

WASHINGTON TRUST BANCORP INC
Form 10-Q
May 08, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended MARCH 31, 2015 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 (State or other jurisdiction of incorporation or organization)	05-0404671 (I.R.S. Employer Identification No.)
23 BROAD STREET WESTERLY, RHODE ISLAND (Address of principal executive offices)	02891 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if a smaller reporting company)

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 April 30, 2015 was 16,811,770.

FORM 10-Q
WASHINGTON TRUST BANCORP, INC. AND SUBSIDIARIES
For the Quarter Ended March 31, 2015

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PART I. Financial Information

Item 1. Financial Statements

Consolidated Balance Sheets (unaudited)

(Dollars in thousands, except par value)

	March 31, 2015	December 31, 2014
Assets:		
Cash and due from banks	\$84,842	\$76,386
Short-term investments	4,191	3,964
Mortgage loans held for sale (including \$36,672 at March 31, 2015 and \$30,321 at December 31, 2014 measured at fair value)	47,117	45,693
Securities:		
Available for sale, at fair value	340,942	357,662
Held to maturity, at amortized cost (fair value \$24,834 at March 31, 2015 and \$26,008 at December 31, 2014)	24,025	25,222
Total securities	364,967	382,884
Federal Home Loan Bank stock, at cost	37,730	37,730
Loans:		
Commercial	1,559,523	1,535,488
Residential real estate	987,564	985,415
Consumer	333,505	338,373
Total loans	2,880,592	2,859,276
Less allowance for loan losses	27,810	28,023
Net loans	2,852,782	2,831,253
Premises and equipment, net	27,839	27,495
Investment in bank-owned life insurance	64,009	63,519
Goodwill	58,114	58,114
Identifiable intangible assets, net	4,694	4,849
Other assets	56,229	54,987
Total assets	\$3,602,514	\$3,586,874
Liabilities:		
Deposits:		
Demand deposits	\$477,046	\$459,852
NOW accounts	333,321	326,375
Money market accounts	821,353	802,764
Savings accounts	298,802	291,725
Time deposits	852,621	874,102
Total deposits	2,783,143	2,754,818
Federal Home Loan Bank advances	385,992	406,297
Junior subordinated debentures	22,681	22,681
Other liabilities	56,819	56,799
Total liabilities	3,248,635	3,240,595
Commitments and contingencies		
Shareholders' Equity:		
Common stock of \$.0625 par value; authorized 30,000,000 shares; issued and outstanding 16,772,956 shares at March 31, 2015 and 16,746,363 shares at December 31, 2014	1,048	1,047
Paid-in capital	102,587	101,204
Retained earnings	258,069	252,837
Accumulated other comprehensive loss	(7,825) (8,809
Total shareholders' equity	353,879	346,279

Total liabilities and shareholders' equity	\$3,602,514	\$3,586,874
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The accompanying notes are an integral part of these unaudited consolidated financial statements.

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Consolidated Statements of Income (unaudited)

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

Three months ended March 31,	2015	2014
Interest income:		
Interest and fees on loans	\$28,353	\$25,589
Interest on securities: Taxable	2,259	2,942
Nontaxable	435	582
Dividends on Federal Home Loan Bank stock	165	142
Other interest income	25	35
Total interest and dividend income	31,237	29,290
Interest expense:		
Deposits	3,389	2,969
Federal Home Loan Bank advances	1,902	2,241
Junior subordinated debentures	241	241
Other interest expense	3	3
Total interest expense	5,535	5,454
Net interest income	25,702	23,836
Provision for loan losses	—	300
Net interest income after provision for loan losses	25,702	23,536
Noninterest income:		
Wealth management revenues	8,435	8,065
Merchant processing fees	—	1,291
Net gains on loan sales and commissions on loans originated for others	2,585	1,239
Service charges on deposit accounts	935	754
Card interchange fees	714	681
Income from bank-owned life insurance	490	445
Net gains on interest rate swap contracts	645	260
Equity in earnings (losses) of unconsolidated subsidiaries	(86)	