298	663,748
Special mention	—	—	778	—	334	119	750	—	1,981
Classified	—	—	—	—	—	126	—	—	126
Total C&I	128,445	96,727	39,038	51,167	117,178	162,537	70,465	298	665,855
Gross charge-offs	29	—	—	—	—	—	—	—	29
Residential Real Estate:									
Current (1)	101,518	158,800	45,022	298,432	660,672	769,538	—	—	2,033,982
Past due	—	—	—	768	2,668	6,472	—	—	9,908
Total residential real estate	101,518	158,800	45,022	299,200	663,340	776,010	—	—	2,043,890
Gross charge-offs	—	—	—	—	—	—	—	—	—
Consumer:									
Home equity:									
Current	12,113	15,573	9,339	13,039	9,048	10,413	242,755	14,436	326,716
Past due	—	—	—	86	387	486	863	264	2,086
Total home equity	12,113	15,573	9,339	13,125	9,435	10,899	243,618	14,700	328,802
Gross charge-offs	—	—	—	—	—	—	—	—	—
Other:									
Current	1,321	3,815	2,183	2,889	1,521	3,734	267	—	15,730
Past due	26	—	—	—	—	—	1	—	27
Total other	1,347	3,815	2,183	2,889	1,521	3,734	268	—	15,757
Gross charge-offs	129	—	—	1	—	2	1	—	133
Loans, amortized cost	$409,577	$635,466	$188,993	$609,576	$1,258,986	$1,626,333	$359,709	$15,913	$5,104,553
Gross charge-offs	$158	$—	$—	$1	$—	$2	$1	$—	$162

(1) Excludes a $1.5 million negative basis adjustment associated with fair value hedges. See Note 6 for additional disclosure.

The following table includes information on credit quality indicators and gross charge-offs for the Corporation's loan portfolio, segregated by class of loans as of December 31, 2025:

(Dollars in thousands)	Term Loans Amortized Cost by Origination Year								
	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost	Revolving Loans Converted to Term Loans	Total
Commercial:									
CRE:									
Pass	$432,404	$102,312	$338,922	$490,011	$302,383	$438,112	$9,426	$942	$2,114,512
Special mention	33,416	—	—	27,743	—	2,157	—	—	63,316
Classified	—	—	—	—	—	6,157	—	—	6,157
Total CRE	465,820	102,312	338,922	517,754	302,383	446,426	9,426	942	2,183,985
Gross charge-offs	—	—	—	—	—	5,715	—	—	5,715
C&I:									
Pass	87,523	39,556	54,047	125,846	20,057	159,707	58,146	315	545,197
Special mention	3,569	788	—	3,442	1,095	3,865	6,000	—	18,759
Classified	—	—	—	—	126	—	—	—	126
Total C&I	91,092	40,344	54,047	129,288	21,278	163,572	64,146	315	564,082
Gross charge-offs	49	—	8,345	—	—	299	—	—	8,693
Residential Real Estate:									
Current (1)	161,291	50,709	332,253	690,150	345,038	462,198	—	—	2,041,639
Past due	—	—	—	—	543	8,552	—	—	9,095
Total residential real estate	161,291	50,709	332,253	690,150	345,581	470,750	—	—	2,050,734
Gross charge-offs	—	—	—	—	—	—	—	—	—
Consumer:									
Home equity:									
Current	16,839	10,508	14,662	9,969	5,190	6,086	238,734	15,267	317,255
Past due	—	34	58	—	137	223	814	341	1,607
Total home equity	16,839	10,542	14,720	9,969	5,327	6,309	239,548	15,608	318,862
Gross charge-offs	—	—	—	—	—	—	—	—	—
Other:									
Current	4,295	2,588	3,366	1,790	1,616	3,123	256	—	17,034
Past due	26	—	—	—	—	—	—	—	26
Total other	4,321	2,588	3,366	1,790	1,616	3,123	256	—	17,060
Gross charge-offs	323	—	1	—	—	3	—	—	327
Loans, amortized cost	$739,363	$206,495	$743,308	$1,348,951	$676,185	$1,090,180	$313,376	$16,865	$5,134,723
Gross charge-offs	$372	$—	$8,346	$—	$—	$6,017	$—	$—	$14,735

(1) Excludes a $335 thousand negative basis adjustment associated with fair value hedges. See Note 6 for additional disclosure.

Note 5 - Allowance for Credit Losses on Loans

The ACL on loans is management's estimate of expected lifetime credit losses on loans carried at amortized cost. The level of the ACL on loans is based on management's ongoing review of all relevant information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

The following table presents the activity in the ACL on loans for the three months ended June 30, 2026:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$24,031	$9,647	$33,678	$6,003	$1,194	$251	$1,445	$41,126
Charge-offs	—	(12)	(12)	—	—	(66)	(66)	(78)
Recoveries	—	12	12	—	—	11	11	23
Provision	1,415	(90)	1,325	147	31	(3)	28	1,500
Ending Balance	$25,446	$9,557	$35,003	$6,150	$1,225	$193	$1,418	$42,571

The following table presents the activity in the ACL on loans for the six months ended June 30, 2026:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$19,766	$9,750	$29,516	$6,270	$1,186	$264	$1,450	$37,236
Charge-offs	—	(29)	(29)	—	—	(133)	(133)	(162)
Recoveries	—	71	71	1	1	24	25	97
Provision	5,680	(235)	5,445	(121)	38	38	76	5,400
Ending Balance	$25,446	$9,557	$35,003	$6,150	$1,225	$193	$1,418	$42,571

The elevated provision for credit losses in 2026 largely reflected specific reserve allocations on two individually analyzed nonaccrual CRE office segment loans.

The following table presents the activity in the ACL on loans for the three months ended June 30, 2025:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$25,207	$7,656	$32,863	$6,776	$1,057	$360	$1,417	$41,056
Charge-offs	(274)	(317)	(591)	—	—	(76)	(76)	(667)
Recoveries	—	10	10	—	1	9	10	20
Provision	(5,329)	5,809	480	143	49	(22)	27	650
Ending Balance	$19,604	$13,158	$32,762	$6,919	$1,107	$271	$1,378	$41,059

The following table presents the activity in the ACL on loans for the six months ended June 30, 2025:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$26,485	$7,277	$33,762	$6,832	$1,031	$335	$1,366	$41,960
Charge-offs	(2,724)	(324)	(3,048)	—	—	(141)	(141)	(3,189)
Recoveries	200	14	214	—	2	22	24	238
Provision	(4,357)	6,191	1,834	87	74	55	129	2,050
Ending Balance	$19,604	$13,158	$32,762	$6,919	$1,107	$271	$1,378	$41,059

For the purpose of estimating the ACL, management segregated the loan portfolio into the portfolio segments detailed in the above tables. Each of these segments possesses unique risk characteristics that are considered when determining the appropriate level of ACL for each segment. Some of the characteristics unique to each loan category include:

Commercial Loans

CRE loans consist of commercial mortgages secured by non-owner occupied real property where the primary source of repayment is derived from rental income associated with the property or the proceeds of the sale, refinancing or permanent financing of the property. CRE loans also include construction loans made to businesses for land development or the on-site construction of industrial, commercial or residential buildings. CRE loans frequently involve larger loan balances to single borrowers or groups of related borrowers. Washington Trust's commercial real estate loans are secured by a variety of property types, such as multi-family, retail, industrial and warehouse, hospitality, office, as well as other specific use properties. Collateral values are determined based upon third-party appraisals. Permissible loan to value ratios at origination are governed by the Corporation's policy and regulatory guidelines.

C&I loans consist of revolving, non-revolving and term loans extended to commercial borrowers for the purpose of providing working capital, equipment financing and financing for other business-related purposes. C&I loans are frequently collateralized by equipment, inventory, accounts receivable and/or general business assets. A portion of Washington Trust's C&I loan portfolio is also collateralized by owner occupied real estate. C&I loans also include tax-exempt loans made to states and political subdivisions, as well as industrial development or revenue bonds issued through quasi-public corporations for the benefit of a private or non-profit entity where that entity rather than the governmental entity is obligated to pay the debt service. Washington Trust's C&I loan portfolio includes loans to business sectors such as health care and social assistance, retail trade, transportation and warehousing, educational services, as well as other business sectors.

For the commercial portfolio, the Corporation typically obtains personal guarantees for payment from individuals holding material ownership interests in the borrowing entities.

Residential Real Estate Loans

Residential real estate loans held in the Corporation's portfolio are made to borrowers who demonstrate the ability to make scheduled payments with full consideration to underwriting factors such as current and expected income, employment status, current assets, other financial resources, credit history and the value of the collateral. Collateral consists of mortgage liens on one-to-four family residential properties, including condominiums. Residential real estate loans also include loans to construct owner-occupied one-to-four family residential properties. Collateral values are determined based upon third-party appraisals. In general, loans must meet the underwriting and purchase standards imposed by Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and other institutional investors as applicable.

Consumer Loans:

Home equity loans and credit lines are made to qualified individuals and are primarily secured by senior or junior mortgage liens on one-to-four family residential properties, including condominiums. Borrower qualifications include favorable credit history combined with supportive income requirements and combined loan to value ratios within established guidelines, as set forth in the Corporation's policy.

Other consumer loans consist of loans to individuals that are secured by general aviation aircraft and other installment loans made to qualified individuals for various purposes. Borrower qualifications include favorable credit history combined with supportive income and collateral requirements within established guidelines, as set forth in the Corporation's policy.

Note 6 - Derivative Financial Instruments

The Corporation’s derivative financial instruments are used to manage differences in the amount, timing, and duration of the Corporation’s known or expected cash receipts and its known or expected cash payments, principally to manage the Corporation’s interest rate risk. Additionally, the Corporation enters into interest rate derivatives to accommodate the business requirements of its customers. Derivatives are measured at fair value. Derivative assets are included in other assets and derivative liabilities are included in other liabilities in the Unaudited Consolidated Balance Sheets. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and resulting designation.

Interest Rate Risk Management Agreements

Interest rate risk management agreements, such as swaps, caps, floors, and collars, are used from time to time as part of the Corporation’s interest rate risk management strategy. Interest rate swaps are agreements in which the Corporation and another party agree to exchange interest payments (e.g., fixed-rate for variable-rate payments or variable-rate for fixed-rate payments) computed on a notional principal amount. Interest rate caps and floors represent options purchased by the Corporation to manage the interest rate paid throughout the term of the option contract. An interest rate collar is a derivative instrument that represents simultaneously buying an interest rate cap and selling an interest rate floor. The credit risk associated with these derivative transactions is the risk of default by the counterparty. To minimize this risk, the Corporation enters into interest rate agreements only with highly rated counterparties that management believes to be creditworthy. The notional amounts of these agreements do not represent amounts exchanged by the parties and, thus, are not a measure of the potential loss exposure.

Cash Flow Hedging Instruments

As of June 30, 2026 and December 31, 2025, the Corporation had interest rate swaps, interest rate collars, and interest rate floors that were designated as cash flow hedges. The interest rate swaps and collars were executed to hedge the interest rate risk associated with short-term borrowings. See Note 9 for additional disclosure on borrowings. The interest rate floors were executed to hedge the interest rate risk associated with a pool of variable rate commercial loans. During the quarter ended June 30, 2026, an interest rate collar with a notional amount of $50 million matured.

The changes in fair value of these derivatives designated as cash flow hedges are recorded in other comprehensive income (loss) and subsequently reclassified to earnings when gains or losses are realized (i.e., in the same period during which the hedged transactions affect earnings.)

The Corporation previously had an interest rate swap contract that was designated as a cash flow hedge to hedge the interest rate risk associated with a pool of variable rate commercial loans. On March 31, 2023, the Corporation terminated this interest rate swap contract. On that date, the derivative liability was derecognized and the deferred loss that was included in the AOCL component of shareholders’ equity was updated to its termination date fair value of $26.5 million, or $20.1 million after tax. The deferred loss was amortized into earnings as a reduction of interest income on a straight-line basis over the life of the original interest rate swap term. The deferred loss was fully amortized as of May 1, 2026.

Fair Value Hedging Instruments

As of June 30, 2026 and December 31, 2025, the Corporation had interest rate swap contracts that were designated as fair value hedges. The fair value hedges were executed to hedge the interest rate risk associated with a closed-pool of fixed-rate residential real estate loans (the “hedged item”). The hedged item is measured at fair value through a basis adjustment recognized on the balance sheet. The changes in fair value of derivatives designated as fair value hedges, as well as the offsetting changes in fair value of the hedged item are recognized in earnings.

Loan Related Derivative Contracts

Interest Rate Derivative Contracts with Customers

The Corporation enters into interest rate swap and interest rate cap contracts to help commercial loan borrowers manage their interest rate risk. These interest rate swap contracts allow borrowers to convert variable-rate loan payments to fixed-rate loan payments, while interest rate cap contracts allow borrowers to limit their interest rate exposure in a rising rate environment. When the Corporation enters into an interest rate derivative contract with a commercial loan borrower, it simultaneously enters into a “mirror” interest rate contract with a third party. For interest rate swaps, the third party exchanges the client’s fixed-rate loan payments for variable-rate loan payments. The Corporation’s credit policies with respect to interest rate contracts with commercial borrowers are similar to those used for loans. The Corporation retains the risk that is associated with the potential failure of counterparties and the risk inherent in originating loans. The interest rate contracts with counterparties are generally subject to bilateral collateralization terms. These derivatives are not designated as hedges and therefore, changes in fair value are recognized in earnings.

Risk Participation Agreements
The Corporation has entered into risk participation agreements with other banks in commercial loan arrangements. Participating banks guarantee the performance on borrower-related interest rate swap contracts. These derivatives are not designated as hedges and therefore, changes in fair value are recognized in earnings.

Under a risk participation-out agreement, a derivative asset, the Corporation participates out a portion of the credit risk associated with the interest rate swap position executed with the commercial borrower for a fee paid to the participating bank. Under a risk participation-in agreement, a derivative liability, the Corporation assumes, or participates in, a portion of the credit risk associated with the interest rate swap position with the commercial borrower for a fee received from the other bank.

Mortgage Loan Commitments
Interest rate lock commitments are extended to borrowers and relate to the origination of mortgage loans held for sale. To mitigate the interest rate risk and pricing risk associated with rate locks and mortgage loans that are originated and intended for sale, the Corporation enters into forward sale commitments. Forward sale commitments are contracts for delayed delivery or net settlement of the underlying instrument, such as a residential mortgage loan, where the seller agrees to deliver on a specified future date, either a specified instrument at a specified price or yield or the net cash equivalent of an underlying instrument. Both interest rate lock commitments and forward sale commitments are derivative financial instruments, but do not meet criteria for hedge accounting and therefore, the changes in fair value of these commitments are recognized in earnings.

The following table presents the notional amounts and fair values of derivative instruments in the Unaudited Consolidated Balance Sheets:

(Dollars in thousands)	June 30, 2026			December 31, 2025		
		Fair Value			Fair Value	
	Notional Amounts	Derivative Assets	Derivative Liabilities	Notional Amounts	Derivative Assets	Derivative Liabilities
Derivatives Designated as Cash Flow Hedging Instruments:						
Interest rate risk management contracts:						
Interest rate swaps (1)	$120,000	$770	$170	$120,000	$126	$979
Interest rate collars	50,000	20	—	100,000	—	17
Interest rate floors	200,000	33	—	200,000	125	—
Derivatives Designated as Fair Value Hedging Instruments:						
Interest rate risk management contracts:						
Interest rate swaps	100,000	1,503	—	100,000	335	—
Derivatives not Designated as Hedging Instruments:						
Loan related derivative contracts:						
Interest rate contracts with customers	897,320	3,053	32,189	882,941	6,326	27,959
Mirror contracts with counterparties	897,320	32,090	3,118	882,941	27,857	6,392
Risk participation agreements	311,701	50	—	304,854	28	1
Mortgage loan commitments:						
Interest rate lock commitments	57,294	1,102	12	30,373	603	12
Forward sale commitments	93,612	62	921	90,813	13	828
Gross amounts		38,683	36,410		35,413	36,188
Less: amounts offset (2)		3,288	3,288		6,643	6,643
Derivative balances, net of offset		35,395	33,122		28,770	29,545
Less: collateral pledged (3)		—	—		—	—
Net amounts		$35,395	$33,122		$28,770	$29,545

(1) The fair value of derivative assets includes accrued interest receivable of $23 thousand and $35 thousand, respectively, at June 30, 2026 and December 31, 2025. The fair value of derivative liabilities includes accrued interest payable of $53 thousand and $23 thousand, respectively, at June 30, 2026 and December 31, 2025.
(2) Interest rate risk management contracts and loan related derivative contracts with counterparties are subject to master netting arrangements.
(3) Collateral contractually required to be pledged to derivative counterparties is in the form of cash. Washington Trust may need to post additional collateral in the future in proportion to potential increases in unrealized loss positions.

The following table presents the balance sheet location, carrying value, and cumulative basis adjustment of the hedged item associated with fair value hedges:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
Balance Sheet Location	Carrying Value of Hedged Item (1)	Cumulative Basis Adjustment	Carrying Value of Hedged Item (1)	Cumulative Basis Adjustment
Residential real estate loans	$98,516	($1,484)	$99,665	($335)

(1) Represents the carrying value of the hedged item associated with fair value hedges on a closed-pool of fixed-rate residential real estate loans that are expected to be outstanding for the designated hedged periods. The amortized cost balance of the closed-pool of residential real estate loans used in the fair value hedges was $590.2 million and $608.5 million, respectively, at June 30, 2026 and December 31, 2025.

The following table presents the effect of derivative instruments in the Unaudited Consolidated Statements of Changes in Shareholders’ Equity:

(Dollars in thousands)	Amounts Recognized in Other Comprehensive Income, Net of Tax			
	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Derivatives Designated as Cash Flow Hedging Instruments:				
Interest rate risk management contracts:				
Interest rate swaps	$1,096	$1,094	$3,254	$1,693
Interest rate collars	17	(18)	28	(24)
Interest rate floors	(34)	—	(13)	—
Total	$1,079	$1,076	$3,269	$1,669

The following table presents the effect of derivative instruments in the Unaudited Consolidated Statements of Income:

(Dollars in thousands)		Amount of Gain (Loss) Recognized in the Unaudited Consolidated Statements of Income			
		Three Months		Six Months	
Periods ended June 30,	Statement of Income Location	2026	2025	2026	2025
Derivatives Designated as Cash Flow Hedging Instruments:					
Interest rate risk management contracts:					
Interest rate swaps	Interest income: Interest and fees on loans	($729)	($2,139)	($2,845)	($4,255)
Interest rate swaps	Interest expense: FHLB advances	34	192	26	386
Interest rate floors	Interest income: Interest and fees on loans	(38)	—	(75)	—
Derivatives Designated as Fair Value Hedging Instruments:					
Interest rate risk management contracts:					
Interest rate swaps	Interest income: Interest and fees on loans	554	(519)	1,140	(1,298)
Hedged item	Interest income: Interest and fees on loans	(561)	520	(1,149)	1,302
Derivatives not Designated as Hedging Instruments:					
Loan related derivative contracts:					
Interest rate contracts with customers	Loan related derivative income	($7,012)	$4,357	($11,817)	$14,154
Mirror interest rate contracts with counterparties	Loan related derivative income	7,767	(3,690)	12,787	(13,418)
Risk participation agreements	Loan related derivative income	(172)	9	(160)	41
Mortgage loan commitments:					
Interest rate lock commitments	Mortgage banking revenues	510	(55)	499	515
Forward sale commitments	Mortgage banking revenues	(421)	(87)	78	(726)
Total		($68)	($1,412)	($1,516)	($3,299)

For derivatives designated as cash flow hedging instruments in the table above, the amounts represent the pre-tax reclassifications from AOCL into earnings.

Note 7 - Fair Value Measurements

The Corporation uses fair value measurements to record fair value adjustments on certain assets and liabilities and to determine fair value disclosures. Items recorded at fair value on a recurring basis include securities available for sale, mortgage loans that are originated and intended for sale to the secondary market, and derivatives. Additionally, from time to time, we may be required to record other assets at fair value on a nonrecurring basis, such as collateral dependent individually analyzed loans, loan servicing rights, property acquired through foreclosure or repossession, and mortgage loans reclassified to held for sale from portfolio.

Fair value is a market-based measurement, not an entity-specific measurement. Fair value measurements are determined based on the assumptions the market participants would use in pricing the asset or liability. In addition, GAAP specifies a hierarchy of valuation techniques based on whether the types of valuation information, or "inputs", are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Corporation's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices for *identical* assets or liabilities in active markets.
- Level 2 – Quoted prices for *similar* assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable* in the markets and which reflect the Corporation's market assumptions.

Fair Value Option Election

GAAP allows for the irrevocable option to elect fair value accounting for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Corporation has elected the fair value option for mortgage loans that are originated and intended for sale to the secondary market to better match changes in fair value of the loans with changes in the fair value of the forward sale commitment contracts used to economically hedge them.

The following table presents a summary of mortgage loans held for sale accounted for under the fair value option:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Aggregate fair value	$33,608	$35,833
Aggregate principal balance	32,970	35,130
Difference between fair value and principal balance	$638	$703

Changes in fair value of mortgage loans held for sale accounted for under the fair value option election are included in mortgage banking revenues in the Unaudited Consolidated Statements of Income. Changes in fair value amounted to an increase in mortgage banking revenues of $468 thousand and a decrease of $65 thousand, respectively, for the three and six months ended June 30, 2026, compared to an increase in mortgage banking revenues of $292 thousand and $517 thousand, respectively, for the three and six months ended June 30, 2025.
There were no mortgage loans held for sale 90 days or more past due as of June 30, 2026 and December 31, 2025.

Valuation Techniques for Items Recorded at Fair Value on a Recurring Basis

<u>Available for Sale Debt Securities</u>
Available for sale debt securities are recorded at fair value on a recurring basis. When available, the Corporation uses quoted market prices to determine the fair value of debt securities; such items are classified as Level 1. There were no Level 1 debt securities held at June 30, 2026 and December 31, 2025.

Level 2 debt securities are traded less frequently than exchange-traded instruments. The fair value of these securities is determined using matrix pricing with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category includes obligations of U.S. government-sponsored enterprises, including mortgage-backed securities, individual name issuer trust preferred debt securities, and corporate bonds.

Debt securities not actively traded whose fair value is determined through the use of cash flows utilizing inputs that are unobservable are classified as Level 3. There were no Level 3 debt securities held at June 30, 2026 and December 31, 2025.

Mortgage Loans Held for Sale, at Fair Value
The Corporation has elected the fair value option for mortgage loans that are originated and intended for sale to the secondary market. The fair value is estimated based on current market prices for similar loans in the secondary market and therefore are classified as Level 2 assets.

Derivatives
Interest rate derivative contracts are traded in over-the-counter markets where quoted market prices are not readily available. Fair value measurements are determined using independent valuation software, which utilizes the present value of future cash flows discounted using market observable inputs such as forward rate assumptions. The Corporation evaluates the credit risk of its counterparties, as well as that of the Corporation. Accordingly, factors such as the likelihood of default by the Corporation and its counterparties, its net exposures, and remaining contractual life are considered in determining if any fair value adjustments related to credit risk are required. Counterparty exposure is evaluated by netting positions that are subject to master netting agreements, as well as considering the amount of collateral securing the position, if any. The Corporation has determined that the majority of the inputs used to value its derivative positions fall within Level 2 of the fair value hierarchy. However, the credit valuation adjustments utilize Level 3 inputs. As of June 30, 2026 and December 31, 2025, the Corporation has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation. As a result, the Corporation has classified its derivative valuations in their entirety as Level 2.

Fair value measurements of forward loan commitments (interest rate lock commitments and forward sale commitments) are primarily based on current market prices for similar assets in the secondary market and therefore are classified as Level 2 assets. The fair value of interest rate lock commitments is also dependent on the ultimate closing of the loans. Pull-through rates are based on the Corporation's historical data and reflect the Corporation's best estimate of the likelihood that a commitment will result in a closed loan. Although the pull-through rates are Level 3 inputs, the Corporation has assessed the significance of the impact of pull-through rates on the overall valuation of its interest rate lock commitments and has determined that they are not significant to the overall valuation. As a result, the Corporation has classified its interest rate lock commitments as Level 2.

Items Recorded at Fair Value on a Recurring Basis
The following tables present the balances of assets and liabilities reported at fair value on a recurring basis:

(Dollars in thousands)

June 30, 2026	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Available for sale debt securities:				
Obligations of U.S. government agencies and U.S government sponsored enterprises	$39,790	$—	$39,790	$—
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	828,135	—	828,135	—
Obligations of states and political subdivisions	660	—	660	—
Individual name issuer trust preferred debt securities	6,096	—	6,096	—
Corporate bonds	10,640	—	10,640	—
Mortgage loans held for sale	33,608	—	33,608	—
Derivative assets	35,395	—	35,395	—
Total assets at fair value on a recurring basis	$954,324	$—	$954,324	$—
Liabilities:				
Derivative liabilities	$33,122	$—	$33,122	$—
Total liabilities at fair value on a recurring basis	$33,122	$—	$33,122	$—

(Dollars in thousands)

December 31, 2025	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Available for sale debt securities:				
Obligations of U.S. government agencies and U.S government sponsored enterprises	$39,958	$—	$39,958	$—
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	880,894	—	880,894	—
Obligations of states and political subdivisions	663	—	663	—
Individual name issuer trust preferred debt securities	6,103	—	6,103	—
Corporate bonds	12,724	—	12,724	—
Mortgage loans held for sale	35,833	—	35,833	—
Derivative assets	28,770	—	28,770	—
Total assets at fair value on a recurring basis	$1,004,945	$—	$1,004,945	$—
Liabilities:				
Derivative liabilities	$29,545	$—	$29,545	$—
Total liabilities at fair value on a recurring basis	$29,545	$—	$29,545	$—

Valuation Techniques for Items Recorded at Fair Value on a Nonrecurring Basis

Collateral Dependent Individually Analyzed Loans

Collateral dependent individually analyzed loans are valued based upon the lower of amortized cost or fair value. Fair value is determined based on the appraised value of the underlying collateral. Such collateral primarily consists of real estate and, to a lesser extent, other business assets. For collateral dependent loans that are expected to be repaid substantially through the sale of the collateral, management adjusts the fair value for estimated costs to sell. Management may also adjust appraised values to reflect estimated market value declines or apply other discounts to appraised values resulting from its knowledge of the collateral. Internal valuations may be utilized to determine the fair value of other business assets. Collateral dependent individually analyzed loans are categorized as Level 3.

Items Recorded at Fair Value on a Nonrecurring Basis

The following table presents the carrying value of assets held at June 30, 2026, which were written down to fair value during the six months ended June 30, 2026:

(Dollars in thousands)

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Collateral dependent individually analyzed loans	$4,274	$—	$—	$4,274
Total assets at fair value on a nonrecurring basis	$4,274	$—	$—	$4,274

Assets written down to fair value for the year ended December 31, 2025 consisted of two collateral dependent individually analyzed loan relationships, which had no carrying value at December 31, 2025. See additional disclosure on these two relationships in Note 10 in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The following table presents valuation techniques and unobservable inputs for assets measured at fair value on a nonrecurring basis for which the Corporation has utilized Level 3 inputs to determine fair value:

(Dollars in thousands)

June 30, 2026	Fair Value	Valuation Technique	Unobservable Input	Range of Inputs Utilized (Weighted Average)
Collateral dependent individually analyzed loans	$4,274	Appraisals of collateral	Discount for costs to sell	10%
			Appraisal adjustments	0%

Items for which Fair Value is Only Disclosed

The estimated fair values and related carrying amounts for financial instruments for which fair value is only disclosed are presented in the tables below:

(Dollars in thousands)

June 30, 2026	Carrying Amount	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:					
Cash and cash equivalents	$127,395	$127,395	$127,395	$—	$—
Loans, net of allowance for credit losses on loans (1)	5,060,498	4,940,841	—	—	4,940,841
FHLB stock	23,809	23,809	—	23,809	—
Investment in BOLI	116,914	116,914	—	116,914	—
Financial Liabilities:					
Non-maturity deposits	$4,225,371	$4,225,371	$—	$4,225,371	$—
Time deposits	1,133,502	1,127,900	—	1,127,900	—
FHLB advances	456,000	456,366	—	456,366	—
Junior subordinated debentures	22,681	19,876	—	19,876	—

(1) The estimated fair value excludes a $1.5 million negative basis adjustment associated with fair value hedges. See Note 6 for additional disclosure.

(Dollars in thousands)

December 31, 2025	Carrying Amount	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:					
Cash and cash equivalents	$103,734	$103,734	$103,734	$—	$—
Loans, net of allowance for credit losses on loans (1)	5,097,152	4,972,651	—	—	4,972,651
FHLB stock	29,473	29,473	—	29,473	—
Investment in BOLI	115,126	115,126	—	115,126	—
Financial Liabilities:					
Non-maturity deposits	$4,049,307	$4,049,307	$—	$4,049,307	$—
Time deposits	1,220,683	1,218,361	—	1,218,361	—
FHLB advances	626,000	629,484	—	629,484	—
Junior subordinated debentures	22,681	19,953	—	19,953	—

(1) The estimated fair value excludes a $335 thousand negative basis adjustment associated with fair value hedges. See Note 6 for additional disclosure.

Note 8 - Deposits

The following table presents a summary of deposits:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Noninterest-bearing:		
Noninterest-bearing demand deposits	$644,011	$595,092
Interest-bearing:		
Interest-bearing demand deposits	745,273	756,794
NOW accounts	701,615	715,114
Money market accounts	1,270,616	1,185,420
Savings accounts	863,856	796,887
Time deposits (1)	1,133,502	1,220,683
Total interest-bearing deposits	4,714,862	4,674,898
Total deposits	$5,358,873	$5,269,990

(1) There were no wholesale brokered time deposits at June 30, 2026 or December 31, 2025.

The following table presents scheduled maturities of time certificates of deposit:

(Dollars in thousands)	Scheduled Maturity	Weighted Average Rate
July 1, 2026 to December 31, 2026	$745,069	3.38%
2027	294,503	3.23
2028	79,283	3.18
2029	6,250	2.77
2030	6,034	2.14
2031 and thereafter	2,363	2.00
Balance at June 30, 2026	$1,133,502	3.31%

Time certificates of deposit in denominations of $250 thousand or more totaled $344.0 million and $355.9 million, respectively, at June 30, 2026 and December 31, 2025.

Note 9 - Borrowings

Advances payable to the FHLB amounted to $456.0 million and $626.0 million, respectively, at June 30, 2026 and December 31, 2025. See Note 6 for additional disclosure on derivatives designated as cash flow hedges to hedge the interest rate risk associated with short-term FHLB advances.

The Bank pledges certain qualified investment securities and loans as collateral to the FHLB. The Bank had available borrowing capacity of $1.4 billion with the FHLB as of both June 30, 2026 and December 31, 2025. In addition, the Bank had access to a $40.0 million unused line of credit with the FHLB at both June 30, 2026 and December 31, 2025.

The Bank had standby letters of credit with the FHLB of $65.1 million and $66.0 million at June 30, 2026 and December 31, 2025 to collateralize institutional deposits.

The following table presents maturities and weighted average interest rates on FHLB advances outstanding as of June 30, 2026:

(Dollars in thousands)	Scheduled Maturity	Weighted Average Rate
July 1, 2026 to December 31, 2026	$220,000	3.98%
2027	60,000	4.12
2028	90,000	4.33
2029	80,000	3.82
2030	6,000	3.33
2031 and thereafter	—	—
Balance at June 30, 2026	$456,000	4.03%

Note 10 - Shareholders' Equity

Stock Repurchase Program

The Board of Directors adopted the 2026 Repurchase Program, which authorizes the repurchase of up to 850,000 shares, or approximately 4.5%, of the Bancorp’s outstanding common stock. This authority may be exercised from time to time and in such amounts as market conditions warrant, and subject to regulatory considerations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions, and other corporate liquidity requirements and priorities. Repurchases under the 2026 Repurchase Program will be conducted pursuant to a trading plan adopted by the Bancorp that is designed to qualify under Rule 10b5-1 under the Exchange Act. The 2026 Repurchase Program commenced on May 16, 2026 and expires on May 16, 2027 and may be modified, suspended, or discontinued at any time. There have been no shares repurchased under the 2026 Repurchase Program.

The 2025 Repurchase Program expired on May 15, 2026. The Bancorp had repurchased a total of 267,658 shares, at an average price of $27.26 and a total cost of $7.4 million, under the 2025 Repurchase Program. No shares were repurchased in the three and six months ended June 30, 2026. The total cost included $65 thousand of excise tax attributable to shares that were repurchased.

Regulatory Capital Requirements
Capital levels at June 30, 2026 exceeded the regulatory minimum levels to be considered "well capitalized."

The following table presents the Corporation's and the Bank's actual capital amounts and ratios, as well as the corresponding minimum and well capitalized regulatory amounts and ratios that were in effect during the respective periods:

(Dollars in thousands)	Actual		For Capital Adequacy Purposes		To Be "Well Capitalized" Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2026						
Total Capital (to Risk-Weighted Assets):						
Corporation	$629,376	13.28%	$379,010	8.00%	N/A	N/A
Bank	622,523	13.15	378,811	8.00	$473,513	10.00%
Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	585,465	12.36	284,258	6.00	N/A	N/A
Bank	578,612	12.22	284,108	6.00	378,811	8.00
Common Equity Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	563,468	11.89	213,193	4.50	N/A	N/A
Bank	578,612	12.22	213,081	4.50	307,784	6.50
Tier 1 Capital (to Average Assets): (1)						
Corporation	585,465	9.02	259,727	4.00	N/A	N/A
Bank	578,612	8.92	259,584	4.00	324,480	5.00
December 31, 2025						
Total Capital (to Risk-Weighted Assets):						
Corporation	615,600	12.95	380,342	8.00	N/A	N/A
Bank	607,862	12.79	380,144	8.00	475,180	10.00
Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	577,224	12.14	285,256	6.00	N/A	N/A
Bank	569,486	11.98	285,108	6.00	380,144	8.00
Common Equity Tier 1 Capital (to Risk-Weighted Assets):						
Corporation	555,227	11.68	213,942	4.50	N/A	N/A
Bank	569,486	11.98	213,831	4.50	308,867	6.50
Tier 1 Capital (to Average Assets): (1)						
Corporation	577,224	8.65	267,046	4.00	N/A	N/A
Bank	569,486	8.53	266,921	4.00	333,651	5.00

(1) Leverage ratio.

In addition to the minimum regulatory capital required for capital adequacy outlined in the table above, the Corporation and the Bank are required to maintain a minimum capital conservation buffer, in the form of common equity, of 2.50%, resulting in a requirement for the Corporation and the Bank to effectively maintain total capital, Tier 1 capital, and common equity Tier 1 capital ratios of 10.50%, 8.50%, and 7.00%, respectively. The Corporation and the Bank must maintain the capital conservation buffer to avoid restrictions on the ability to pay dividends and discretionary bonuses. The Corporation's and the Bank's capital levels exceeded the minimum regulatory capital requirements plus the capital conservation buffer at June 30, 2026 and December 31, 2025.

The Bancorp owns the common stock of two capital trusts, which have issued trust preferred securities. In accordance with GAAP, the capital trusts are treated as unconsolidated subsidiaries. At both June 30, 2026 and December 31, 2025, $22.0 million in trust preferred securities were included in the Tier 1 capital of the Corporation for regulatory capital reporting purposes pursuant to the capital adequacy guidelines of the Federal Reserve.

Note 11 - Revenue from Contracts with Customers

The following tables summarize total revenues as presented in the Unaudited Consolidated Statements of Income and the related amounts that are from contracts with customers within the scope of ASC 606. As shown below, a substantial portion of our revenues are specifically excluded from the scope of ASC 606.

For the three months ended June 30,	2026		2025	
(Dollars in thousands)	Revenue (1)	ASC 606 Revenue (2)	Revenue (1)	ASC 606 Revenue (2)
Net interest income	$41,803	$—	$37,185	$—
Noninterest income:				
Wealth management revenues	11,201	11,201	10,120	10,120
Mortgage banking revenues	3,473	—	3,034	—
Card interchange fees	1,305	1,305	1,247	1,247
Service charges on deposit accounts	842	842	808	808
Loan related derivative income	583	—	676	—
Income from bank-owned life insurance	904	—	826	—
Other income	354	291	367	287
Total noninterest income	18,662	13,639	17,078	12,462
Total revenues	$60,465	$13,639	$54,263	$12,462

(1) As reported in the Unaudited Consolidated Statements of Income.
(2) Revenue from contracts with customers in scope of ASC 606.

For the six months ended June 30,	2026		2025	
(Dollars in thousands)	Revenue (1)	ASC 606 Revenue (2)	Revenue (1)	ASC 606 Revenue (2)
Net interest income	$82,328	$—	$73,607	$—
Noninterest income:				
Wealth management revenues	21,848	21,848	20,011	20,011
Mortgage banking revenues	6,518	—	5,338	—
Card interchange fees	2,690	2,690	2,756	2,756
Service charges on deposit accounts	1,627	1,627	1,552	1,552
Loan related derivative income	810	—	777	—
Income from bank-owned life insurance	1,789	—	1,595	—
Gain on sale of bank-owned properties, net (3)	—	—	6,994	6,994
Other income	683	553	698	551
Total noninterest income	35,965	26,718	39,721	31,864
Total revenues	$118,293	$26,718	$113,328	$31,864

(1) As reported in the Unaudited Consolidated Statements of Income.
(2) Revenue from contracts with customers in scope of ASC 606.
(3) For the six months ended June 30, 2025, included herein in accordance with sale-leaseback transaction provisions of ASC 842 and ASC 606.

The following table presents revenue from contracts with customers based on the timing of revenue recognition:

(Dollars in thousands)	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Revenue recognized at a point in time:				
Card interchange fees	$1,305	$1,247	$2,690	$2,756
Service charges on deposit accounts	571	540	1,089	1,003
Gain on sale of bank-owned properties, net	—	—	—	6,994
Other income	226	225	435	429
Revenue recognized over time:				
Wealth management revenues	11,201	10,120	21,848	20,011
Service charges on deposit accounts	271	268	538	549
Other income	65	62	118	122
Total revenues from contracts with customers in scope of ASC 606	$13,639	$12,462	$26,718	$31,864

Receivables for revenue from contracts with customers primarily consist of amounts due for wealth management services performed for which the Corporation's performance obligations have been fully satisfied. Receivables amounted to $7.0 million at both June 30, 2026 and December 31, 2025 and were included in other assets in the Unaudited Consolidated Balance Sheets.

Deferred revenues, which are considered contract liabilities under ASC 606, represent advance consideration received from customers for which the Corporation has a remaining performance obligation to fulfill. Contract liabilities are recognized as revenue over the life of the contract as the performance obligations are satisfied. The balances of contract liabilities were insignificant at both June 30, 2026 and December 31, 2025 and were included in other liabilities in the Unaudited Consolidated Balance Sheets.

For commissions and incentives that are in scope of ASC 606, such as those paid to employees in our wealth management services and banking segments in order to obtain customer contracts, contract cost assets are established. The contract cost assets are capitalized and amortized over the estimated useful life that the asset is expected to generate benefits. The carrying value of contract cost assets amounted to $2.0 million and $2.3 million, respectively at June 30, 2026 and December 31, 2025 and were included in other assets in the Unaudited Consolidated Balance Sheets. The amortization of contract cost assets is recorded within salaries and employee benefits expense in the Unaudited Consolidated Statements of Income.

Note 12 - Business Segments

The Corporation manages its operations through two reportable business segments, consisting of Banking and Wealth Management Services. The Corporation's reportable business segments are determined by the Chairman and Chief Executive Officer, and the Senior Executive Vice President, Chief Financial Officer and Treasurer, the designated CODMs.

An allocation methodology is utilized to allocate income and expenses to the business segments. Direct activities are assigned to the appropriate business segment to which the activity relates. Indirect activities, such as corporate, technology and other support functions, are allocated to business segments primarily based upon full-time equivalent employee computations.

The Banking segment includes commercial, residential, and consumer lending activities; mortgage banking activities; deposit generation; treasury management services; other banking activities, including customer support and the operation of ATMs, telephone banking, internet banking, and mobile banking services; as well as investment portfolio and wholesale funding activities.

Wealth management services and operations are provided through the Bank and its registered investment adviser subsidiary. The Wealth Management Services segment provides investment management; holistic financial planning services; personal trust and estate services, including services as trustee, personal representative, and custodian; settlement of decedents' estates; and institutional trust services, including custody and fiduciary services.

The CODMs evaluate the financial performance of each business segment, which is measured based upon the business segment's net income. Components of net income for the business segments that are reviewed by the CODMs include net interest income, provision for credit losses, noninterest income, noninterest expense, and income tax expense. The CODMs, in conjunction with management committees (such as the ALCO) and certain members of executive management, evaluates financial performance to make decisions related to the products and services that are offered, pricing, and the allocation of resources, for each business segment.

The following tables present the components of net income, as well as other supplemental information for Washington Trust's reportable business segments:

(Dollars in thousands)	Banking		Wealth Management Services		Consolidated Total	
Three months ended June 30,	2026	2025	2026	2025	2026	2025
Total interest and dividend income	$75,169	$78,846	$—	$—	$75,169	$78,846
Total interest expense	33,366	41,661	—	—	33,366	41,661
Net interest income	41,803	37,185	—	—	41,803	37,185
Provision for credit losses	1,600	600	—	—	1,600	600
Net interest income after provision for credit losses	40,203	36,585	—	—	40,203	36,585
Noninterest income	7,250	6,720	11,412	10,358	18,662	17,078
Noninterest expenses:						
Salaries and employee benefits	19,750	17,434	5,562	5,591	25,312	23,025
Outsourced services	3,587	3,374	679	1,030	4,266	4,404
Net occupancy	2,511	2,393	224	269	2,735	2,662
Equipment	830	855	57	75	887	930
Legal, audit and professional fees	578	525	246	201	824	726
FDIC deposit insurance costs	952	1,235	—	—	952	1,235
Advertising and promotion	653	601	118	116	771	717
Amortization of intangibles	—	—	156	203	156	203
Other expenses	2,139	2,095	555	533	2,694	2,628
Total noninterest expenses	31,000	28,512	7,597	8,018	38,597	36,530
Income before income taxes	16,453	14,793	3,815	2,340	20,268	17,133
Income tax expense	3,426	3,283	861	605	4,287	3,888
Net income	$13,027	$11,510	$2,954	$1,735	$15,981	$13,245
Supplemental Information:						
Total assets at period end	$6,484,406	$6,683,840	$63,498	$61,327	$6,547,904	$6,745,167
Expenditures for long-lived assets	1,060	388	25	13	1,085	401
Depreciation expense (1)	745	790	70	86	815	876

(1) Included in net occupancy and equipment expenses in the table above.

(Dollars in thousands)	Banking		Wealth Management Services		Consolidated Total	
Six months ended June 30,	2026	2025	2026	2025	2026	2025
Total interest and dividend income	$150,151	$158,309	$—	$—	$150,151	$158,309
Total interest expense	67,823	84,702	—	—	67,823	84,702
Net interest income	82,328	73,607	—	—	82,328	73,607
Provision for credit losses	5,600	1,800	—	—	5,600	1,800
Net interest income after provision for credit losses	76,728	71,807	—	—	76,728	71,807
Noninterest income	13,680	19,355	22,285	20,366	35,965	39,721
Noninterest expenses:						
Salaries and employee benefits	38,540	34,413	11,112	11,034	49,652	45,447
Outsourced services	7,186	6,639	1,463	2,111	8,649	8,750
Net occupancy	5,174	4,864	451	539	5,625	5,403
Equipment	1,673	1,670	117	151	1,790	1,821
Legal, audit and professional fees	1,240	1,052	520	424	1,760	1,476
FDIC deposit insurance costs	1,887	2,497	—	—	1,887	2,497
Advertising and promotion	1,116	949	202	178	1,318	1,127
Amortization of intangibles	—	—	311	407	311	407
Other expenses	4,286	8,974	1,084	2,824	5,370	11,798
Total noninterest expenses	61,102	61,058	15,260	17,668	76,362	78,726
Income before income taxes	29,306	30,104	7,025	2,698	36,331	32,802
Income tax expense	6,160	6,630	1,590	748	7,750	7,378
Net income	$23,146	$23,474	$5,435	$1,950	$28,581	$25,424
Total assets at period end	$6,484,406	$6,683,840	$63,498	$61,327	$6,547,904	$6,745,167
Expenditures for long-lived assets	2,225	475	166	14	2,391	489
Depreciation expense (1)	1,481	1,598	141	172	1,622	1,770

(1) Included in net occupancy and equipment expenses in the table above.

For the six months ended June 30, 2025, noninterest income for the Banking segment included a $7.0 million net gain recognized in the first quarter associated with sale-leaseback transactions that were completed for five branch locations.

Also, for the six months ended June 30, 2025, total other expenses included a $6.4 million pension plan settlement charge recognized in the first quarter, of which $4.9 million was included in the Banking segment and $1.5 million was included in the Wealth Management Services segment.

Note 13 - Other Comprehensive Income

The following tables present the activity in other comprehensive income:

Three months ended June 30,	2026			2025		
(Dollars in thousands)	Pre-tax Amounts	Income Tax (Expense) Benefit	Net of Tax	Pre-tax Amounts	Income Tax (Expense) Benefit	Net of Tax
Available for Sale Debt Securities:						
Change in fair value of available for sale debt securities	($31)	$8	($23)	$2,852	($720)	$2,132
Cash Flow Hedges:						
Change in fair value of cash flow hedges	708	(176)	532	(507)	128	(379)
Net cash flow hedge losses reclassified into earnings (1)	733	(186)	547	1,947	(492)	1,455
Net change in fair value of cash flow hedges	1,441	(362)	1,079	1,440	(364)	1,076
Defined Benefit Plan Obligations:						
Amortization of net actuarial losses into earnings	25	(6)	19	29	(7)	22
Net change in defined benefit plan obligations	25	(6)	19	29	(7)	22
Total other comprehensive income	$1,435	($360)	$1,075	$4,321	($1,091)	$3,230

(1) See Note 6 for additional information on pre-tax amounts related to cash flow hedges that were reclassified into earnings.

Six months ended June 30,	2026			2025		
(Dollars in thousands)	Pre-tax Amounts	Income Tax (Expense) Benefit	Net of Tax	Pre-tax Amounts	Income Tax (Expense) Benefit	Net of Tax
Securities available for sale:						
Change in fair value of available for sale debt securities	($1,810)	$453	($1,357)	$19,748	($4,986)	$14,762
Cash flow hedges:						
Change in fair value of cash flow hedges	1,466	(366)	1,100	(1,636)	413	(1,223)
Net cash flow hedge losses reclassified into earnings (1)	2,894	(725)	2,169	3,869	(977)	2,892
Net change in fair value of cash flow hedges	4,360	(1,091)	3,269	2,233	(564)	1,669
Defined benefit plan obligations:						
Defined benefit plan obligation remeasurement	—	—	—	2,665	(728)	1,937
Pension plan settlement charge reclassified into earnings	—	—	—	6,436	(1,625)	4,811
Amortization of net actuarial losses into earnings	49	(12)	37	58	(15)	43
Net change in defined benefit plan obligations	49	(12)	37	9,159	(2,368)	6,791
Total other comprehensive income	$2,599	($650)	$1,949	$31,140	($7,918)	$23,222

(1) See Note 6 for additional information on pre-tax amounts related to cash flow hedges that were reclassified into earnings.

The following tables present the changes in AOCL by component, net of tax:

(Dollars in thousands)

For the three months ended June 30, 2026	Net Unrealized Losses on Available For Sale Debt Securities	Net Unrealized (Losses) Gains on Cash Flow Hedges	Net Unrealized Losses on Defined Benefit Plan Obligations	Total
Balance at March 31, 2026	($75,077)	($952)	($2,406)	($78,435)
Other comprehensive (loss) income before reclassifications	(23)	532	—	509
Amounts reclassified from AOCL	—	547	19	566
Net other comprehensive (loss) income	(23)	1,079	19	1,075
Balance at June 30, 2026	($75,100)	$127	($2,387)	($77,360)

(Dollars in thousands)

For the six months ended June 30, 2026	Net Unrealized Losses on Available For Sale Debt Securities	Net Unrealized (Losses) Gains on Cash Flow Hedges	Net Unrealized Losses on Defined Benefit Plan Obligations	Total
Balance at December 31, 2025	($73,743)	($3,142)	($2,424)	($79,309)
Other comprehensive (loss) income before reclassifications	(1,357)	1,100	—	(257)
Amounts reclassified from AOCL	—	2,169	37	2,206
Net other comprehensive (loss) income	(1,357)	3,269	37	1,949
Balance at June 30, 2026	($75,100)	$127	($2,387)	($77,360)

(Dollars in thousands)

For the three months ended June 30, 2025	Net Unrealized Losses on Available For Sale Debt Securities	Net Unrealized Losses on Cash Flow Hedges	Net Unrealized Losses on Defined Benefit Plan Obligations	Total
Balance at March 31, 2025	($89,809)	($7,345)	($2,025)	($99,179)
Other comprehensive income (loss) before reclassifications	2,132	(379)	—	1,753
Amounts reclassified from AOCL	—	1,455	22	1,477
Net other comprehensive income	2,132	1,076	22	3,230
Balance at June 30, 2025	($87,677)	($6,269)	($2,003)	($95,949)

(Dollars in thousands)

For the six months ended June 30, 2025	Net Unrealized Losses on Available For Sale Debt Securities	Net Unrealized Losses on Cash Flow Hedges	Net Unrealized Losses on Defined Benefit Plan Obligations	Total
Balance at December 31, 2024	($102,439)	($7,938)	($8,794)	($119,171)
Other comprehensive income (loss) before reclassifications	14,762	(1,223)	1,937	15,476
Amounts reclassified from AOCL	—	2,892	4,854	7,746
Net other comprehensive income	14,762	1,669	6,791	23,222
Balance at June 30, 2025	($87,677)	($6,269)	($2,003)	($95,949)

Note 14 - Earnings per Common Share

The following table presents the calculation of EPS:

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

	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Earnings for basic and diluted EPS calculations:				
Net income	$15,981	$13,245	$28,581	$25,424
Shares for basic and diluted EPS calculations:				
Weighted average common shares outstanding for basic EPS	19,064	19,285	19,051	19,280
Dilutive effect of common stock equivalents	140	89	138	92
Weighted average common and potential common shares outstanding for diluted EPS	19,204	19,374	19,189	19,372
EPS:				
Basic earnings per common share	$0.84	$0.69	$1.50	$1.32
Diluted earnings per common share	$0.83	$0.68	$1.49	$1.31
Shares excluded from the calculation of diluted EPS:				
Weighted average anti-dilutive common stock equivalents (1)	368	516	369	487

(1) Weighted average anti-dilutive common stock equivalents represent share-based compensation awards not included in the calculation of common shares outstanding for purposes of calculating diluted EPS as the grant prices were greater than the average market price of the Bancorp's common stock, and therefore were anti-dilutive.

Note 15 - Commitments and Contingencies

Financial Instruments with Off-Balance Sheet Risk

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to manage the Corporation's exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit, as well as derivative financial instruments, such as mortgage loan commitments, loan related derivative contracts and interest rate risk management contracts. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Unaudited Consolidated Balance Sheets. The contract or notional amounts of these instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments. See Note 6 for additional disclosure pertaining to derivative financial instruments.

Financial Instruments Whose Contract Amounts Represent Credit Risk (Unfunded Commitments)

Commitments to Extend Credit

Commitments to extend credit are agreements to lend to a customer as long as there are no violations of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained is based on management's credit evaluation of the borrower.

Standby Letters of Credit

Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. These standby letters of credit are primarily issued to support the financing needs of the Bank's commercial customers. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers. The collateral supporting those commitments is essentially the same as for other commitments. Most standby letters of credit extend for one year. At June 30, 2026 and December 31, 2025, there were no liabilities to beneficiaries resulting from standby letters of credit. Should the Corporation be required to make payments to the beneficiary, repayment from the customer to the Corporation is required.

The following table presents the contractual and notional amounts of financial instruments with off-balance sheet risk:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$1,005,018	$952,599
Standby letters of credit	7,002	7,774

ACL on Unfunded Commitments

The ACL on unfunded commitments is management's estimate of expected lifetime credit losses over the expected contractual term in which the Corporation is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Corporation.

The activity in the ACL on unfunded commitments for the three months ended June 30, 2026 is presented below:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$579	$630	$1,209	$23	$—	$8	$8	$1,240
Provision	138	(48)	90	11	—	(1)	(1)	100
Ending Balance	$717	$582	$1,299	$34	$—	$7	$7	$1,340

The activity in the ACL on unfunded commitments for the six months ended June 30, 2026 is presented below:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$518	$590	$1,108	$23	$—	$9	$9	$1,140
Provision	199	(8)	191	11	—	(2)	(2)	200
Ending Balance	$717	$582	$1,299	$34	$—	$7	$7	$1,340

The activity in the ACL on unfunded commitments for the three months ended June 30, 2025 is presented below:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$694	$518	$1,212	$17	$—	$11	$11	$1,240
Provision	(274)	223	(51)	3	—	(2)	(2)	(50)
Ending Balance	$420	$741	$1,161	$20	$—	$9	$9	$1,190

The activity in the ACL on unfunded commitments for the six months ended June 30, 2025 is presented below:

(Dollars in thousands)	Commercial				Consumer			
	CRE	C&I	Total Commercial	Residential Real Estate	Home Equity	Other	Total Consumer	Total
Beginning Balance	$822	$589	$1,411	$18	$—	$11	$11	$1,440
Provision	(402)	152	(250)	2	—	(2)	(2)	(250)
Ending Balance	$420	$741	$1,161	$20	$—	$9	$9	$1,190

Other Contingencies

Litigation

The Corporation is involved in various claims and legal proceedings arising out of the ordinary course of business. Management is of the opinion, based on its review with counsel of the development of such matters to date, that the ultimate disposition of such matters will not materially affect the consolidated balance sheets or statements of income of the Corporation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Corporation's Audited Consolidated Financial Statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2025, and in conjunction with the condensed Unaudited Consolidated Financial Statements and notes thereto included in Item 1 of this report. Operating results for the three and six months ended June 30, 2026 are not necessarily indicative of the results for the full-year ended December 31, 2026 or any future period.

Forward-Looking Statements

This report contains statements that are "forward-looking statements." We may also make forward-looking statements in other documents we file with the SEC, in our annual reports to shareholders, 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 our control. These risks, uncertainties, and other factors may cause our actual results, performance, or achievements to be materially different than 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:

- changes in general business and economic conditions (including the impact of ongoing armed conflicts, tariffs, inflation, future U.S. government shutdowns, and concerns about liquidity) on a national basis and in the local markets in which we operate;
- interest rate changes or volatility, as well as changes in the balance and mix of loans and deposits;
- changes in customer behavior due to political, business and economic conditions;
- changes in loan demand and collectability;
- the possibility that future credit losses are higher than currently expected due to changes in economic assumptions or adverse economic developments;
- ongoing volatility in national and international financial markets;
- reductions in the market value or outflows of wealth management AUA;
- decreases in the value of securities and other assets;
- increases in defaults and charge-off rates;
- changes in the size and nature of our competition;
- changes in, and evolving interpretations of, existing and future laws, rules and regulations;
- changes in accounting principles, policies and guidelines;
- operational risks including, but not limited to, changes in information technology, cybersecurity incidents, fraud, natural disasters, war, terrorism, civil unrest and future pandemics;
- regulatory, litigation and reputational risks; 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, 2025, 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.

Non-GAAP Financial Measures and Reconciliation to GAAP
In addition to evaluating the Corporation’s results of operations in accordance with GAAP, management supplements this evaluation with an analysis of certain non-GAAP financial measures, such as adjusted noninterest income, adjusted noninterest expense, adjusted income before income taxes, adjusted income tax expense, adjusted effective tax rate, adjusted net income, adjusted diluted earnings per common share, adjusted return on average assets, and adjusted return on average equity.

We believe these non-GAAP financial measures are utilized by regulators and market analysts to evaluate the Corporation’s results of operations and financial condition, and therefore such information is useful to investors. In addition, these non-GAAP financial measures remove the impact of infrequent items that may obscure trends in the Corporation’s underlying performance. 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.

Each presentation below reconciles the “as reported” GAAP measure to the adjusted non-GAAP measure.

The following table presents adjusted noninterest income, adjusted noninterest expense, adjusted income before income taxes, adjusted income tax expense, adjusted effective tax rate, and adjusted net income:

(Dollars in thousands, except per share amounts) For the six months ended June 30,	2026	2025
Adjusted Noninterest Income:		
Noninterest income, as reported	$35,965	$39,721
Less adjustments:		
Gain on sale of bank-owned properties, net (1)	—	6,994
Adjusted noninterest income (non-GAAP)	$35,965	$32,727
Adjusted Noninterest Expense:		
Noninterest expense, as reported	$76,362	$78,726
Less adjustments:		
Pension plan settlement charge (1)	—	6,436
Adjusted noninterest expense (non-GAAP)	$76,362	$72,290
Adjusted Income Before Income Taxes:		
Income before income taxes, as reported	$36,331	$32,802
Less: total adjustments, pre-tax (1)	—	558
Adjusted income before income taxes (non-GAAP)	$36,331	$32,244
Adjusted Income Tax Expense:		
Income tax expense, as reported	$7,750	$7,378
Less: tax on total adjustments (1)	—	141
Adjusted income tax expense (non-GAAP)	$7,750	$7,237
Adjusted Effective Tax Rate:		
Effective tax rate, as reported (2)	21.3%	22.5%
Less: impact of total adjustments (1)	—	0.1
Adjusted effective tax rate (non-GAAP) (3)	21.3%	22.4%
Adjusted Net Income:		
Net income, as reported	$28,581	$25,424
Less: total adjustments, after-tax (1)	—	417
Adjusted net income (non-GAAP)	$28,581	$25,007

(1) Recognized in the three months ended March 31, 2025.
(2) Calculated as income tax expense divided by income before income taxes.
(3) Calculated as income tax expense, adjusted for the tax impact of the adjustments as outlined in the table above, divided by income before income taxes, adjusted for the pre-tax impact of the adjustments as outlined in the table above.

The following table presents adjusted diluted earnings per common share:

(Dollars in thousands, except per share amounts) For the six months ended June 30,	2026	2025
Adjusted Diluted Earnings per Common Share:		
Diluted earnings per common share, as reported (1)	$1.49	$1.31
Less: impact of total adjustments (2)	—	0.02
Adjusted diluted earnings per common share (non-GAAP) (3)	$1.49	$1.29

(1) Net income divided by weighted average diluted common and potential shares outstanding.
(2) Recognized in the three months ended March 31, 2025.
(3) Net income, adjusted for the after-tax impact of adjustments as outlined in the table above, divided by weighted average diluted common and potential shares outstanding.

The following table presents adjusted return on average assets and adjusted return on average equity:

(Dollars in thousands) For the six months ended June 30,	2026	2025
Adjusted Return on Average Assets (1):		
Net income, as reported	$28,581	$25,424
Less: total adjustments, after-tax (2)	—	417
Adjusted net income (non-GAAP)	28,581	25,007
Total average assets, as reported	6,515,072	6,703,877
Return on average assets (3)	0.88%	0.76%
Adjusted return on average assets (non-GAAP) (4)	0.88%	0.75%
Adjusted Return on Average Equity (1):		
Net income, as reported	$28,581	$25,424
Less: total adjustments, after-tax (2)	—	417
Adjusted net income (non-GAAP)	28,581	25,007
Total average equity, as reported	552,740	518,408
Return on average equity (5)	10.43%	9.89%
Adjusted return on average equity (non-GAAP) (6)	10.43%	9.73%

(1) Annualized based on the actual number of days in the period.
(2) Recognized in the three months ended March 31, 2025.
(3) Net income divided by total average assets.
(4) Net income, adjusted for the after-tax impact of adjustments as outlined in the table above, divided by total average assets.
(5) Net income divided by total average equity.
(6) Net income, adjusted for the after-tax impact of adjustments as outlined in the table above, divided by total average equity.

Overview

Washington Trust offers a full range of financial services, including commercial, residential, and consumer lending, retail and commercial deposit products, and wealth management and trust services through its offices in Rhode Island, Massachusetts, and Connecticut.

Our largest source of operating income is net interest income, which is the difference between interest earned on loans and securities and interest paid on deposits and borrowings. In addition, we generate noninterest income from a number of sources, including wealth management services, mortgage banking activities, and deposit services. Our principal noninterest expenses include salaries and employee benefit costs, outsourced services (including software-as-a-service) provided by third-party vendors, occupancy and facility-related costs, and other administrative expenses.

We continue to leverage our strong regional brand to build market share and remain steadfast in our commitment to provide superior service. We believe the key to future growth is providing customers with convenient in-person service and digital banking solutions. We have plans to open two new full-service branches later in 2026; one in Pawtucket and another in Bristol, Rhode Island.

Results of Operations

Summary

The following table presents a summarized consolidated statement of operations:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Net interest income	$41,803	$37,185	$4,618	12%	$82,328	$73,607	$8,721	12%
Noninterest income	18,662	17,078	1,584	9	35,965	39,721	(3,756)	(9)
Total revenues	60,465	54,263	6,202	11	118,293	113,328	4,965	4
Provision for credit losses	1,600	600	1,000	167	5,600	1,800	3,800	211
Noninterest expense	38,597	36,530	2,067	6	76,362	78,726	(2,364)	(3)
Income before income taxes	20,268	17,133	3,135	18	36,331	32,802	3,529	11
Income tax expense	4,287	3,888	399	10	7,750	7,378	372	5
Net income	$15,981	$13,245	$2,736	21%	$28,581	$25,424	$3,157	12%
Adjusted net income (non-GAAP)	$15,981	$13,245	$2,736	21%	$28,581	$25,007	$3,574	14%

Net income totaled $16.0 million and $28.6 million, respectively, for the three and six months ended June 30, 2026, compared to $13.2 million and $25.4 million, respectively, reported for the same periods in 2025. The prior year results included the following infrequent transactions:

- In the first quarter of 2025, sale-leaseback transactions were completed for five branch locations and a pre-tax net gain on the sale of the bank-owned properties totaling $7.0 million was recognized within noninterest income.
- Also in the first quarter of 2025 and in connection with the termination of the Corporation's qualified pension plan, a pre-tax non-cash pension plan settlement charge of $6.4 million was recognized within noninterest expenses.

Excluding these items, adjusted net income (non-GAAP) for the three and six months ended June 30, 2026 was $16.0 million and $28.6 million, respectively, compared to $13.2 million and $25.0 million, respectively, for the same periods in 2025. These results reflected higher net interest income, as well as growth in wealth management and mortgage banking revenues, partially offset by an elevated provision for credit losses and higher salaries and benefits costs.

The following table presents a summary of performance metrics and ratios:

	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Diluted earnings per common share	$0.83	$0.68	$1.49	$1.31
Adjusted diluted earnings per common share (non-GAAP)	$0.83	$0.68	$1.49	$1.29
Return on average assets (net income divided by average assets)	0.99%	0.80%	0.88%	0.76%
Adjusted return on average assets (non-GAAP)	0.99%	0.80%	0.88%	0.75%
Return on average equity (net income divided by average equity)	11.61%	10.14%	10.43%	9.89%
Adjusted return on average equity (non-GAAP)	11.61%	10.14%	10.43%	9.73%

Average Balances / Net Interest Margin - Fully Taxable Equivalent Basis

The following table presents daily average balance, interest, and yield/rate information, as well as net interest margin on an FTE basis. Tax-exempt income is converted to an FTE basis using the statutory federal income tax rate. Unrealized gains (losses) on available for sale securities, changes in fair value on mortgage loans held for sale, and basis adjustments associated with fair value hedges are excluded from the average balance and yield calculations. Nonaccrual loans are included in amounts presented for loans. Interest income attributable to nonaccrual loans is included in accordance with accounting policy as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Three months ended June 30,	2026			2025			Change		
(Dollars in thousands)	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:									
Cash, federal funds sold, and short-term investments	$111,434	$998	3.59%	$92,692	$1,029	4.45%	$18,742	($31)	(0.86%)
Mortgage loans held for sale	31,413	478	6.10	27,466	442	6.45	3,947	36	(0.35)
Taxable debt securities	996,894	8,468	3.41	1,067,394	9,230	3.47	(70,500)	(762)	(0.06)
Nontaxable debt securities	650	8	4.94	650	8	4.94	—	—	—
Total securities	997,544	8,476	3.41	1,068,044	9,238	3.47	(70,500)	(762)	(0.06)
FHLB stock	25,557	506	7.94	41,484	792	7.66	(15,927)	(286)	0.28
Commercial real estate	2,049,760	28,593	5.60	2,161,987	31,225	5.79	(112,227)	(2,632)	(0.19)
Commercial & industrial	592,347	8,346	5.65	550,550	7,967	5.80	41,797	379	(0.15)
Total commercial	2,642,107	36,939	5.61	2,712,537	39,192	5.80	(70,430)	(2,253)	(0.19)
Residential real estate	2,027,688	22,698	4.49	2,096,538	22,996	4.40	(68,850)	(298)	0.09
Home equity	322,709	5,052	6.28	298,645	5,167	6.94	24,064	(115)	(0.66)
Other	15,760	208	5.29	17,001	207	4.88	(1,241)	1	0.41
Total consumer	338,469	5,260	6.23	315,646	5,374	6.83	22,823	(114)	(0.60)
Total loans	5,008,264	64,897	5.20	5,124,721	67,562	5.29	(116,457)	(2,665)	(0.09)
Total interest-earning assets	6,174,212	75,355	4.90	6,354,407	79,063	4.99	(180,195)	(3,708)	(0.09)
Noninterest-earning assets	289,814			288,963			851		
Total assets	$6,464,026			$6,643,370			($179,344)		
Liabilities and Shareholders' Equity:									
Interest-bearing demand deposits (in-market)	$730,215	$5,751	3.16%	$664,290	$6,251	3.77%	$65,925	($500)	(0.61%)
NOW accounts	685,098	265	0.16	670,878	341	0.20	14,220	(76)	(0.04)
Money market accounts	1,196,679	8,429	2.83	1,182,377	9,779	3.32	14,302	(1,350)	(0.49)
Savings accounts	833,804	3,656	1.76	664,590	3,080	1.86	169,214	576	(0.10)
Time deposits (in-market)	1,143,511	9,466	3.32	1,215,018	11,308	3.73	(71,507)	(1,842)	(0.41)
Interest-bearing in-market deposits	4,589,307	27,567	2.41	4,397,153	30,759	2.81	192,154	(3,192)	(0.40)
Wholesale brokered time deposits	—	—	—	8,485	105	4.96	(8,485)	(105)	(4.96)
Total interest-bearing deposits	4,589,307	27,567	2.41	4,405,638	30,864	2.81	183,669	(3,297)	(0.40)
FHLB advances	536,879	5,491	4.10	934,066	10,451	4.49	(397,187)	(4,960)	(0.39)
Junior subordinated debentures	22,681	308	5.45	22,681	346	6.12	—	(38)	(0.67)
Total interest-bearing liabilities	5,148,867	33,366	2.60	5,362,385	41,661	3.12	(213,518)	(8,295)	(0.52)
Noninterest-bearing demand deposits	621,882			615,926			5,956		
Other liabilities	141,165			141,350			(185)		
Shareholders' equity	552,112			523,709			28,403		
Total liabilities and shareholders' equity	$6,464,026			$6,643,370			($179,344)		
Net interest income (FTE)		$41,989			$37,402			$4,587	
Interest rate spread			2.30%			1.87%			0.43%
Net interest margin			2.73%			2.36%			0.37%

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

(Dollars in thousands) Three months ended June 30,	2026	2025	Change
Commercial loans	$180	$219	($39)
Nontaxable debt securities	—	—	—
Total	$180	$219	($39)

Six months ended June 30,	2026			2025			Change		
(Dollars in thousands)	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:									
Cash, federal funds sold, and short-term investments	$106,290	$1,907	3.62%	$138,950	$3,022	4.39%	($32,660)	($1,115)	(0.77%)
Mortgage loans held for sale	28,105	853	6.12	66,145	1,400	4.27	(38,040)	(547)	1.85
Taxable debt securities	1,009,682	17,236	3.44	1,055,109	18,057	3.45	(45,427)	(821)	(0.01)
Nontaxable debt securities	650	17	5.27	650	16	4.96	—	1	0.31
Total debt securities	1,010,332	17,253	3.44	1,055,759	18,073	3.45	(45,427)	(820)	(0.01)
FHLB stock	28,048	1,091	7.84	42,482	1,814	8.61	(14,434)	(723)	(0.77)
Commercial real estate	2,099,003	57,311	5.51	2,150,209	61,579	5.78	(51,206)	(4,268)	(0.27)
Commercial & industrial	581,981	16,267	5.64	544,352	15,841	5.87	37,629	426	(0.23)
Total commercial	2,680,984	73,578	5.53	2,694,561	77,420	5.79	(13,577)	(3,842)	(0.26)
Residential real estate	2,031,620	45,421	4.51	2,108,429	46,350	4.43	(76,809)	(929)	0.08
Home equity	319,702	9,984	6.30	297,695	10,229	6.93	22,007	(245)	(0.63)
Other	16,171	422	5.26	17,174	423	4.97	(1,003)	(1)	0.29
Total consumer	335,873	10,406	6.25	314,869	10,652	6.82	21,004	(246)	(0.57)
Total loans	5,048,477	129,405	5.17	5,117,859	134,422	5.30	(69,382)	(5,017)	(0.13)
Total interest-earning assets	6,221,252	150,509	4.88	6,421,195	158,731	4.98	(199,943)	(8,222)	(0.10)
Noninterest-earning assets	293,820			282,682			11,138		
Total assets	$6,515,072			$6,703,877			($188,805)		
Liabilities and Shareholders' Equity:									
Interest-bearing demand deposits (in-market)	$739,174	$11,640	3.18%	$646,489	$12,126	3.78%	$92,685	($486)	(0.60%)
NOW accounts	680,693	524	0.16	674,985	685	0.20	5,708	(161)	(0.04)
Money market accounts	1,179,738	16,217	2.77	1,207,072	19,806	3.31	(27,334)	(3,589)	(0.54)
Savings accounts	821,989	7,074	1.74	614,573	4,932	1.62	207,416	2,142	0.12
Time deposits (in-market)	1,166,833	19,482	3.37	1,209,927	22,611	3.77	(43,094)	(3,129)	(0.40)
Interest-bearing in-market deposits	4,588,427	54,937	2.41	4,353,046	60,160	2.79	235,381	(5,223)	(0.38)
Wholesale brokered time deposits	—	—	—	97,939	2,452	5.05	(97,939)	(2,452)	(5.05)
Total interest-bearing deposits	4,588,427	54,937	2.41	4,450,985	62,612	2.84	137,442	(7,675)	(0.43)
FHLB advances	598,431	12,268	4.13	946,906	21,397	4.56	(348,475)	(9,129)	(0.43)
Junior subordinated debentures	22,681	618	5.49	22,681	693	6.16	—	(75)	(0.67)
Total interest-bearing liabilities	5,209,539	67,823	2.63	5,420,572	84,702	3.15	(211,033)	(16,879)	(0.52)
Noninterest-bearing demand deposits	613,141			618,373			(5,232)		
Other liabilities	139,652			146,524			(6,872)		
Shareholders' equity	552,740			518,408			34,332		
Total liabilities and shareholders' equity	$6,515,072			$6,703,877			($188,805)		
Net interest income (FTE)		$82,686			$74,029			$8,657	
Interest rate spread			2.25%			1.83%			0.42%
Net interest margin			2.68%			2.32%			0.36%

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

(Dollars in thousands) Six months ended June 30,	2026	2025	Change
Commercial loans	$348	$425	($77)
Nontaxable debt securities	2	1	1
Total	$350	$426	($76)

Net Interest Income
Net interest income, the primary source of our operating income, totaled $41.8 million and $82.3 million, respectively, for the three and six months ended June 30, 2026, compared to $37.2 million and $73.6 million, respectively, for the same periods in 2025.

Net interest income is affected by factors including, but not limited to, the level of and changes in interest rates, changes in the amount and composition of interest-earning assets and interest-bearing liabilities, loan and deposit pricing strategies and competitive conditions, loan prepayment speeds, and the level of nonaccrual loans.

NIM is calculated as net interest income on a fully-taxable equivalent basis as a percentage of average interest-earning assets.

The improvement in net interest income, FTE net interest income and NIM discussed below largely reflected continued benefits from the December 2024 balance sheet repositioning transactions, as well as the cessation of amortization of a deferred loss associated with a previously terminated cash flow hedge. As of May 1, 2026, the remaining deferred loss was fully amortized. As noted in the Unaudited Consolidated Statements of Cash Flows, amortization of the terminated cash flow hedge loss (a reduction to net interest income) amounted to $2.8 million in 2026, compared to $4.3 million in 2025.

The following discussion presents net interest income on an FTE basis by adjusting income and yields on tax-exempt loans to be comparable to taxable loans.

FTE net interest income for the three and six months ended June 30, 2026 amounted to $42.0 million and $82.7 million, respectively, up by $4.6 million and $8.7 million, respectively, from the same periods in 2025. For the three and six months ended June 30, 2026, decreases in average interest-bearing liability balances net of decreases in average interest-earning assets increased net interest income by $1.3 million and $2.0 million, respectively. Decreases in funding costs outpaced decreases in asset yields, increasing net interest income by $3.3 million and $6.7 million, respectively, for the three and six months ended June 30, 2026.

NIM was 2.73% and 2.68%, respectively, for the three and six months ended June 30, 2026, up from 2.36% and 2.32%, respectively, for the same periods in 2025.

Total average securities for the three and six months ended June 30, 2026 decreased by $70.5 million and $45.4 million, respectively, from the same periods a year earlier primarily due to routine pay-downs. The FTE rate of return on the securities portfolio for the three and six months ended June 30, 2026 was 3.41% and 3.44%, respectively, down by 6 and 1 basis points, respectively, from the same periods in 2025.

Total average loan balances for the three and six months ended June 30, 2026 decreased by $116.5 million and $69.4 million, respectively, from the comparable 2025 periods, reflecting decreases in the residential and commercial real estate loan portfolios. The yield on total loans for the three and six months ended June 30, 2026 was 5.20% and 5.17%, respectively, down by 9 and 13 basis points, respectively, from the same periods in 2025. The decrease reflected the impact of lower market interest rates, partially offset by the benefit from the cessation of deferred loss amortization discussed above.

FHLB advances and brokered time deposits are utilized as wholesale funding sources. The average balance of FHLB advances for the three and six months ended June 30, 2026 decreased by $397.2 million and $348.5 million, respectively, from the comparable periods in 2025. The average rate paid on such advances for the three and six months ended June 30, 2026 was 4.10% and 4.13%, respectively, down by 39 and 43 basis points, respectively, from the same periods in 2025. There were no wholesale brokered time deposits for the three and six months ended June 30, 2026. This compared to

$8.5 million and $97.9 million, respectively for the three and six months ended June 30, 2025 with average rates of 4.96% and 5.05%, respectively. The decline in wholesale funding balances reflected the benefits from the balance sheet repositioning transactions mentioned above, as well as increases in the average balances of in-market deposits. Rates paid on wholesale funding have declined from the prior year reflecting lower market interest rates.

Average in-market interest-bearing deposits, which excludes wholesale brokered deposits, for the three and six months ended June 30, 2026 increased by $192.2 million and $235.4 million, respectively, from the same periods in 2025, largely reflecting increases in average balances of savings accounts and interest-bearing demand deposits. The average rate paid on in-market interest-bearing deposits for both the three and six months ended June 30, 2026 was 2.41%, down by 40 and 38 basis points, respectively, from the same periods in 2025, largely reflecting lower market interest rates. The average balance of noninterest-bearing demand deposits for the three and six months ended June 30, 2026 increased by $6.0 million and decreased by $5.2 million, respectively, from the same periods in 2025.

Volume / Rate Analysis - Interest Income and Expense (FTE Basis)
The following table presents certain information on an FTE basis regarding changes in our interest income and interest expense for the periods indicated. The net change attributable to both volume and rate has been allocated proportionately.

(Dollars in thousands)	Three Months Ended June 30, 2026 vs. 2025			Six Months Ended June 30, 2026 vs. 2025		
	Change Due to			Change Due to		
	Volume	Rate	Net Change	Volume	Rate	Net Change
Interest on Interest-Earning Assets:						
Cash, federal funds sold, and other short-term investments	$187	($218)	($31)	($639)	($476)	($1,115)
Mortgage loans held for sale	61	(25)	36	(1,004)	457	(547)
Taxable debt securities	(604)	(158)	(762)	(769)	(52)	(821)
Nontaxable debt securities	—	—	—	—	1	1
Total securities	(604)	(158)	(762)	(769)	(51)	(820)
FHLB stock	(314)	28	(286)	(572)	(151)	(723)
Commercial real estate	(1,613)	(1,019)	(2,632)	(1,441)	(2,827)	(4,268)
Commercial & industrial	590	(211)	379	1,064	(638)	426
Total commercial	(1,023)	(1,230)	(2,253)	(377)	(3,465)	(3,842)
Residential real estate	(763)	465	(298)	(1,740)	811	(929)
Home equity	398	(513)	(115)	724	(969)	(245)
Other	(16)	17	1	(25)	24	(1)
Total consumer	382	(496)	(114)	699	(945)	(246)
Total loans	(1,404)	(1,261)	(2,665)	(1,418)	(3,599)	(5,017)
Total interest income	(2,074)	(1,634)	(3,708)	(4,402)	(3,820)	(8,222)
Interest on Interest-Bearing Liabilities:						
Interest-bearing demand deposits (in-market)	578	(1,078)	(500)	1,595	(2,081)	(486)
NOW accounts	6	(82)	(76)	4	(165)	(161)
Money market accounts	117	(1,467)	(1,350)	(437)	(3,152)	(3,589)
Savings accounts	749	(173)	576	1,756	386	2,142
Time deposits (in-market)	(642)	(1,200)	(1,842)	(786)	(2,343)	(3,129)
Interest-bearing in-market deposits	808	(4,000)	(3,192)	2,132	(7,355)	(5,223)
Wholesale brokered time deposits	(53)	(52)	(105)	(1,226)	(1,226)	(2,452)
Total interest-bearing deposits	755	(4,052)	(3,297)	906	(8,581)	(7,675)
FHLB advances	(4,119)	(841)	(4,960)	(7,267)	(1,862)	(9,129)
Junior subordinated debentures	—	(38)	(38)	—	(75)	(75)
Total interest expense	(3,364)	(4,931)	(8,295)	(6,361)	(10,518)	(16,879)
Net interest income (FTE)	$1,290	$3,297	$4,587	$1,959	$6,698	$8,657

Provision for Credit Losses
The provision for credit losses results from management's review of the adequacy of the ACL. The ACL is management's estimate, at the reporting date, of expected lifetime credit losses and includes consideration of current forecasted economic conditions. Estimating an appropriate level of ACL necessarily involves a high degree of judgment.

The following table presents the provision for credit losses for the periods indicated:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Provision for credit losses on loans	$1,500	$650	$850	131%	$5,400	$2,050	$3,350	163%
Provision for credit losses on unfunded commitments	100	(50)	$150	300	200	(250)	$450	180
Provision for credit losses	$1,600	$600	$1,000	167%	$5,600	$1,800	$3,800	211%

The provision for credit losses for the three and six months ended June 30, 2026 provided for an increase in specific reserves and for changes in our loan portfolio. See additional discussion under the caption "Nonaccrual Loans."

Net charge-offs totaled $55 thousand and $65 thousand, respectively, for the three and six months ended June 30, 2026, compared to $647 thousand and $3.0 million, respectively, for the same periods in 2025. See additional discussion regarding the ACL under the caption "Asset Quality" below.

Noninterest Income

Noninterest income is an important source of revenue for Washington Trust. The principal categories of noninterest income are shown in the following table:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Noninterest income:								
Wealth management revenues	$11,201	$10,120	$1,081	11%	$21,848	$20,011	$1,837	9%
Mortgage banking revenues	3,473	3,034	439	14	6,518	5,338	1,180	22
Card interchange fees	1,305	1,247	58	5	2,690	2,756	(66)	(2)
Service charges on deposit accounts	842	808	34	4	1,627	1,552	75	5
Loan related derivative income	583	676	(93)	(14)	810	777	33	4
Income from bank-owned life insurance	904	826	78	9	1,789	1,595	194	12
Gain on sale of bank-owned properties, net	—	—	—	—	—	6,994	(6,994)	(100)
Other income	354	367	(13)	(4)	683	698	(15)	(2)
Total noninterest income	$18,662	$17,078	$1,584	9%	$35,965	$39,721	($3,756)	(9%)
Adjusted noninterest income (non-GAAP)	$18,662	$17,078	$1,584	9%	$35,965	$32,727	$3,238	10%

<u>Noninterest Income Analysis</u>

Total noninterest income amounted to $18.7 million and $36.0 million, respectively, for the three and six months ended June 30, 2026, compared to $17.1 million and $39.7 million, respectively, for the same periods in 2025. Total noninterest income in the six months ended 2025 was impacted by the gain on sale-leaseback transactions as described under the caption "Summary" above. Excluding the impact of this infrequent transaction, adjusted noninterest income (non-GAAP) for the three and six months ended June 30, 2026 was up by $1.6 million and $3.2 million, respectively, from the same periods in 2025.

Wealth management revenues represent our largest source of noninterest income. A substantial portion of wealth management revenues is dependent on the value of wealth management AUA and is closely tied to the performance of the financial markets. This portion of wealth management revenues is referred to as "asset-based" and includes trust and investment management fees. Wealth management revenues also include "transaction-based" revenues that are not primarily derived from the value of assets.

The categories of wealth management revenues are shown in the following table:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Wealth management revenues:								
Asset-based revenues	$10,869	$9,745	$1,124	12%	$21,449	$19,514	$1,935	10%
Transaction-based revenues	332	375	(43)	(11)	399	497	(98)	(20)
Total wealth management revenues	$11,201	$10,120	$1,081	11%	$21,848	$20,011	$1,837	9%

The following table presents wealth management AUA balances:

(Dollars in thousands)	June 30, 2026	December 31, 2025	June 30, 2025
AUA (market value as of the date indicated)	$7,916,933	$7,777,250	$7,181,715

Wealth management revenues for the three and six months ended June 30, 2026 increased by $1.1 million and $1.8 million, respectively, from the same periods in 2025, reflecting an increase in asset-based revenues. The increase in asset-based revenues correlated with the change in average AUA balances. The average balance of AUA for the three and six months ended June 30, 2026 increased by 13% and 11%, respectively, over the average balances for the same periods in 2025, largely reflecting net investment appreciation of AUA.

Mortgage banking revenues are dependent on mortgage origination volume and are sensitive to interest rates and the condition of housing markets. The composition of mortgage banking revenues and the volume of loans sold to the secondary market are shown in the following table:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Mortgage banking revenues:								
Realized gains on loan sales, net (1)	$2,733	$2,460	$273	11%	$5,103	$4,035	$1,068	26%
Changes in fair value, net (2)	226	19	207	1,089	390	152	238	157
Loan servicing fee income, net (3)	514	555	(41)	(7)	1,025	1,151	(126)	(11)
Total mortgage banking revenues	$3,473	$3,034	$439	14%	$6,518	$5,338	$1,180	22%
Loans sold to the secondary market (4)	$136,121	$116,775	$19,346	17%	$257,644	$192,274	$65,370	34%

(1) Includes gains on loan sales, commission income on loans originated for others, servicing right gains, and gains (losses) on forward loan commitments.
(2) Represents fair value changes on mortgage loans held for sale and forward loan commitments.
(3) Represents loan servicing fee income, net of servicing right amortization and valuation adjustments.
(4) Includes brokered loans (loans originated for others).

For the three and six months ended June 30, 2026, mortgage banking revenues were up by $439 thousand and $1.2 million, respectively, compared to the same periods in 2025, largely reflecting an increase in sales volume. Mortgage banking revenues are also impacted by changes in the fair value of mortgage loans held for sale and forward loan commitments, which are primarily based on current market prices in the secondary market and correlate to changes in the size of the mortgage pipeline.

Noninterest Expense

The following table presents noninterest expense comparisons:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Noninterest expense:								
Salaries and employee benefits	$25,312	$23,025	$2,287	10%	$49,652	$45,447	$4,205	9%
Outsourced services	4,266	4,404	(138)	(3)	8,649	8,750	(101)	(1)
Net occupancy	2,735	2,662	73	3	5,625	5,403	222	4
Equipment	887	930	(43)	(5)	1,790	1,821	(31)	(2)
Legal, audit, and professional fees	824	726	98	13	1,760	1,476	284	19
FDIC deposit insurance costs	952	1,235	(283)	(23)	1,887	2,497	(610)	(24)
Advertising and promotion	771	717	54	8	1,318	1,127	191	17
Amortization of intangibles	156	203	(47)	(23)	311	407	(96)	(24)
Pension plan settlement charge	—	—	—	—	—	6,436	(6,436)	(100)
Other	2,694	2,628	66	3	5,370	5,362	8	—
Total noninterest expense	$38,597	$36,530	$2,067	6%	$76,362	$78,726	($2,364)	(3%)
Adjusted noninterest expense (non-GAAP)	$38,597	$36,530	$2,067	6%	$76,362	$72,290	$4,072	6%

<u>Noninterest Expense Analysis</u>

Total noninterest expense amounted to $38.6 million and $76.4 million, respectively, for the three and six months ended June 30, 2026, compared to $36.5 million and $78.7 million, respectively, for the same periods in 2025. Total noninterest expense in the six months ended 2025 was impacted by the settlement charge associated with termination of the Corporation’s qualified pension plan, as described under the caption “Summary” above. Excluding the impact of this infrequent transaction, adjusted noninterest expense (non-GAAP) for the three and six months ended June 30, 2026, was up by $2.1 million and $4.1 million, respectively, from the same periods in 2025.

Salaries and employee benefits expense, the largest component of total noninterest expense, for the three and six months ended June 30, 2026 increased by $2.3 million and $4.2 million, respectively, compared to the same periods in 2025. This reflected annual merit and staffing increases, including the addition of resources in our commercial banking and wealth management business lines.

FDIC insurance costs for the three and six months ended June 30, 2026 decreased by $283 thousand and $610 thousand, respectively, compared to the same periods in 2025, reflecting a decrease in average assets from a year ago and a lower FDIC deposit assessment rate.

Income Taxes

The following table presents the Corporation’s income tax provision and applicable tax rates for the periods indicated:

(Dollars in thousands)	Three Months		Six Months	
Periods ended June 30,	2026	2025	2026	2025
Income tax expense	$4,287	$3,888	$7,750	$7,378
Adjusted income tax expense (non-GAAP)	4,287	3,888	7,750	7,237
Effective tax rate	21.2%	22.7%	21.3%	22.5%
Adjusted effective tax rate (non-GAAP)	21.2%	22.7%	21.3%	22.4%
Blended statutory rate	25.0%	25.3%	25.0%	25.3%

The effective tax rates differed from the federal rate of 21%, primarily due to state income tax expense, which was partially offset by benefits from tax-exempt income, income from BOLI, and federal tax credits. The blended statutory rates include the federal income tax rate of 21% and a blended state income tax rate net of a federal tax benefit.

The decrease in the effective tax rate in 2026 reflected changes in state tax expense and increased federal tax credit benefits.

The Corporation's net deferred tax assets are reported in other assets and amounted to $36.3 million at June 30, 2026, compared to $36.9 million at December 31, 2025. Management believes deferred tax assets, net of the valuation allowance, are more-likely-than-not to be realized.

Segment Reporting

The Corporation manages its operations through two reportable business segments, consisting of Banking and Wealth Management Services. See Note 12 to the Unaudited Consolidated Financial Statements for additional disclosure related to business segments.

<u>Banking</u>

The following table presents a summarized statement of operations for the Banking business segment:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Net interest income	$41,803	$37,185	$4,618	12%	$82,328	$73,607	$8,721	12%
Provision for credit losses	1,600	600	1,000	167	5,600	1,800	3,800	211
Net interest income after provision for credit losses	40,203	36,585	3,618	10	76,728	71,807	4,921	7
Noninterest income	7,250	6,720	530	8	13,680	19,355	(5,675)	(29)
Noninterest expense	31,000	28,512	2,488	9	61,102	61,058	44	—
Income before income taxes	16,453	14,793	1,660	11	29,306	30,104	(798)	(3)
Income tax expense	3,426	3,283	143	4	6,160	6,630	(470)	(7)
Net income	$13,027	$11,510	$1,517	13%	$23,146	$23,474	($328)	(1%)

Net interest income for the Banking segment for the three and six months ended June 30, 2026 increased by $4.6 million and $8.7 million, respectively, from the same periods in 2025. Net interest income benefited from lower rates paid on, and decreases in, average interest-bearing liability balances, which was partially offset by decreases in, and lower yields on, average interest-earning asset balances. See additional discussion under the caption "Net Interest Income" above.

The provision for credit losses for the three and six months ended June 30, 2026 increased by $1.0 million and $3.8 million, respectively, from the same periods in 2025. See additional discussion under the caption "Provision for Credit Losses" above.

Noninterest income derived from the Banking segment was $7.3 million and $13.7 million, respectively, for the three and six months ended June 30, 2026, compared to $6.7 million and $19.4 million, respectively, for the same periods in 2025. Included in the six months ended June 30, 2025 was a $7.0 million net gain recognized on sale-leaseback transactions. Excluding this item, Banking noninterest income for the three and six months ended June 30, 2026 increased by $530 thousand and $1.3 million, respectively, largely reflecting increases in mortgage banking revenues. See additional disclosure under the caption "Noninterest Income" above.

Banking noninterest expenses for the three and six months ended June 30, 2026 totaled $31.0 million and $61.1 million, respectively, compared to $28.5 million and $61.1 million, respectively, for the same periods in 2025. Included in the six months ended June 30, 2025 was $4.9 million of the total pension plan settlement charge that was allocated to the Banking segment. Excluding this item, noninterest expenses for the Banking segment for the three and six months ended June 30, 2026 increased by $2.5 million and $4.9 million, respectively, reflecting increases in salaries and employee benefits expense and outsourced services expense, partially offset by a decrease in FDIC deposit insurance costs. The increase in outsourced services reflected changes in third-party provided services, including software as a service and processing costs. See additional discussion of salaries and employee benefits expense and FDIC deposit insurance costs under the caption “Noninterest Expense” above.

Wealth Management Services

The following table presents a summarized statement of operations for the Wealth Management Services business segment:

(Dollars in thousands)	Three Months				Six Months			
			Change				Change	
Periods ended June 30,	2026	2025	$	%	2026	2025	$	%
Net interest income	$—	$—	$—	—%	$—	$—	$—	—%
Noninterest income	11,412	10,358	1,054	10	22,285	20,366	1,919	9
Noninterest expense	7,597	8,018	(421)	(5)	15,260	17,668	(2,408)	(14)
Income before income taxes	3,815	2,340	1,475	63	7,025	2,698	4,327	160
Income tax expense	861	605	256	42	1,590	748	842	113
Net income	$2,954	$1,735	$1,219	70%	$5,435	$1,950	$3,485	179%

Noninterest income derived from the Wealth Management Services segment for the three and six months ended June 30, 2026 increased by $1.1 million and $1.9 million, respectively, from the same periods in 2025, largely reflecting an increase in asset-based revenues. See further discussion under the caption “Noninterest Income” above.

Noninterest expenses for the Wealth Management Services segment for the three and six months ended June 30, 2026 totaled $7.6 million and $15.3 million, respectively, compared to $8.0 million and $17.7 million, respectively, for the same periods in 2025. Included in the six months ended June 30, 2025 was $1.5 million of the total pension plan settlement charge that was allocated to the Wealth Management Services segment. Excluding this item, noninterest expenses for the Wealth Management Services segment for the three and six months ended June 30, 2026 decreased by $421 thousand and $872 thousand, respectively, reflecting decreases in outsourced services expense, partially offset by an increase in salaries and employee benefits expense. The decrease in outsourced services was attributable to changes in third-party provided services, including software as a service. See additional discussion of salaries and employee benefits expense under the caption “Noninterest Expense” above.

Financial Condition

Summary

The following table presents selected financial condition data:

(Dollars in thousands)			Change	
	June 30, 2026	December 31, 2025	$	%
Available for sale debt securities	$885,321	$940,342	($55,021)	(6%)
Total loans	5,103,069	5,134,388	(31,319)	(1)
Allowance for credit losses on loans	42,571	37,236	5,335	14
Total assets	6,547,904	6,621,694	(73,790)	(1)
Total deposits	5,358,873	5,269,990	88,883	2
FHLB advances	456,000	626,000	(170,000)	(27)
Total shareholders’ equity	553,523	543,584	9,939	2

Securities

Investment security activity is monitored by the Investment Committee, the members of which also sit on the ALCO. Asset and liability management objectives are the primary influence on the Corporation’s investment activities. However, the Corporation also recognizes that there are certain specific risks inherent in investment activities. The securities portfolio is managed in accordance with regulatory guidelines and established internal corporate investment policies that provide limitations on specific risk factors such as market risk, credit risk and concentration, liquidity risk, and operational risk to help monitor risks associated with investing in securities. Reports on the activities conducted by the Investment Committee and the ALCO are presented to the Board of Directors on a regular basis.

The Corporation’s securities portfolio is managed to generate interest income, to implement interest rate risk management strategies, and to provide a readily available source of liquidity for balance sheet management. Securities are designated as either available for sale, held to maturity or trading at the time of purchase. The Corporation does not maintain a portfolio of trading securities and does not have securities designated as held to maturity. Securities available for sale may be sold in response to changes in market conditions, prepayment risk, rate fluctuations, liquidity, or capital requirements. Debt securities available for sale are reported at fair value, with any unrealized gains and losses excluded from earnings and reported as a separate component of shareholders’ equity, net of tax, until realized.

Determination of Fair Value

The Corporation uses an independent pricing service to obtain quoted prices. The prices provided by the independent pricing service are generally based on observable market data in active markets. The determination of whether markets are active or inactive is based upon the level of trading activity for a particular security class. Management reviews the independent pricing service’s documentation to gain an understanding of the appropriateness of the pricing methodologies. Management also reviews the prices provided by the independent pricing service for reasonableness based upon current trading levels for similar securities. If the prices appear unusual, they are re-examined and the value is either confirmed or revised. In addition, management periodically performs independent price tests of securities to ensure proper valuation and to verify our understanding of how securities are priced. As of June 30, 2026 and December 31, 2025, management did not make any adjustments to the prices provided by the pricing service.

Our fair value measurements generally utilize Level 2 inputs, representing quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and model-derived valuations in which all significant input assumptions are observable in active markets.

See Notes 3 and 7 to the Unaudited Consolidated Financial Statements for additional information regarding the determination of fair value of investment securities.

Securities Portfolio

The carrying amounts of securities held are as follows:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Amount	% of Total	Amount	% of Total
Available for Sale Debt Securities:				
Obligations of U.S. government agencies and government-sponsored enterprises	$39,790	4%	$39,958	4%
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	828,135	94	880,894	94
Obligations of states and political subdivisions	660	—	663	—
Individual name issuer trust preferred debt securities	6,096	1	6,103	1
Corporate bonds	10,640	1	12,724	1
Total available for sale debt securities	$885,321	100%	$940,342	100%

The securities portfolio represented 14% of total assets at both June 30, 2026 and December 31, 2025. The largest component of the securities portfolio is mortgage-backed securities, all of which are issued by U.S. government agencies or U.S. government-sponsored enterprises.

The securities portfolio decreased by $55.0 million, or 6%, from the end of 2025, largely reflecting routine pay-downs on mortgage-backed securities.

The carrying amounts of available for sale debt securities as of June 30, 2026 and December 31, 2025 included net unrealized losses of $96.7 million and $94.9 million, respectively. The net unrealized losses were primarily concentrated in obligations of U.S. government agencies and U.S. government-sponsored enterprises, including mortgage-backed securities, and primarily attributable to relative changes in market interest rates since the time of purchase. See Note 3 to the Unaudited Consolidated Financial Statements for additional information.

Loans
We primarily serve individuals and businesses located in southern New England, and a substantial portion of our loans are secured by properties in southern New England. Total loans amounted to $5.1 billion at June 30, 2026, down by $31.3 million, or 1%, from the end of 2025.

The following table sets forth the composition of the Corporation’s loan portfolio:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Amount	% of Total	Amount	% of Total
Commercial:				
Commercial real estate	$2,050,249	40%	$2,183,985	43%
Commercial & industrial	665,855	13	564,082	11
Total commercial	2,716,104	53	2,748,067	54
Residential Real Estate:				
Residential real estate (1)	2,042,406	40	2,050,399	40
Consumer:				
Home equity	328,802	6	318,862	6
Other	15,757	1	17,060	—
Total consumer	344,559	7	335,922	6
Total loans	$5,103,069	100%	$5,134,388	100%

(1) Includes negative basis adjustments associated with fair value hedges of $1.5 million and $335 thousand, respectively, at June 30, 2026 and December 31, 2025. See Note 6 to the Unaudited Consolidated Financial Statements for additional disclosure.

Commercial Loans
The commercial loan portfolio represented 53% of total loans at June 30, 2026, compared to 54% at December 31, 2025.

In making commercial loans, we may occasionally solicit the participation of other banks. The Bank also participates in commercial loans originated by other banks. In such cases, these loans are individually underwritten by us using standards similar to those employed for our self-originated loans. Our participation in commercial loans originated by other banks amounted to $528.6 million and $613.5 million, respectively, at June 30, 2026 and December 31, 2025. Our participation in commercial loans originated by other banks also includes SNCs. SNCs are defined as participation in loans or loan commitments of at least $100.0 million that are shared by three or more banks.

Commercial loans fall into two main categories, CRE and C&I loans. CRE loans consist of commercial mortgages secured by non-owner occupied real property where the primary source of repayment is derived from rental income associated with the property or the proceeds of the sale, refinancing or permanent financing of the property. CRE loans also include construction loans made to businesses for land development or the on-site construction of industrial, commercial, or residential buildings. C&I loans primarily provide working capital, equipment financing, and financing for other business-related purposes. C&I loans are frequently collateralized by equipment, inventory, accounts receivable, and/or general business assets. A portion of the Bank’s C&I loans is also collateralized by owner occupied real estate. C&I loans also include tax-exempt loans made to states and political subdivisions, as well as industrial development or revenue bonds issued through quasi-public corporations for the benefit of a private or non-profit entity where that entity rather than the governmental entity is obligated to pay the debt service.

From time to time, commercial loans may be reclassified between CRE and C&I categories, reflecting underlying changes in loans to/from owner occupied from/to non-owner occupied. Additionally, certain construction loans may be reclassified to C&I when the construction phase is complete and the loan transitions to permanent financing.

Commercial Real Estate Loans
CRE loans totaled $2.1 billion at June 30, 2026, down by $133.7 million, or 6%, from the balance at December 31, 2025. In the first six months of 2026, CRE advances and originations amounted to $147.3 million, which were more than offset by payments.

The following table presents a geographic summary of CRE loans by property location:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Outstanding Balance	% of Total	Outstanding Balance	% of Total
Connecticut	$682,715	33%	$816,532	37%
Massachusetts	666,829	33	713,856	33
Rhode Island	409,619	20	375,905	17
Subtotal	1,759,163	86	1,906,293	87
All other states	291,086	14	277,692	13
Total	$2,050,249	100%	$2,183,985	100%

Management considers the CRE portfolio to be well-diversified with loans across several property types. Other than the multi-family segment that is discussed further below, there were no other property types within the CRE portfolio that exceeded 10% of total loans. The following table presents a summary of CRE loans by property type segmentation:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Outstanding Balance (1)	% of CRE Total	Outstanding Balance (1)	% of CRE Total
CRE Portfolio Segmentation:				
Multi-family	$644,249	31%	$667,388	31%
Retail	420,295	20	436,961	20
Industrial and warehouse	325,720	16	380,403	17
Hospitality	242,261	12	230,549	11
Office	212,074	10	237,706	11
Healthcare facility	132,488	6	156,871	7
Mixed-use	28,349	1	26,440	1
Other	44,813	4	47,667	2
Total CRE loans	$2,050,249	100%	$2,183,985	100%
Construction & development loans outstanding, included above	$63,279		$86,682	
Participation in CRE loans originated by other banks, included above (2)	$429,784		$518,493	
Average CRE loan size (3)	$5,147		$5,217	
Largest individual CRE loan outstanding	$65,523		$65,509	

(1) Does not include unfunded commitments of $147.4 million and $127.1 million, respectively, as of June 30, 2026 and December 31, 2025.
(2) Includes SNC balances of $27.9 million and $45.6 million, respectively, as of June 30, 2026 and December 31, 2025. There were no classified SNC balances as of June 30, 2026 or December 31, 2025.
(3) Total commitment (outstanding loan balance plus unfunded commitments) divided by number of loans.

Multi-family, our largest single CRE segment, totaled $644.2 million as of June 30, 2026, representing 13% of total loans and 31% of the total CRE portfolio. This segment includes non-owner occupied residential properties consisting of four or more units that are rented to tenants. At June 30, 2026, the credit quality of the multi-family segment was 100% pass-rated. Also, there were no nonaccrual loans and all loans were current with respect to payment terms at June 30, 2026 in this segment.

There continues to be heightened focus in the banking industry on the CRE office sector, given the continuation of remote work and elevated vacancies across the office market. As of June 30, 2026, Washington Trust’s CRE office loan segment totaled $212.1 million, or 4% of total loans and 10% of the total CRE loans. The loans are secured by non-owner occupied office properties, including medical office and lab space, located in our primary lending market area of southern New England - Massachusetts, Connecticut, and Rhode Island. Furthermore, approximately 62% of the CRE office segment balance is secured by properties located in suburban areas. As of June 30, 2026, 86% of the CRE office segment was on accruing status and current with respect to payment terms. Additionally, the credit quality of the CRE office loan segment was 69% pass-rated, 15% special mention-rated, and 17% classified as of June 30, 2026.

Commercial and Industrial Loans
C&I loans amounted to $665.9 million at June 30, 2026, up by $101.8 million, or 18%, from the balance at December 31, 2025, largely reflecting growth from our institutional banking team who serve educational, healthcare and non-profit institutions. In the first six months of 2026, C&I originations and advances amounted to $123.7 million and were partially offset by payments.

Management considers the C&I portfolio to be well-diversified with loans across several industries. The following table presents a summary of C&I loan by industry segmentation:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Outstanding Balance (1)	% of C&I Total	Outstanding Balance (1)	% of C&I Total
C&I Portfolio Segmentation:				
Healthcare and social assistance	$150,391	23%	$150,061	27%
Educational services	135,253	20	54,245	10
Retail trade	71,933	11	48,289	9
Transportation and warehousing	55,038	8	55,315	10
Accommodation and food services	32,585	5	26,431	5
Manufacturing	27,592	4	23,714	4
Finance and insurance	27,017	4	22,727	4
Arts, entertainment, and recreation	24,306	4	22,043	4
Information	21,196	3	21,843	4
Professional, scientific, and technical services	20,936	3	12,490	2
Real estate rental and leasing	20,600	3	57,113	10
Public administration	6,026	1	1,448	—
Other	72,982	11	68,363	11
Total C&I loans	$665,855	100%	$564,082	100%
Participation in C&I loans originated by other banks, included above (2)	$98,855		$95,047	
Average C&I loan size (3)	$947		$839	
Largest individual C&I loan outstanding	$32,274		$33,001	

(1) Does not include unfunded commitments of $304.8 million and $306.9 million, respectively, as of June 30, 2026 and December 31, 2025.
(2) Includes SNC balances of $76.5 million and $72.0 million, respectively, as of June 30, 2026 and December 31, 2025, all of which were pass-rated.
(3) Total commitment (outstanding loan balance plus unfunded commitments) divided by number of loans.

Healthcare and social assistance, our largest single C&I segment, totaled $150.4 million as of June 30, 2026, representing 3% of total loans and 23% of the total C&I portfolio. This segment includes specialty medical practices, elder services, and community and mental health centers. At June 30, 2026, the credit quality of the healthcare and social assistance segment was 100% pass-rated. Also, there were no nonaccrual loans and all loans were current with respect to payment terms at June 30, 2026 in this segment.

Residential Real Estate Loans
The residential real estate loan portfolio represented 40% of total loans at both June 30, 2026 and December 31, 2025.

Residential real estate loans amounted to $2.0 billion at June 30, 2026, down by $8.0 million, or 0.4%, from the balance at December 31, 2025, as loan originations were more than offset by payments.

The following is a geographic summary of residential real estate loans by property location:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Amount	% of Total	Amount	% of Total
Massachusetts	$1,399,136	69%	$1,433,920	70%
Rhode Island	493,315	24	469,008	23
Connecticut	127,604	6	125,866	6
Subtotal	2,020,055	99	2,028,794	99
All other states	22,351	1	21,605	1
Total (1)	$2,042,406	100%	$2,050,399	100%

(1) Includes residential mortgage loans purchased from and serviced by other financial institutions totaling $35.1 million and $38.5 million, respectively, as of June 30, 2026 and December 31, 2025.

Residential real estate loans are originated both for sale to the secondary market as well as for retention in the Bank's loan portfolio. We also originate residential real estate loans for various investors in a broker capacity, including conventional mortgages and reverse mortgages. Residential real estate loan origination and refinancing activities are sensitive to interest rates and the condition of housing markets.

The table below presents residential real estate loan origination activity:

(Dollars in thousands)	Three Months				Six Months			
Periods ended June 30,	2026		2025		2026		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Originations for retention in portfolio (1)	$78,934	37%	$51,331	28%	$115,747	31%	$78,993	28%
Originations for sale to the secondary market (2)	137,134	63	130,212	72	255,485	69	205,731	72
Total	$216,068	100%	$181,543	100%	$371,232	100%	$284,724	100%

(1) Includes the full commitment amount of homeowner construction loans.
(2) Includes brokered loans (loans originated for others).

The table below presents residential real estate loan sales activity:

(Dollars in thousands)	Three Months				Six Months			
Periods ended June 30,	2026		2025		2026		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Loans sold with servicing rights retained	$7,586	6%	$7,762	7%	$12,256	5%	$24,581	13%
Loans sold with servicing rights released (1)	128,535	94	109,013	93	245,388	95	167,693	87
Total	$136,121	100%	$116,775	100%	$257,644	100%	$192,274	100%

(1) Includes brokered loans (loans originated for others).

We have active relationships with various secondary market investors that purchase residential real estate loans we originate. In addition to managing our interest rate risk position and earnings through the sale of these loans, we are also able to manage our liquidity position through timely sales of residential real estate loans to the secondary market.

Loans are sold with servicing retained or released. Loans sold with servicing rights retained result in the capitalization of servicing rights. Loan servicing rights are included in other assets and are subsequently amortized as an offset to mortgage banking revenues over the estimated period of servicing. The net balance of capitalized servicing rights amounted to $6.1 million and $6.6 million, respectively, as of June 30, 2026 and December 31, 2025. The balance of residential mortgage loans serviced for others, which are not included in the Unaudited Consolidated Balance Sheets, amounted to $1.3 billion at both June 30, 2026 and December 31, 2025.

Consumer Loans

The consumer loan portfolio represented 7% of total loans at June 30, 2026, compared to 6% at December 31, 2025.

Consumer loans include home equity loans and lines of credit and personal installment loans. Home equity lines of credit and home equity loans represented 95% of the total consumer portfolio at June 30, 2026. Our home equity line and home equity loan origination activities are conducted primarily in southern New England. The Bank estimates that approximately 45% of the combined home equity lines of credit and home equity loan balances are first lien positions or subordinate to other Washington Trust mortgages.

The consumer loan portfolio totaled $344.6 million at June 30, 2026, up by $8.6 million, or 3%, from December 31, 2025, reflecting an increase in home equity lines and loans.

Asset Quality

The Corporation continually monitors the asset quality of the loan portfolio using all available information.

In the course of resolving problem loans, the Corporation may choose to modify the contractual terms of certain loans. A loan that has been modified is considered a TLM when the modification is made to a borrower experiencing financial difficulty and the modification has a direct impact to the contractual cash flows. The decision to modify a loan, versus aggressively enforcing the collection of the loan, may benefit the Corporation by increasing the ultimate probability of collection. See Note 4 to the Unaudited Consolidated Financial Statements for additional information regarding TLMs.

Nonperforming Assets

Nonperforming assets include nonaccrual loans and OREO.

The following table presents nonperforming assets and additional asset quality data:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Commercial:		
Commercial real estate	$28,923	$—
Commercial & industrial	126	—
Total commercial	29,049	—
Residential Real Estate:		
Residential real estate	9,072	11,099
Consumer:		
Home equity	1,695	1,824
Other	—	—
Total consumer	1,695	1,824
Total nonaccrual loans	39,816	12,923
OREO, net	—	—
Total nonperforming assets	$39,816	$12,923

Nonperforming assets to total assets	0.61%	0.20%
Nonperforming loans to total loans	0.78%	0.25%
Total past due loans to total loans	0.81%	0.22%
Allowance for credit losses on loans to total loans	0.83%	0.73%
Allowance for credit losses on loans to nonaccrual loans	106.92%	288.14%
Accruing loans 90 days or more past due	$—	$—

Nonaccrual Loans

During the six months ended June 30, 2026, the Corporation made no changes in its practices or policies concerning the placement of loans into nonaccrual status.

The following table presents the activity in nonaccrual loans:

(Dollars in thousands)	Three Months		Six Months	
For the periods ended June 30,	2026	2025	2026	2025
Balance at beginning of period	$40,440	$21,626	$12,923	$23,307
Additions to nonaccrual status	2,457	10,454	31,521	12,596
Loans returned to accruing status	(2,318)	(1,493)	(2,387)	(1,497)
Loans charged-off	(78)	(667)	(162)	(3,189)
Loans transferred to other real estate owned	—	—	—	—
Payments, payoffs, and other changes	(685)	(3,812)	(2,079)	(5,109)
Balance at end of period	$39,816	$26,108	$39,816	$26,108

The following table presents additional detail on nonaccrual loans:

(Dollars in thousands)	June 30, 2026					December 31, 2025				
		Days Past Due					Days Past Due			
	Current	30-89	90 or More	Total Nonaccrual	% (1)	Current	30-89	90 or More	Total Nonaccrual	% (1)
Commercial:										
Commercial real estate	$—	$—	$28,923	$28,923	1.41%	$—	$—	$—	$—	—%
Commercial & industrial	—	—	126	126	0.02	—	—	—	—	—
Total commercial	—	—	29,049	29,049	1.07	—	—	—	—	—
Residential Real Estate:										
Residential real estate	3,017	4,564	1,491	9,072	0.44	3,228	4,869	3,002	11,099	0.54
Consumer:										
Home equity	647	318	730	1,695	0.52	1,347	131	346	1,824	0.57
Other	—	—	—	—	—	—	—	—	—	—
Total consumer	647	318	730	1,695	0.49	1,347	131	346	1,824	0.54
Total nonaccrual loans	$3,664	$4,882	$31,270	$39,816	0.78%	$4,575	$5,000	$3,348	$12,923	0.25%

(1) Percentage of nonaccrual loans to the total loans outstanding within the respective loan class.

As of June 30, 2026, the composition of nonaccrual loans was 73% commercial and 27% residential and consumer. As of December 31, 2025, nonaccrual loans were 100% residential and consumer.

Nonaccrual loans at June 30, 2026 totaled $39.8 million, up by $26.9 million from the end of 2025. Two CRE office segment loans with underlying properties located in our primary lending area were placed on nonaccrual status in the first quarter of 2026. The first loan, with a carrying value of $22.3 million at June 30, 2026, was placed on nonaccrual status when notification of a tenant's intent to vacate was received in March and workout discussions ensued. Management continues efforts to resolve this problem loan and specific reserves have been established reflecting the estimated loss resulting from a proposed modification structure. The second loan, with a carrying value of $6.6 million at June 30, 2026, was placed on nonaccrual status when the loan matured. Negotiations of renewal terms commenced in March 2026 and are ongoing. Specific reserves have been established on this loan based on a recent appraisal of the underlying collateral and continued negotiations with the borrower.

Past Due Loans

The following table presents past due loans by class:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Amount	% (1)	Amount	% (1)
Commercial:				
Commercial real estate	$28,923	1.41%	$648	0.03%
Commercial & industrial	464	0.07	7	—
Total commercial	29,387	1.08	655	0.02
Residential Real Estate:				
Residential real estate	9,908	0.49	9,095	0.44
Consumer:				
Home equity	2,086	0.63	1,607	0.50
Other	27	0.17	26	0.15
Total consumer	2,113	0.61	1,633	0.49
Total past due loans	$41,408	0.81%	$11,383	0.22%

(1) Percentage of past due loans to the total loans outstanding within the respective loan class.

The composition of past due loans (loans past due 30 days or more) was 71% commercial and 29% residential and consumer as of June 30, 2026, compared to 6% commercial and 94% residential and consumer as of December 31, 2025.

Total past due loans increased by $30.0 million from the end of 2025, primarily due to the two CRE office segment loans that were placed on nonaccrual status in the first quarter of 2026 and are further discussed above.

Total past due loans included $36.2 million of nonaccrual loans as of June 30, 2026, compared to $8.3 million as of December 31, 2025.

All loans 90 days or more past due at June 30, 2026 and December 31, 2025 were classified as nonaccrual.

Potential Problem Loans

Potential problem loans are loans that are currently performing in accordance with contractual terms, but where possible credit problems of the related borrowers causes management to have doubts about the ability of such borrowers to comply with the present loan repayment terms and which may result in such loans becoming nonperforming at some time in the future. The Corporation classifies certain loans as "substandard," "doubtful," or "loss" based on criteria consistent with guidelines provided by banking regulators. Management considers potential problem loans to be classified accruing commercial loans that were less than 90 days past due at June 30, 2026. Potential problem loans are not included in the amounts of nonaccrual loans presented above.

Potential problem loans are assessed for loss exposure using the methods described in Note 4 to the Unaudited Consolidated Financial Statements under the caption "Credit Quality Indicators." Management cannot predict the extent to which economic conditions or other factors may impact borrowers and the potential problem loans. Accordingly, there can be no assurance that other loans will not become 90 days or more past due, be placed on nonaccrual, become modified, or require an increased allowance coverage and provision for credit losses on loans.

Management has identified $6.1 million in potential problem loans at June 30, 2026, compared to $28.4 million at December 31, 2025. As of June 30, 2026, the balance of potential problem loans consisted of one CRE loan secured by an office property in our primary lending market area. At June 30, 2026, this loan was current with respect to payment terms.

Allowance for Credit Losses on Loans

The ACL on loans is management's estimate of expected lifetime credit losses on loans carried at amortized cost. The ACL on loans is established through a provision for credit losses recognized in earnings. The ACL on loans is reduced by charge-offs on loans and is increased by recoveries of amounts previously charged off. There were no significant changes in our modeling methodology to determine the ACL on loans during the three and six months ended June 30, 2026.

The Corporation's general practice is to identify problem credits early. To determine if a loan should be charged-off, all possible sources of repayment are analyzed. Possible sources of repayment include the potential for future cash flows, the value of underlying collateral, and the strength of guarantors. Full or partial charge-offs are recognized as promptly as practicable when available information confirms that the collection of loan principal is unlikely. For collateral dependent loans, this confirming information may include an appraisal that reflects a shortfall between the value of the collateral and the carrying value of the loan or a deficiency balance following the sale of the collateral.

Appraisals are generally obtained with values determined on an "as is" basis from independent appraisal firms for real estate collateral dependent loans in the process of collection or when warranted by other deterioration in the borrower's credit status. New appraisals are generally obtained for nonaccrual loans or when management believes it is warranted. The Corporation has continued to maintain appropriate professional standards regarding the professional qualifications of appraisers and has an internal review process to monitor the quality of appraisals.

The Corporation does not recognize a recovery when new appraisals indicate a subsequent increase in value.

The following table presents additional detail on the Corporation's loan portfolio and associated allowance:

(Dollars in thousands)	June 30, 2026			December 31, 2025		
	Loans	Related Allowance	Allowance / Loans	Loans	Related Allowance	Allowance / Loans
Individually analyzed loans	$37,693	$6,164	16.35%	$8,922	$43	0.48%
Pooled (collectively evaluated) loans (1)	5,066,860	36,407	0.72	5,125,801	37,193	0.73
Total	$5,104,553	$42,571	0.83%	$5,134,723	$37,236	0.73%

(1) The amount reported for pooled loans excludes negative basis adjustments associated with fair value hedges of $1.5 million and $335 thousand, respectively, at June 30, 2026 and December 31, 2025. See Note 6 to the Unaudited Consolidated Financial Statements for additional disclosure.

The ACL on loans amounted to $42.6 million at June 30, 2026, up by $5.3 million, or 14%, from the balance at December 31, 2025. The ACL on loans as a percentage of total loans, also known as the reserve coverage ratio, was 0.83% at June 30, 2026, compared to 0.73% at December 31, 2025. ACL on loans as percentage of nonaccrual loans was 106.92% at June 30, 2026, compared to 288.14% at December 31, 2025.

Net charge-offs totaled $55 thousand and $65 thousand, respectively, for the three and six months ended June 30, 2026, compared to $647 thousand and $3.0 million, respectively, for the three and six months ended June 30, 2025.

The increase in the ACL on loans from December 31, 2025 largely reflected specific reserve allocations on the two individually analyzed nonaccrual CRE office segment loans noted above.

See additional disclosure regarding our ACL methodology in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The ACL on loans is an estimate and ultimate losses may vary from management's estimate. Deteriorating conditions or assumptions could lead to further increases in the ACL on loans; conversely, improving conditions or assumptions could lead to further reductions in the ACL on loans.

The following table presents the allocation of the ACL on loans by portfolio segment. The total ACL on loans is available to absorb losses from any segment of the loan portfolio.

(Dollars in thousands)	June 30, 2026			December 31, 2025		
	Allocated ACL	ACL to Loans	Loans to Total Portfolio (1)	Allocated ACL	ACL to Loans	Loans to Total Portfolio (1)
Commercial:						
Commercial real estate	$25,446	1.24%	40%	$19,766	0.91%	43%
Commercial & industrial	9,557	1.44	13	9,750	1.73	11
Total commercial	35,003	1.29	53	29,516	1.07	54
Residential Real Estate:						
Residential real estate	6,150	0.30	40	6,270	0.31	40
Consumer:						
Home equity	1,225	0.37	6	1,186	0.37	6
Other	193	1.22	1	264	1.55	—
Total consumer	1,418	0.41	7	1,450	0.43	6
Total ACL on loans at end of period	$42,571	0.83%	100%	$37,236	0.73%	100%

(1) Percentage of loans outstanding in respective class to total loans outstanding.

Sources of Funds

Our sources of funds may include in-market deposits, wholesale brokered deposits, FHLB advances, other borrowings, and proceeds from the sales, maturities, and payments of loans and investment securities. The Corporation uses funds to originate and purchase loans, purchase investment securities, conduct operations, expand the branch network, and pay dividends to shareholders.

Deposits

The Corporation offers a wide variety of deposit products to consumer and business customers. Deposits provide an important source of funding for the Bank, as well as an ongoing stream of fee revenue.

The Bank is a participant in the DDM, ICS and CDARS programs. The Bank uses these deposit sweep services to place customer and client funds into interest-bearing demand accounts, money market accounts, and/or time deposits issued by other participating banks. Customer and client funds are placed at one or more participating banks to ensure that each deposit customer is eligible for the full amount of FDIC insurance. As a program participant, we receive reciprocal amounts of deposits from other participating banks. We consider these reciprocal deposit balances to be in-market deposits as distinguished from traditional wholesale brokered deposits.

The following table presents a summary of deposits:

(Dollars in thousands)	June 30, 2026		December 31, 2025		Balance Change	
	Amount	% of Total	Amount	% of Total	$	%
Noninterest-bearing demand deposits	$644,011	12%	$595,092	11%	$48,919	8%
Interest-bearing demand deposits	745,273	14	756,794	14	(11,521)	(2)
NOW accounts	701,615	13	715,114	14	(13,499)	(2)
Money market accounts	1,270,616	24	1,185,420	22	85,196	7
Savings accounts	863,856	16	796,887	15	66,969	8
Time deposits (in-market)	1,133,502	21	1,220,683	24	(87,181)	(7)
Total in-market deposits	5,358,873	100	5,269,990	100	88,883	2
Wholesale brokered time deposits	—	—	—	—	—	—
Total deposits	$5,358,873	100%	$5,269,990	100%	$88,883	2%

Total deposits were up by $88.9 million, or 2%, from the balance at December 31, 2025, reflecting growth in new depositor relationships established by our commercial institutional banking and treasury management teams. There were no wholesale brokered time deposits at June 30, 2026 or December 31, 2025. Competition for deposits in our market area is strong, and continued demand for higher-cost deposit products remains. Washington Trust remains focused on maintaining existing depositor relationships and supporting organic deposit growth.

The following table presents a summary of the Bank's uninsured deposits:

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Balance	% of Total Deposits	Balance	% of Total Deposits
Uninsured Deposits:				
Uninsured deposits (1)	$1,451,914	27%	$1,417,127	27%
Less: affiliate deposits (2)	88,408	2	85,651	2
Uninsured deposits, excluding affiliate deposits	1,363,506	25	1,331,476	25
Less: fully-collateralized preferred deposits (3)	165,010	3	220,937	4
Uninsured deposits, after exclusions	$1,198,496	22%	$1,110,539	21%

(1) Determined in accordance with regulatory reporting requirements, which includes affiliate deposits and fully-collateralized preferred deposits.
(2) Uninsured deposit balances of Washington Trust Bancorp, Inc. and its subsidiaries that are eliminated in consolidation.
(3) Uninsured deposits of states and political subdivisions, which are secured or collateralized as required by state law.

Borrowings

Borrowings primarily consist of FHLB advances, which are used as a source of funding for liquidity and interest rate risk management purposes. FHLB advances totaled $456.0 million at June 30, 2026, down by $170.0 million, or 27%, from the balance at the end of 2025. For additional information regarding FHLB advances see Note 9 to the Unaudited Consolidated Financial Statements.

FHLB advances decreased from the end of 2025 reflecting increases in in-market deposits and timing of liquidity management activities.

Liquidity and Capital Resources

Liquidity Management

The Corporation proactively manages its liquidity and cash flow requirements with the intent to maintain stable, cost-effective funding and to promote the strength of its overall balance sheet. The liquidity position of the Corporation is continuously monitored by management and adjustments are made to appropriately balance sources and uses of funds, as needed. For further details surrounding the Corporation's liquidity risks and related strategy, see the "Risk Management – Liquidity Risk Management" section below.

Capital Resources

Total shareholders' equity amounted to $553.5 million at June 30, 2026, up by $9.9 million from December 31, 2025. This net increase primarily reflected net income of $28.6 million, partially offset by dividend declarations of $21.7 million.

Washington Trust declared a quarterly dividend of 56 cents per share for the three months ended June 30, 2026, unchanged from the 56 cents per share declared for the same period in 2025.

The ratio of total equity to total assets amounted to 8.45% at June 30, 2026, compared to a ratio of 8.21% at December 31, 2025. Book value per share was $29.02 at June 30, 2026, compared to $28.56 at December 31, 2025.

The Bancorp and the Bank are subject to various regulatory capital requirements. See Note 10 to the Unaudited Consolidated Financial Statements for additional discussion regarding shareholders' equity.

Risk Management

The Corporation has a comprehensive ERM program through which the Corporation identifies, measures, monitors, and controls current and emerging material risks.

The Board of Directors is responsible for oversight of the ERM program. The ERM program enables the aggregation of risk across the Corporation and ensures the Corporation has the tools, programs, and processes in place to support informed decision making, to anticipate risks before they materialize and to maintain the Corporation's risk profile consistent with its risk strategy. The Board of Directors has approved an ERM Policy and risk appetite statement that addresses each category of risk and outlines the types and levels of risk the Corporation is willing to accept to achieve its strategic objectives. The risk categories include: credit risk, interest rate risk, liquidity risk, price and market risk, compliance risk, strategic and reputation risk, and operational risk. A description of each risk category is provided below.

Credit risk represents the possibility that borrowers or other counterparties may not repay loans or other contractual obligations according to their terms due to changes in the financial capacity, ability, and willingness of such borrowers or counterparties to meet their obligations. In some cases, the collateral securing payment of the loans may be sufficient to assure repayment, but in other cases the Corporation may experience significant credit losses, which could have an adverse effect on its operating results. The Corporation makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of its borrowers and counterparties and the value of the real estate and other assets serving as collateral for the repayment of loans. Credit risk also exists with respect to investment securities. For further discussion regarding the credit risk and the credit quality of the Corporation's loan portfolio, see Notes 4 and 5 to the Unaudited Consolidated Financial Statements. For further discussion regarding credit risk associated with unfunded commitments, see Note 15 to the Unaudited Consolidated Financial Statements. For further discussion regarding the Corporation's securities portfolio, see Note 3 to the Unaudited Consolidated Financial Statements.

Interest rate risk is the risk of loss to earnings due to movements in interest rates. Interest rate risk arises from differences between the timing of rate changes and the timing of cash flows. It exists because the repricing frequency and magnitude of interest-earning assets and interest-bearing liabilities are not identical. See the "Asset/Liability Management and Interest Rate Risk" section below for additional disclosure.

Liquidity risk is the risk that the Corporation will not have the ability to generate adequate amounts of cash in the most economical way for it to meet its maturing liability obligations and customer loan demand. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. For detailed disclosure regarding liquidity management, see the "Liquidity Risk Management" section below.

Price and market risk refers to the risk of loss arising from adverse changes in interest rates and other relevant market rates and prices, such as equity prices. Interest rate risk, discussed above, is the most significant market risk to which the Corporation is exposed. The Corporation is also exposed to financial market risk and housing market risk.

Compliance risk represents the risk of regulatory sanctions or financial loss resulting from the failure to comply with laws, rules, and regulations and standards of good banking practice. Activities that may expose the Corporation to compliance risk include, but are not limited to, those dealing with the prevention of money laundering, privacy and data protection, adherence to all applicable laws and regulations, and employment and tax matters.

Strategic and reputation risk represent the risk of loss due to impairment of reputation, failure to fully develop and execute business plans, and failure to assess existing and new opportunities and threats in business, markets, and products.

Operational risk is the risk of loss due to human behavior, inadequate or failed internal processes, systems and controls, information technology changes or failures, and external influences such as market conditions, fraudulent activities, cybersecurity incidents, natural disasters, and security risks.

ERM is an overarching program that includes all areas of the Corporation. A framework approach is utilized to assign responsibility and to ensure that the various business units and activities involved in the risk management life-cycle are effectively integrated. The Corporation has adopted the "three lines of defense" strategy that is an industry best practice for ERM. Business units are the first line of defense in managing risk. They are responsible for identifying, measuring, monitoring, and controlling current and emerging risks. They must report on and escalate their concerns. Corporate functions such as Credit Risk Management, Financial Administration, Information Assurance, and Compliance represent the second line of defense. They are responsible for policy setting and for reviewing and challenging the risk management activities of the business units. They collaborate closely with business units on planning and resource allocation with respect to risk management. Internal Audit is a third line of defense. They provide independent assurance to the Board of Directors of the effectiveness of the first and second lines in fulfilling their risk management responsibilities.

For additional factors that could adversely impact Washington Trust’s future results of operations and financial condition, see Part II, Item 1A below and the section labeled “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as updated by our Quarterly Reports on Form 10-Q and other filings submitted to the SEC.

Asset/Liability Management and Interest Rate Risk

The ALCO establishes policies governing liquidity and interest rate risk and reports quarterly to the Corporation’s Audit Committee. The objective of the ALCO is to manage assets and funding sources in alignment with the Corporation’s liquidity, capital adequacy, growth, risk, and profitability goals.

The Corporation utilizes the size and duration of the investment securities portfolio, the size and duration of the wholesale funding portfolio, interest rate contracts, and the pricing and structure of loans and deposits, to manage interest rate risk. The interest rate contracts may include interest rate swaps, caps, floors, and collars. These interest rate contracts involve, to varying degrees, credit risk and interest rate risk. Credit risk is the possibility that a loss may occur if a counterparty to a transaction fails to perform according to terms of the contract. The notional amount of the interest rate contracts is the amount upon which interest and other payments are based. The notional amount is not exchanged, and therefore, should not be taken as a measure of credit risk. See Note 6 to the Unaudited Consolidated Financial Statements for additional information.

The ALCO uses income simulation to measure interest rate risk inherent in the Corporation’s financial instruments at a given point in time by showing the effect of interest rate shifts on net interest income over a 12-month horizon and a 13- to 24-month horizon. The simulations assume that the size and general composition of the Corporation’s balance sheet remain static over the simulation horizons, with the exception of certain deposit mix shifts from lower-cost to higher-cost deposits in selected interest rate scenarios. Additionally, the simulations take into account the specific repricing, maturity, call options, and prepayment characteristics of differing financial instruments that may vary under different interest rate scenarios. Mortgage-backed securities and residential real estate loans involve a level of risk that unforeseen changes in prepayment speeds may cause related cash flows to vary significantly in differing rate environments. Such changes could affect the level of reinvestment risk associated with cash flow from these instruments, as well as their market value. Changes in prepayment speeds could also increase or decrease the amortization of premium or accretion of discounts related to such instruments, thereby affecting interest income. The characteristics of financial instrument classes are reviewed periodically by the ALCO to ensure their accuracy and consistency.

Deposit balances may also be subject to possible outflow to non-bank alternatives in a rising rate environment. This may cause interest rate sensitivity to differ from the results as presented. Another significant simulation assumption is the sensitivity of savings deposits to fluctuations in interest rates. Income simulation results assume that changes in both savings deposit rates and balances are related to changes in short-term interest rates. The relationship between short-term interest rate changes and deposit rate and balance changes may differ from the ALCO’s estimates used in income simulation.

The ALCO reviews simulation results to determine whether the Corporation’s exposure to a decline in net interest income remains within established tolerance levels over the simulation horizons and to develop appropriate strategies to manage this exposure. As of June 30, 2026 and December 31, 2025, net interest income simulations indicated that exposure to changing interest rates over the simulation horizons remained within tolerance levels established by the Corporation. All changes are measured in comparison to the projected net interest income that would result from an “unchanged” rate scenario where both interest rates and the composition of the Corporation’s balance sheet remain stable. The unchanged rate scenario as of June 30, 2026 shows net interest income trending higher over the next 12- and 24-month periods.

The ALCO regularly reviews a wide variety of interest rate shift scenario results to evaluate interest rate risk exposure, including parallel changes in interest rates and scenarios showing the effect of steepening or flattening changes in the yield curve. Because income simulations assume that the Corporation’s balance sheet will generally remain static over the simulation horizon, the results do not reflect adjustments in strategy that the ALCO could implement in response to rate shifts. It should also be noted that the static balance sheet assumption does not necessarily reflect the Corporation’s expectation for future balance sheet growth, which is a function of the business environment and customer behavior.

While the ALCO reviews and updates simulation assumptions and also periodically back-tests the simulation results to ensure that the assumptions are reasonable and current, income simulation may not always prove to be an accurate indicator of interest rate risk or future NIM. Over time, the repricing, maturity, and prepayment characteristics of financial instruments and the composition of the Corporation’s balance sheet may change to a different degree than estimated.

The following table sets forth the estimated change in net interest income compared to an unchanged rate scenario over the periods indicated for parallel changes in market interest rates using the Corporation's on- and off-balance sheet financial instruments as of June 30, 2026 and December 31, 2025. Interest rates are assumed to shift by parallel rate changes as shown in the table below. Further, deposits are assumed to have certain minimum rate levels below which they will not fall. It should be noted that the rate scenarios shown do not necessarily reflect the ALCO's view of the "most likely" change in interest rates over the periods indicated.

	June 30, 2026		December 31, 2025	
	Months 1 - 12	Months 13 - 24	Months 1 - 12	Months 13 - 24
100 basis point rate decrease	(2.36%)	(3.95%)	(1.72%)	(2.33%)
200 basis point rate decrease	(4.62)	(8.17)	(3.30)	(5.07)
300 basis point rate decrease	(6.74)	(13.11)	(4.77)	(8.28)
100 basis point rate increase	0.79	0.08	0.52	(0.54)
200 basis point rate increase	2.89	2.69	2.07	2.36
300 basis point rate increase	4.75	4.45	3.72	4.54

The relative change in interest rate sensitivity from December 31, 2025, as shown in the above table, was attributable to changes in balance sheet composition and market interest rates. The changes reflected a shift in the mix of in-market deposits, as well as lower balances of loans and wholesale funding.

The ALCO estimates that as interest rates change, interest-earning assets would reprice more quickly than interest-bearing liabilities. In-market deposit rate changes are modeled to lag behind other market interest rates in both pace and magnitude. In addition, prepayments of loans and securities generally increase as market interest rates decline and decrease as market interest rates rise.

Additionally, the Corporation monitors the potential change in market value of its available for sale debt securities in changing interest rate environments. The purpose is to determine market value exposure that may not be captured by income simulation, but which might result in changes to the Corporation's capital position. Results are calculated using industry-standard analytical techniques and securities data.

The following table summarizes the potential change in market value of the Corporation's available for sale debt securities as of June 30, 2026 and December 31, 2025 resulting from immediate parallel rate shifts:

(Dollars in thousands)

Security Type	Down 100 Basis Points	Up 200 Basis Points
Obligations of U.S. government-sponsored enterprise securities (callable)	$737	($1,424)
Mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises	41,958	(101,577)
Obligations of states and political subdivisions	26	(89)
Trust preferred debt and other corporate debt securities	57	(111)
Total change in market value as of June 30, 2026	$42,778	($103,201)
Total change in market value as of December 31, 2025	$43,783	($110,315)

Liquidity Risk Management

Liquidity is the ability of a financial institution to meet maturing liability obligations and customer loan demand. The Corporation's primary source of liquidity is in-market deposits, which funded approximately 80% of total average assets in the six months ended June 30, 2026. While the generally preferred funding strategy is to attract and retain low-cost deposits, the ability to do so is affected by competitive interest rates and terms in the marketplace. Other sources of funding include discretionary use of purchased liabilities (e.g., FHLB term advances and brokered deposits), cash flows from the investment securities portfolio, and loan repayments. Securities designated as available for sale may also be sold in response to short-term or long-term liquidity needs, although management has no intention to do so at this time.

The Corporation has a detailed liquidity funding policy and a contingency funding plan that provide for the prompt and comprehensive response to unexpected demands for liquidity. Management employs stress testing methodology to estimate needs for contingent funding that could result from unexpected outflows of funds in excess of “business as usual” cash flows. In management’s estimation, risks are concentrated in two major categories: (1) runoff of in-market deposit balances; and (2) unexpected drawdown of loan commitments. Of the two categories, potential runoff of deposit balances would have the most significant impact on contingent liquidity. Our stress test scenarios, therefore, emphasize attempts to quantify deposits at risk over selected time horizons. In addition to these unexpected outflow risks, several other “business as usual” factors enter into the calculation of the adequacy of contingent liquidity including: (1) payment proceeds from loans and investment securities; (2) maturing debt obligations; and (3) maturing time deposits. The Corporation has established collateralized borrowing capacity with the FRBB and also maintains additional collateralized borrowing capacity with the FHLB in excess of levels used in the ordinary course of business. Borrowing capacity is impacted by the amount and type of assets available to be pledged.

The table below presents a summary of contingent liquidity balances by source:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Contingent Liquidity:		
Federal Home Loan Bank of Boston (1)	$1,448,030	$1,356,005
Federal Reserve Bank of Boston (2)	98,557	104,379
Available cash liquidity (3)	42,678	17,460
Unencumbered securities	494,925	539,830
Total contingent liquidity	$2,084,190	$2,017,674
Percentage of total contingent liquidity to uninsured deposits	143.5%	142.4%
Percentage of total contingent liquidity to uninsured deposits, after exclusions	173.9%	181.7%

(1) As of June 30, 2026 and December 31, 2025, loans with a carrying value of $2.8 billion and $2.9 billion, respectively, and securities available for sale with carrying values of $68.5 million and $71.8 million, respectively, were pledged to the FHLB resulting in this additional borrowing capacity.

(2) As of June 30, 2026 and December 31, 2025, loans with a carrying value of $57.5 million and $58.3 million, respectively, and securities available for sale with a carrying value of $54.3 million and $57.6 million, respectively, were pledged to the FRBB for the discount window resulting in this additional unused borrowing capacity.

(3) Available cash liquidity excludes amounts restricted for collateral purposes and designated for operating needs.

In addition to the amounts presented above, the Bank also had access to a $40.0 million unused line of credit with the FHLB at June 30, 2026 and December 31, 2025.

The ALCO establishes and monitors internal liquidity measures to manage liquidity exposure. Liquidity remained within target ranges established by the ALCO during the six months ended June 30, 2026. Based on its assessment of the liquidity considerations described above, management believes the Corporation’s sources of funding meet anticipated funding needs.

Contractual Obligations, Commitments, and Off-Balance Sheet Arrangements

In the ordinary course of business, the Corporation enters into contractual obligations that require future cash payments. These include payments related to lease obligations, time deposits with stated maturity dates, and borrowings. Also, in the ordinary course of business, the Corporation engages in a variety of financial transactions that, in accordance with GAAP, are not recorded in the financial statements, or are recorded in amounts that differ from the notional amounts. These financial transactions include commitments to extend credit, standby letters of credit, forward loan commitments, loan related derivative contracts and interest rate risk management contracts. For additional information on derivative financial instruments and financial instruments with off-balance sheet risk see Notes 6 and 15 to the Unaudited Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Estimates and assumptions are necessary in the application of certain accounting policies and procedures and can be susceptible to significant change. Critical accounting policies are defined as those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the Corporation’s financial condition or results of operations.

Management considers its accounting policy relating to the ACL on loans to be a critical accounting policy. There have been no material changes in the Corporation's critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Recently Issued Accounting Pronouncements

See Note 2 to the Unaudited Consolidated Financial Statements for details of recently issued accounting pronouncements and their expected impact on the Corporation's financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information regarding quantitative and qualitative disclosures about market risk appears under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the caption "Asset/Liability Management and Interest Rate Risk."

For factors that could adversely impact Washington Trust's future results of operations and financial condition, see Part II, Item 1A below and the section labeled "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as updated by our Quarterly Reports on Form 10-Q and other filings submitted to the SEC.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, the Corporation carried out an evaluation under the supervision and with the participation of the Corporation's management, including the Corporation's principal executive officer and principal financial officer, of the Corporation's disclosure controls and procedures as of the period ended June 30, 2026. Based upon that evaluation, the principal executive officer and principal financial officer concluded that the Corporation's disclosure controls and procedures are effective and designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Corporation's management including its Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosures. The Corporation will continue to review and document its disclosure controls and procedures and consider such changes in future evaluations of the effectiveness of such controls and procedures, as it deems appropriate.

Internal Control Over Financial Reporting

There was no change in the Corporation's internal control over financial reporting that occurred during the quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

The Corporation is involved in various claims and legal proceedings arising out of the ordinary course of business. Management is of the opinion, based on its review with counsel of the development of such matters to date, that the ultimate disposition of such matters will not materially affect the consolidated financial position or results of operations of the Corporation.

Item 1A. Risk Factors

There have been no material changes in the risk factors described in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 24, 2026.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
None.

Item 3. Defaults Upon Senior Securities
None.

Item 4. Mine Safety Disclosures
Not applicable.

Item 5. Other Information
Insider Trading Arrangements

During the three months ended June 30, 2026, none of the Corporation's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits
(a) Exhibits. The following exhibits are included as part of this Form 10-Q:

Exhibit Number	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Filed herewith.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Furnished herewith. (1)
101	The following materials from Washington Trust Bancorp, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2026 formatted in Inline XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) related Notes to these consolidated financial statements.
104	The cover page from the Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 2026 has been formatted in Inline XBRL and contained in Exhibit 101.

(1) These certifications are not "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing under the Securities Act or the Securities Exchange Act.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WASHINGTON TRUST BANCORP, INC.
(Registrant)

Date: August 6, 2026

By: /s/ Edward O. Handy III
Edward O. Handy III
Chairman and Chief Executive Officer
(principal executive officer)

Date: August 6, 2026

By: /s/ Ronald S. Ohsberg
Ronald S. Ohsberg
Senior Executive Vice President, Chief Financial Officer, and Treasurer
(principal financial officer)

Date: August 6, 2026

By: /s/ Maria N. Janes
Maria N. Janes
Executive Vice President, Chief Accounting Officer, and Controller
(principal accounting officer)

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edward O. Handy III, Chairman and Chief Executive Officer of Washington Trust Bancorp, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended June 30, 2026, of Washington Trust Bancorp, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 6, 2026

By: /s/ Edward O. Handy III
Edward O. Handy III
Chairman and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald S. Ohsberg, Senior Executive Vice President, Chief Financial Officer and Treasurer of Washington Trust Bancorp, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended June 30, 2026, of Washington Trust Bancorp, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 6, 2026 By: /s/ Ronald S. Ohsberg

Ronald S. Ohsberg
Senior Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Washington Trust Bancorp, Inc. (the "Corporation"), hereby certifies that the Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 2026 to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date:	August 6, 2026	By:	/s/ Edward O. Handy III
			Edward O. Handy III
			Chairman and Chief Executive Officer
			(principal executive officer)

The undersigned officer of Washington Trust Bancorp, Inc. (the "Corporation"), hereby certifies that the Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 2026 to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date:	August 6, 2026	By:	/s/ Ronald S. Ohsberg
			Ronald S. Ohsberg
			Senior Executive Vice President, Chief Financial Officer and Treasurer
			(principal financial officer)