



RHODE ISLAND BANKING INDUSTRY: FIRST QUARTER 2006

*(Note: Your subscription expiration date is
on the label of the envelope in which you received the Review)*

Dear Banking Industry Observer:

The following is BAC's Quarterly Review of the Rhode Island banking industry for the quarter ending March 31, 2006. It includes data on all 12 Federal and State chartered commercial banks, savings banks and savings and loan associations in Rhode Island. Our analysis on pages 6-8 also presents a four-year retrospective between 2003-2006 using aggregate industry data. All financial data is based on Call Reports from the FDIC and OTS. Bank stock data as of 7/31/06 is included on pages 15-16.

In certain states, recent merger/acquisition activity has resulted in a single bank charter now operating branches across more than one state, thereby complicating the construction of a "statewide" balance sheet and income statement. This is because Call Report data is collected based on the state of record for the bank charter. Rhode Island is among those states impacted by this change. Therefore, year-to-year comparisons in the aggregate statewide data should be used with caution as can be seen in the data below. Here is a synopsis of the Rhode Island banking industry for the quarter ending March 31, 2006:

FIRST QUARTER 2006 STATUS REPORT:

On an aggregate basis, the 12 banks in Rhode Island (down from 15 in December of 2003), recorded a -93% *decrease* in earnings for the three month period ending 3/31/06 relative to the same period in 2005. However, the aggregate data is distorted by unusual performance swings by large banks, one-time restructuring charges associated with mergers and acquisitions and jurisdictional reporting changes. A closer inspection of the banks existing in both time periods however, indicates that 5 institutions (42%) registered a decrease and 7 institutions (58%) reported an increase. **The median performance for all institutions was a 17.3% increase.** Nonetheless, 92% of all institutions were profitable during Q1-06. Here is the aggregate data; individual institutional data is contained on pages 9-14.

12 RHODE ISLAND INSTITUTIONS (see pages 6-8 for complete details)	12 Months Ending: 12/31/05	3 Months Ending 3/31/05	3 Months Ending: 3/31/06	% Change Q1-05 vs Q1-06
Net Income After Tax (\$ millions)	\$238	\$905	\$60	-93%
Return on Assets (R.O.A.)	1.26%	1.55%	1.22%	
Gross Loans (\$ billions)	\$12.4	\$113.5	\$12.4	-89%
Deposits (\$ billions)	\$13.2	\$150.5	\$13.0	-91%
Net Interest Margin	3.47%	3.60%	3.15%	
Efficiency Ratio	56.3%	52.7%	57.5%	
Non-Interest Inc. % Avg. Assets	1.6%	1.7%	1.7%	
Non-Performing Assets (\$ millions)	\$29	\$889	\$28	-97%
Tier 1 Leverage	7.9%	7.2%	7.9%	
Reserves % Non-Perf. Loans	414%	197%	440%	
Provision for Losses (\$ millions)	\$41	\$(218)	\$6	NM
Liquidity (loans % deposits)	94%	75%	95%	

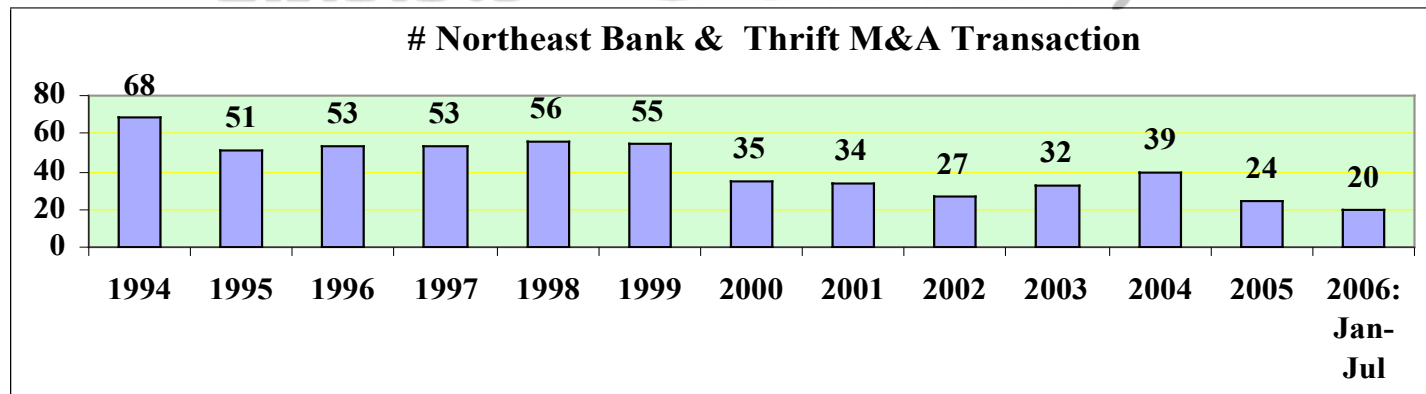
We include below 3-month summary data (as of 3/31/06) on the banking industries in each of the six New England states along with New York, New Jersey and Pennsylvania:

NORTHEAST BANKING DATA as of 3/31/06 (\$=Billions, except net inc.)							New Eng.	NY	NJ	PA
	CT	ME	MA	NH	RI	VT				
# Banking Institutions	57	37	189	26	12	19	340	202	132	254
% Institutions Profitable	95%	97%	95%	100%	92%	100%	96%	90%	89%	89%
Total Assets (\$ Bils)	\$64	\$57	\$235	\$19	\$20	\$8	\$401	\$1,252	\$151	\$401
Total Deposits (\$ Bils)	\$47	\$39	\$165	\$13	\$13	\$7	\$283	\$857	\$104	\$286
Gross Loans (\$ Bils)	\$43	\$38	\$92	\$13	\$12	\$6	\$204	\$676	\$80	\$238
Net Inc. After Tax (\$ Mils)	\$157	\$133	\$622	\$52	\$60	\$25	\$1,049	\$4,129	\$409	\$1,023
Return on Assets (R.O.A.)	1.00%	1.02%	1.07%	1.09%	1.22%	1.22%	1.06%	1.35%	1.09%	1.03%
Return on Equity (R.O.E.)	8.62%	5.72%	12.23%	11.21%	14.38%	14.21%	10.2%	13.70%	10.16%	11.32%
Net Interest Margins	3.49%	4.14%	2.42%	3.42%	3.15%	4.23%	2.92%	3.22%	2.85%	3.09%
Efficiency Ratio	64.8%	63.77%	68.9%	57.2%	57.5%	64.4%	66.6%	62.1%	53.3%	63.6%
Non-Perf. Assets % Assets	0.20%	0.30%	0.10%	0.20%	0.10%	0.50%	0.20%	0.40%	0.20%	0.30%

MERGER / ACQUISITION DATA AND COMPARATIVE STOCK PRICE MULTIPLES:

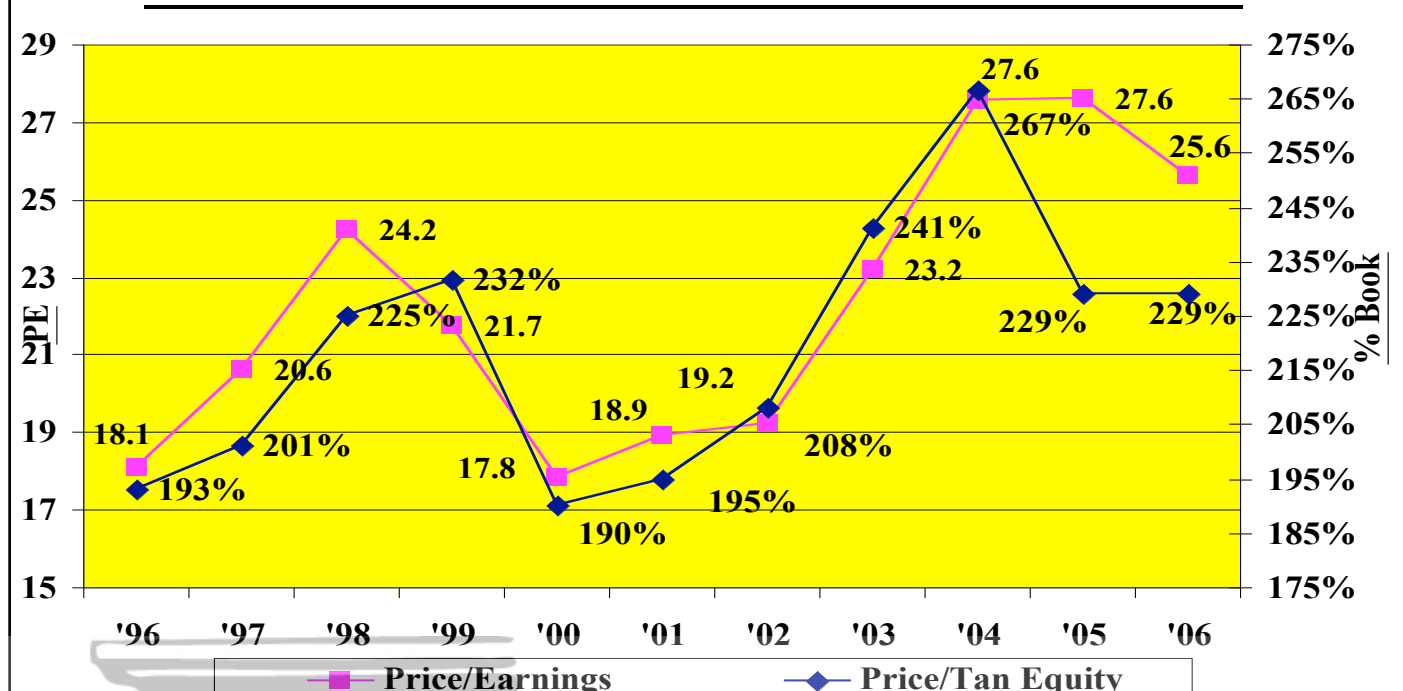
On the following pages (pages 4-5) we have compiled information concerning recent merger and acquisition trends and also stock price indicators for both banks and thrifts for the trailing twelve months ending in July 2006.

Although the *number* of Northeast mergers and acquisitions between banks and thrifts has decreased since the 1990's, their *pricing* (both as a multiple of earnings as well as book equity) and *bank stock PE ratios* have increased steadily and peaked in 2004. Present takeover multiples appear to be firming as can be seen below.



For the 31 transactions in the Northeast completed over the last 12 months between July 2005 and July 2006 the median price for all deals (banks & thrifts) was approximately 229% of tangible book equity and a multiple of 25X earnings. Please call us if we can add any clarification to the variation in these statistics. BAC is an active participant in merger and acquisition advisory services.

MEDIAN TAKEOVER MULTIPLES: NO. EAST BANKS & THRIFTS



MARKET RESEARCH SERVICE

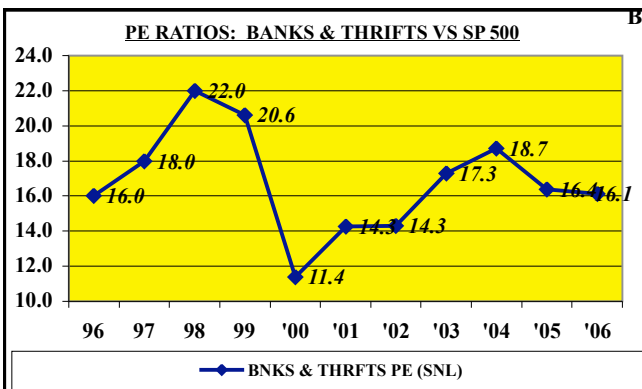
Included in this edition of the Quarterly Review is a descriptive packet of information concerning BAC's market research capabilities on economics, demographics, banking industry competition and commercial businesses. These packets are available for your individual branch banking markets in Connecticut. We would invite you to review this material and to contact us if you might wish to procure this information for your institution. It is not very expensive. Our New England-wide databases, combined with our reporting capabilities and proprietary software, can produce insightful and valuable reconnaissance tools to help guide your institution in the following:

- ✓ **Market Segmentation**
- ✓ **Product Development & Positioning**
- ✓ **Business Development Initiatives**
- ✓ **Consumer Behavior**
- ✓ **Competitive Analysis**
- ✓ **Start-up Branch Site Location**
- ✓ **Branch Purchase Analysis**
- ✓ **Merger/Acquisition Analysis**

The second item included in this edition of the Quarterly Review is a subscription form. If you would like to continue receiving the Review, please complete the form and return it to our offices. If you are already a subscriber, we thank you for your confidence. Your subscription expiration date is on the label of the envelope in which you received the Review. We would appreciate any feedback on how to improve the Review. We are aware that through a data base error, a number of subscribers did not receive certain quarters of the Review last year. If you are a subscriber and need these past issues, please contact Ms. Tamica Curling at 860-275-6050 and we will forward them to you. Alternatively, if you would like to extend your subscription by the number of quarters that you missed please indicate that to Ms. Curling. This data will soon be available by subscription on BAC's website.

If you would like to hear more about our investment banking and consulting services, please contact me personally. BAC specializes in helping clients develop and execute strategies. We are consultants and investment banking advisors to the banking industry throughout New England, New York, Pennsylvania and New Jersey. Our services are listed on the back cover of this publication.

John S. Carusone, President



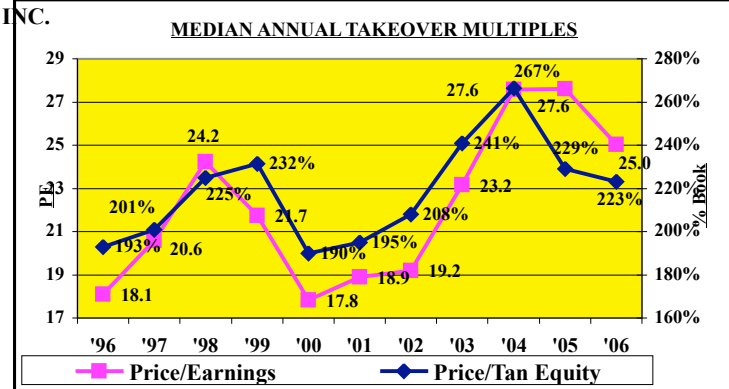
BANK ANALYSIS CENTER, INC.

Mergers & Acquisitions:

Northeast Bnks & Thrifts

Latest 12 Mos. (LTM)

July '05 - July '06



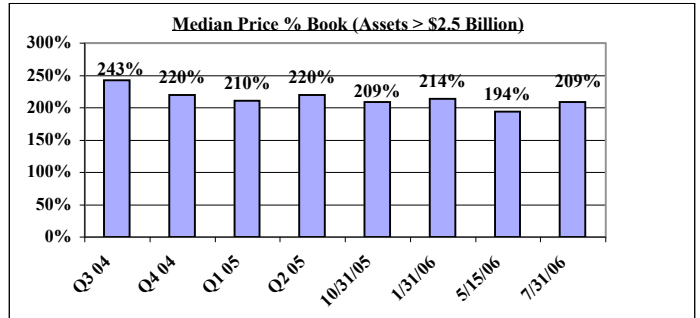
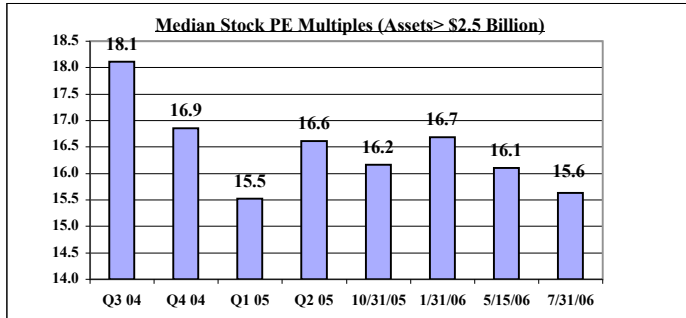
	Buyer	Assets \$MM's	State	Target	Assets \$MM's	State	Completion	Deal \$ \$ MM's	Payment	PRICE:			
										% Equity	% Tan. Eq.	(X) LTM Inc	% Deps
(1)	Fulton Financial Corporation	11,158,351	PA	SVB Financial Services, Inc.	482,958	NJ	7/1/05	91,451	Cash, Common S	2.89	2.89	25.24	21.2
(2)	Community Banks, Inc.	1,955,811	PA	PennRock Financial Services	1,146,879	PA	7/1/05	280,211	Common Stock	2.62	2.93	22.61	32.72
(3)	Citizens & Northern Corp.	1,135,433	PA	Canisteo Valley Corporation	42,500	NY	8/31/05	N/A	Cash	N/A	N/A	N/A	N/A
(4)	Willow Grove Bancorp, Inc.	993,120	PA	Chester Valley Bancorp, Inc.	669,115	PA	8/31/05	132,651	Cash, Common S	2.34	2.49	25.81	27.76
(5)	F.N.B. Corporation	5,609,386	PA	North East Bancshares, Inc.	66,647	PA	10/7/05	14,765	Common Stock	2.15	2.16	N/A	24.85
(6)	Interchange Financial Services Corp.	1,488,849	NJ	Franklin Bank	81,046	NJ	10/13/05	22,151	Common Stock	1.94	1.94	13.53	26.34
(7)	Beneficial Mutual Bancorp	2,387,934	PA	Northwood Savings Bank	9,251	PA	11/14/05	N/A	N/A	N/A	N/A	N/A	N/A
(8)	UCBH Holdings Inc.	7,037,174	CA	Asian American Bank & Trust C	127,121	MA	11/29/05	34,300	Cash, Common S	1.95	1.95	61.69	31.4
(9)	New York Community Bancorp, Inc.	25,204,692	NY	Long Island Financial Corp.	539,679	NY	12/30/05	62,984	Common Stock	2.2	2.2	19.39	15.75
(1)	Hudson Valley Holding Corp.	1,877,914	NY	New York National Bank	138,565	NY	1/3/06	13,404	Cash, Preferred S	1.88	1.88	N/A	10.4
(2)	NewAlliance Bancshares, Inc.	6,490,974	CT	Cornerstone Bancorp, Inc.	232,789	CT	1/3/06	52,877	Cash, Common S	1.93	1.93	32.6	28.18
(3)	Sun Bancorp, Inc.	3,140,962	NJ	Advantage Bank	165,981	NJ	1/19/06	35,941	Cash, Common S	2.35	2.35	38.51	21.35
(4)	National Penn Bancshares, Inc.	4,593,900	PA	Nittany Financial Corp.	326,517	PA	1/26/06	99,050	Cash, Common S	3.67	3.93	25.03	40.15
(5)	First Republic Bank	8,441,586	CA	First Signature Bank & Trust Co	516,876	NH	1/31/06	N/A	N/A	N/A	N/A	N/A	N/A
(6)	Fulton Financial Corporation	11,571,083	PA	Columbia Bancorp	91,331	MD	2/1/06	306,268	Cash, Common S	3.09	3.09	18.84	30.03
(7)	NBT Bancorp, Inc.	4,255,439	NY	CNB Bancorp, Inc.	32,550	NY	2/10/06	88,575	Cash, Common S	2.08	2.49	27.38	25.83
(8)	TD Banknorth, Inc.	31,784,335	ME	Hudson United Bancorp	432,975	NJ	2/1/06	1,923,126	Cash, Common S	3.67	4.55	17.03	28.09
(9)	Two River Community Bank	258,513	NJ	The Town Bank	147,005	NJ	4/3/06	40,321	Common Stock	2.36	2.36	24.79	25.67
(10)	Susquehanna Bancshares, Inc.	7,539,967	PA	Minotola National Bank	623,434	NJ	4/21/06	165,112	Cash, Common S	2.04	2.06	26.14	30.14
(11)	New York Community Bancorp, Inc.	25,014,944	NY	Atlantic Bank of New York	2,916,664	NY	4/28/06	400,000	Cash	1.45	1.76	12.83	23.91
(12)	Orrstown Financial Services Inc.	581,180	PA	First National Bank of Newport	123,155	PA	5/1/06	32,855	Cash, Common S	2.43	2.43	22.64	31
(13)	Cathay General Bancorp, Inc.	6,157,499	CA	Great Eastern Bk	320,510	NY	5/15/06	84,944	Cash, Common S	2.62	2.62	30.37	28.72
(14)	Wilshire Bancorp, Inc.	1,457,025	CA	Liberty Bank of New York	55,704	NY	5/22/06	14,600	Cash, Common S	N/A	N/A	N/A	N/A
(15)	F.N.B. Corporation	5,703,659	PA	Legacy Bank	382,139	PA	5/26/06	63,016	Cash, Common S	1.66	2.11	60.73	21.36
(16)	Sovereign Bancorp, Inc.	62,941,898	PA	Independence Community Bank	18,500,360	NY	6/1/06	3,577,980	Cash	1.52	3.41	17.76	31.47
(17)	Tower Bancorp, Inc.	346,828	PA	FNB Financial Corporation	180,686	PA	6/1/06	29,745	Cash, Common S	1.92	2.23	22.42	20.51
(18)	Flushing Financial Corp.	2,306,030	NY	Atlantic Liberty Financial Corp.	177,111	NY	6/30/06	44,198	Cash, Common S	1.52	1.52	86.15	41.53
(19)	Franklin Financial Services Corporatio	621,357	PA	Fulton Bancshares Corporation	139,131	PA	7/1/06	23,530	Cash, Common S	1.6	1.6	N/A	21.76
(20)	Hudson City Bancorp, Inc.	26,005,131	NJ	Sound Federal Bancorp	1,149,326	NY	7/14/06	264,872	Cash	1.99	2.23	61.47	25.5
	AVERAGE									223%	244%	31.5	26.6%
	MEDIAN									208%	223%	25.1	26.3%
	MINIMUM VALUE									1.45	1.52	12.83	10.4
	MAXIMUM VALUE									3.67	4.55	86.15	41.53

NORTHEAST BANKING STOCK TRADING DATA THROUGH 7/31/2006

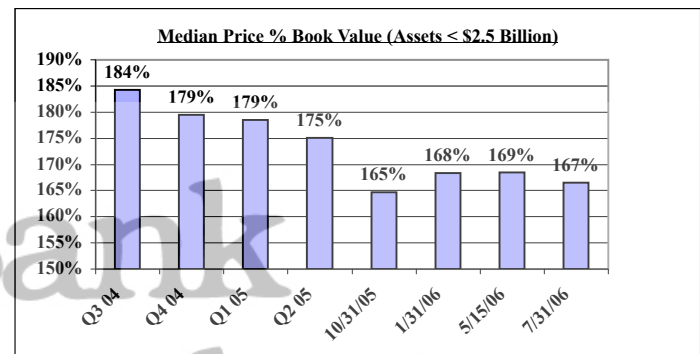
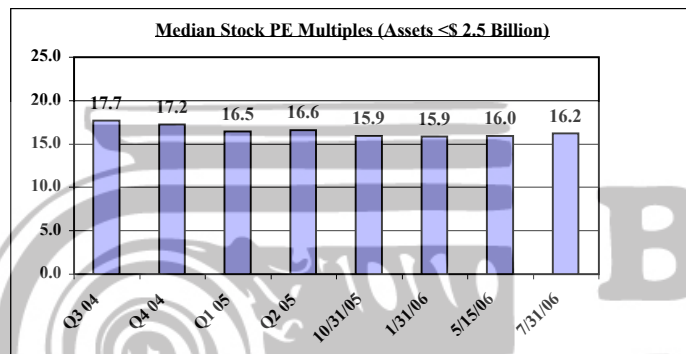
PREPARED BY: BANK ANALYSIS CENTER, INC., HTFD. CT

COMMERCIAL BANKS

ASSETS GREATER THAN \$2.5 BILLION

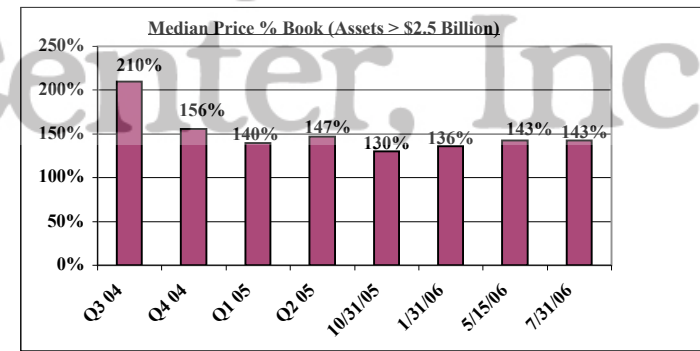
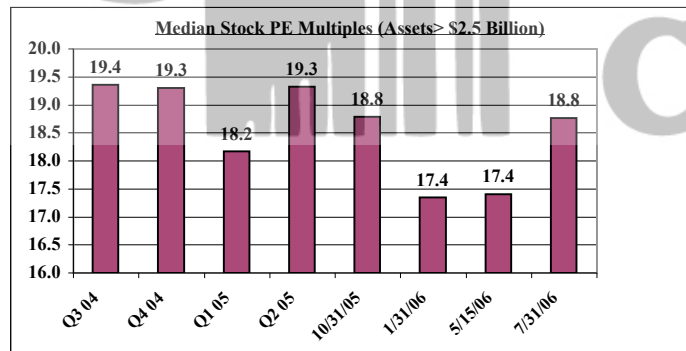


ASSETS LESS THAN \$2.5 BILLION

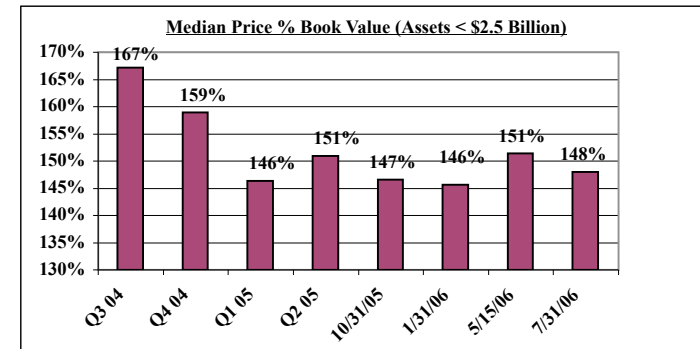
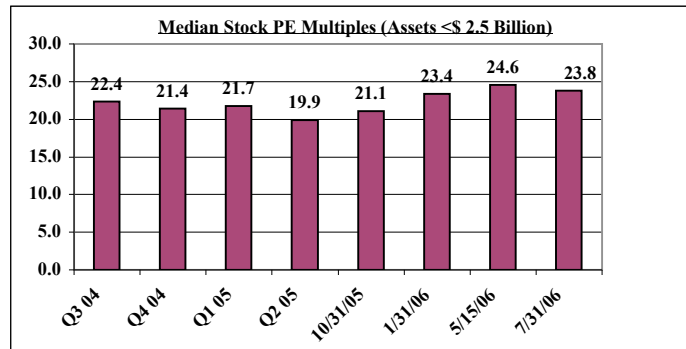


THRIFTS

ASSETS GREATER THAN \$2.5 BILLION



ASSETS LESS THAN \$2.5 BILLION



PREPARED BY:
BANK ANALYSIS CENTER, INC.
HARTFORD, CT 860-275-6050
Contact: John S. Carusone, President

AGGREGATE RHODE ISLAND BANKING INDUSTRY DATA AT 3/31/2006

(All Federal and State Chartered Savings Banks, Commercial Banks and Savings & Loan Assocs.)

(Note: excludes trust companies and credit unions)

(NOTE: \$ in 000,000's @ Period End):

NM = Not Meaningful

BASIC DATA:

INSTITUTION COUNT: (Banks, Savings Banks & S&L's)

	2003	2004	2005	3/31/05	3/31/06	2005 - 3/31/06	3/31/05 - 3/31/06
						Increase/(Decrease)	Increase/(Decrease)
						\$ %	\$ %
(1) Beginning balance # Institutions:	15	15	13	15	12		
(2) - Number of institutions reduced through mergers	0	0	1	1	0	-1	
(3) + Number of new institutions receiving permanent new charters	0	0	0	0	0	0	
(4) - Number institutions failing/retiring in calendar year	0	0	0	0	0	0	
(5) (Cumulative number of failed institutions)	0	0	0	1	1	1	
(6) Ending balance # institutions period end:	15	15	12	14	12	(2)	-17%
(7) # Reporting profits	12	13	10	12	11		
(8) % Reporting Profits	80%	87%	83%	86%	92%		

BALANCE SHEET DATA:

ASSETS							
(9) Gross Loans	142,588	131,911	12,450	113,545	12,404	(46)	0%
(10) -Allowance for Loan Losses	3,243	2,902	106	1,683	109	2	2%
(11) Net Loans	139,345	129,009	12,344	111,862	12,296	(48)	0%
(12) Investments, Securities & Funds	48,319	57,846	4,877	63,180	4,790	(87)	-2%
(13) TOTAL EARNING ASSETS	187,664	186,856	17,221	175,043	17,086	(135)	-1%
(14) 90 Days Past Due Loans	529	453	7	59	5	(2)	-28%
(15) +Non-Accrual Loans	1,961	805	19	795	20	1	6%
(16) =Total Non-Performing Loans	2,490	1,257	26	854	25	(1)	-4%
(17) OREO(Non-Direct Investment)	18	27	4	35	4	(0)	0%
(18) TOTAL NON-PERFORMING ASSETS	2,508	1,284	29	889	28	(1)	-3%
(19) All Other Assets	26,310	57,930	2,744	55,139	2,536	(208)	-8%
(20) TOTAL ASSETS	216,482	246,069	19,994	231,070	19,650	(344)	-2%
LIABILITIES & EQUITY							
(21) Total deposits	158,000	158,583	13,279	150,585	13,042	(237)	-2%
(22) All other borrowings & liabilities	35,466	35,890	5,059	35,095	4,912	(147)	-3%
(23) Total equity capital and surplus	23,016	51,597	1,656	45,390	1,696	40	2%
(24) TOTAL LIABILITIES & EQUITY	216,482	246,069	19,994	231,070	19,650	(344)	-2%

INCOME STATEMENT:

(25) Net Interest Earned	7,609	6,436	567	1,613	136	(21)	-4%
(26) +Non-Interest Income	4,893	3,994	299	973	82	31	10%
(27) +Gains/Losses on Securities	153	(22)	16	2	3	(2)	-12%
(28) -Non-Interest Expense	6,683	5,440	485	1,340	125	16	3%
(29) -Provision for Loan Losses	1,360	860	41	(218)	6	(16)	-39%
(30) =Pre Tax Income	4,613	4,108	355	1,467	91	8	2%
(31) NET INCOME AFTER TAX	2,919	2,411	238	905	60	3	1%
(32) Charged-Off Loans	2,425	1,292	55	109	10	(15)	-28%
(33) Cumulative Charged-Off Loans	0	0	0	0	0	0	#DIV/0!
(34) Number of full time equiv. employees	53,925	47,476	6,799	43,053	6,816	17	0%

PERFORMANCE MEASURES:

(all ratios based on period end data unless otherwise indicated)

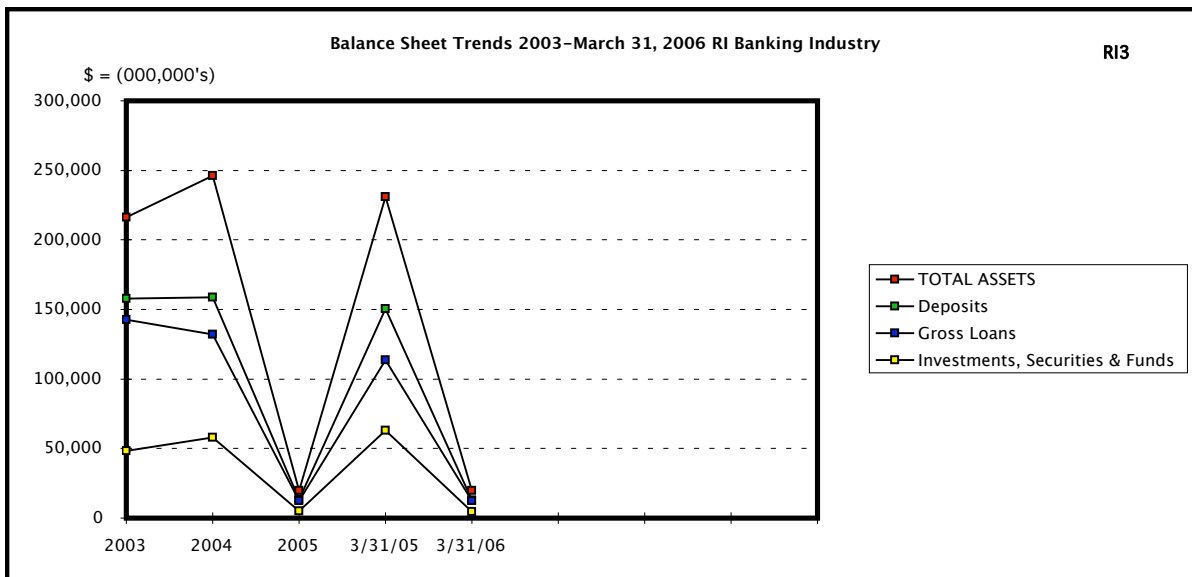
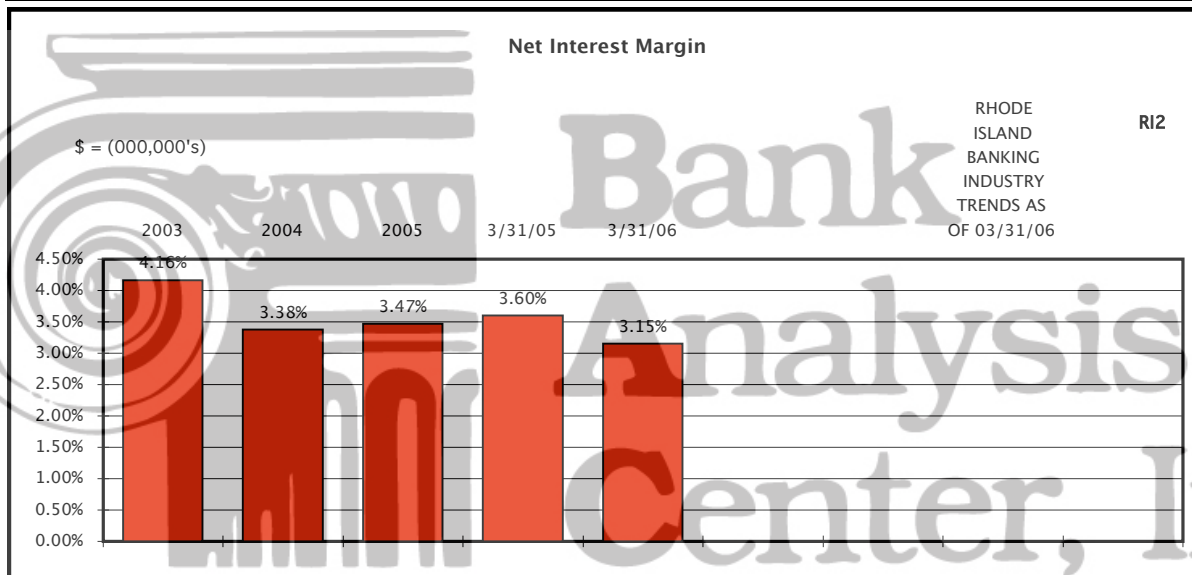
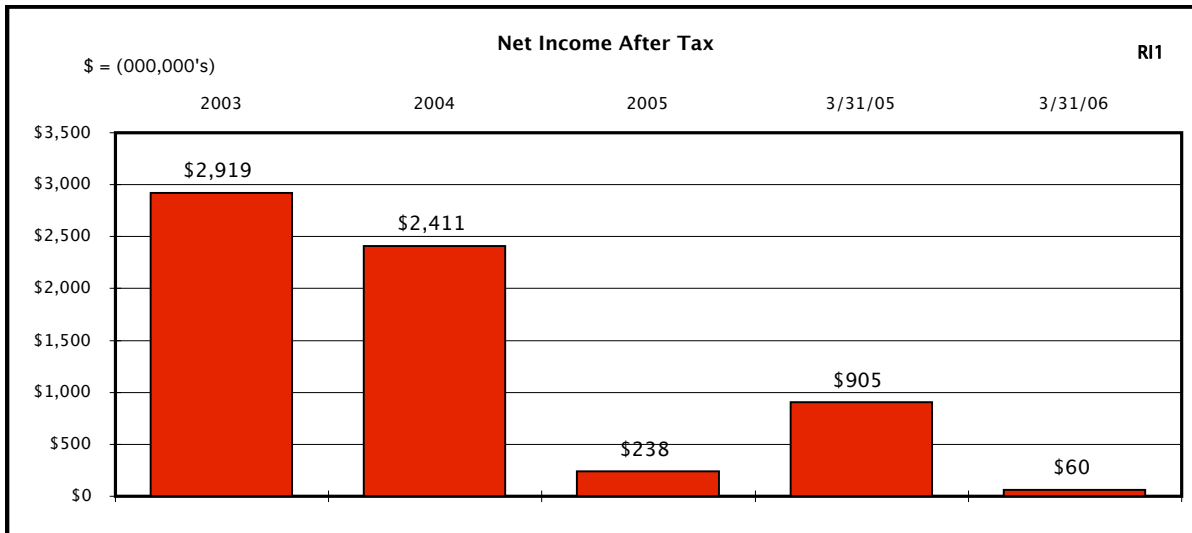
(35) Non-Performing Loans % Gross Loans	1.7%	1.0%	0.2%	0.8%	0.2%		
(36) Non-Performing Assets % Assets	1.2%	0.5%	0.1%	0.4%	0.1%		
(37) Reserve % Non-Performing Loans	130%	231%	414%	197%	440%		
(38) Return on Average Assets (R.O.A.)	1.40%	1.04%	1.26%	1.55%	1.22%		
(39) Return on Average Equity (R.O.E.)	12.84%	6.46%	14.00%	7.69%	14.38%		
(40) Non-Interest Expense % Average Assets	3.2%	2.4%	2.6%	2.3%	2.5%		
(41) Non-Interest Income % Average Assets	2.3%	1.7%	1.6%	1.7%	1.7%		
(42) Non-Interest Expense Efficiency Ratio	53.6%	52.9%	56.3%	52.7%	57.5%		
(43) Net Interest Margin	4.16%	3.38%	3.47%	3.60%	3.16%		
(44) Tier 1 Leverage	8.8%	8.7%	7.9%	7.2%	7.9%		
(45) Adjusted Tier 1 Leverage	9.2%	9.5%	8.3%	7.7%	8.4%		

COMPOSITION OF EARNING ASSETS

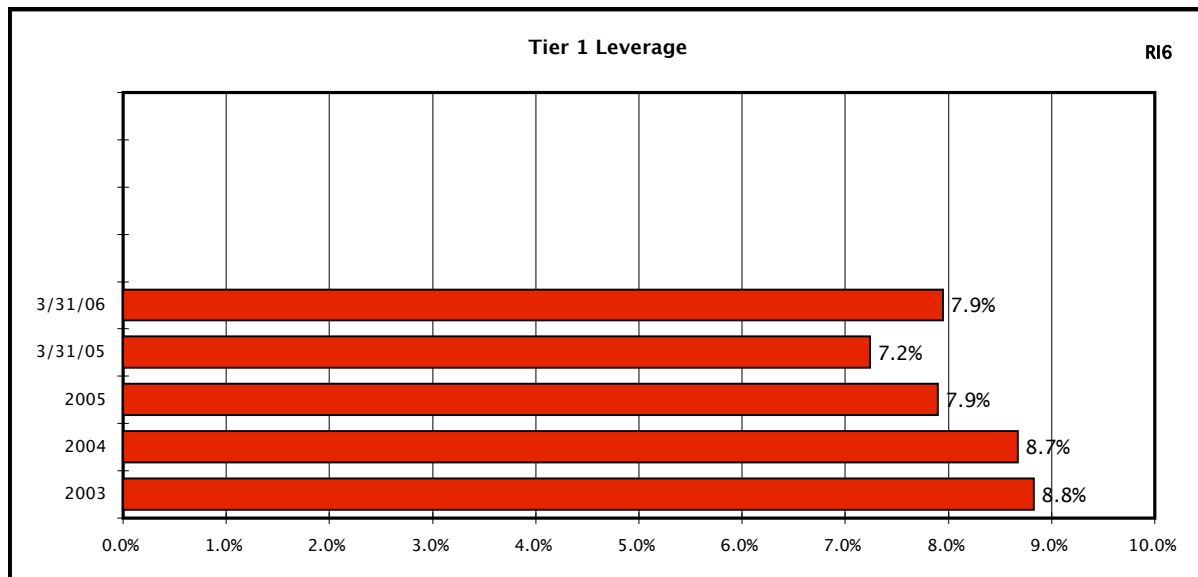
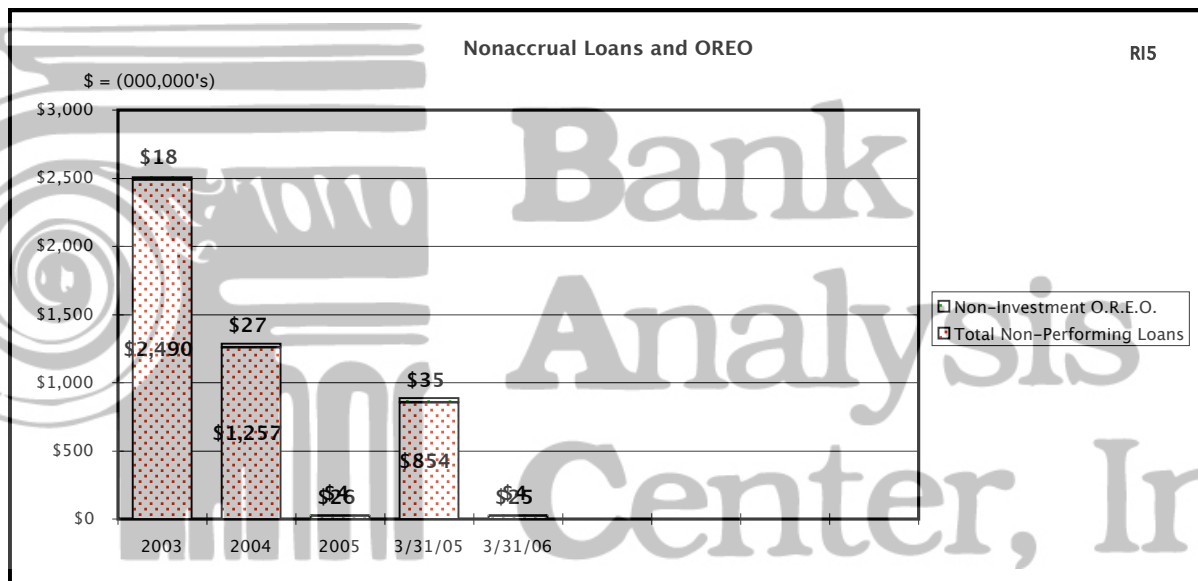
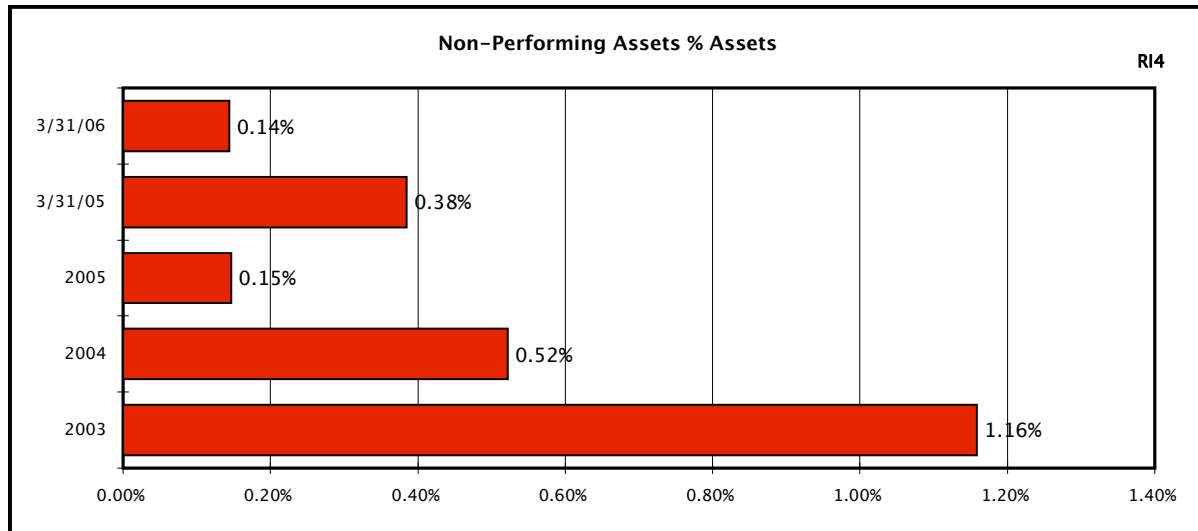
(46) % Investments, Securities, Funds	26%	31%	28%	36%	28%		
(47) % Loans (net)	74%	69%	72%	64%	72%		
(48) Total	100%	100%	100%	100%	100%		
(49) Loans % Deposits	90%	83%	94%	75%	95%		

Note: Adjusted Tier 1 Leverage: (Common equity + non-cumulative, perp. preferred + surplus + reserve for loan losses - total non-performing loans - 20% of O.R.E.O. - non-qualifying intangibles + unrealized security gains/(losses) + minority interest in consolidated subsidiaries.)/(total assets - non-qualifying intangibles). SM

RHODE ISLAND BANKING INDUSTRY TRENDS AS OF 03/31/06

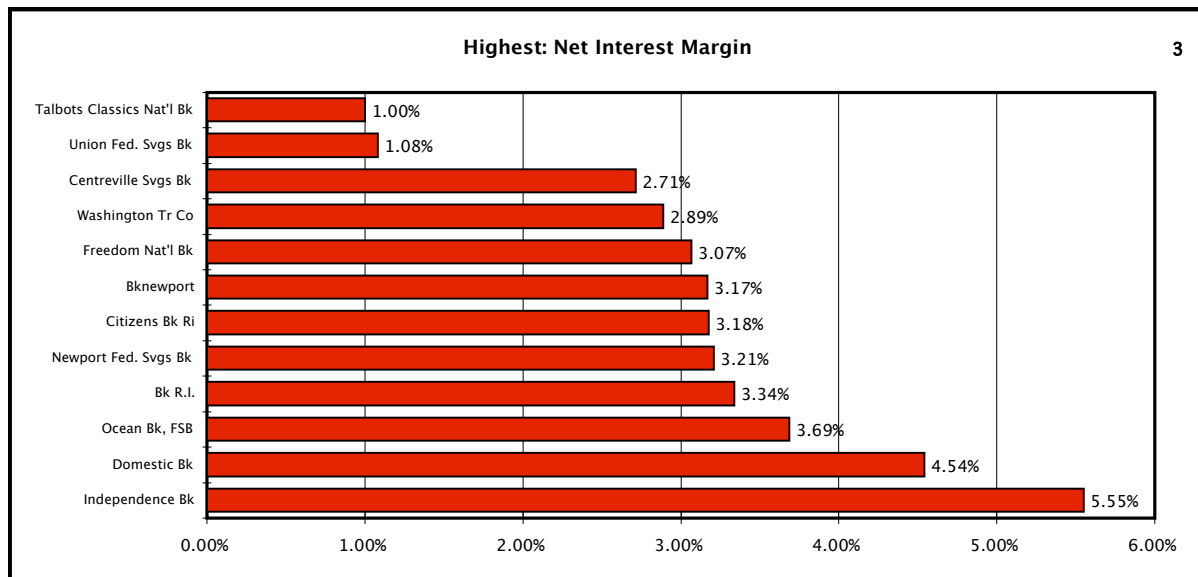
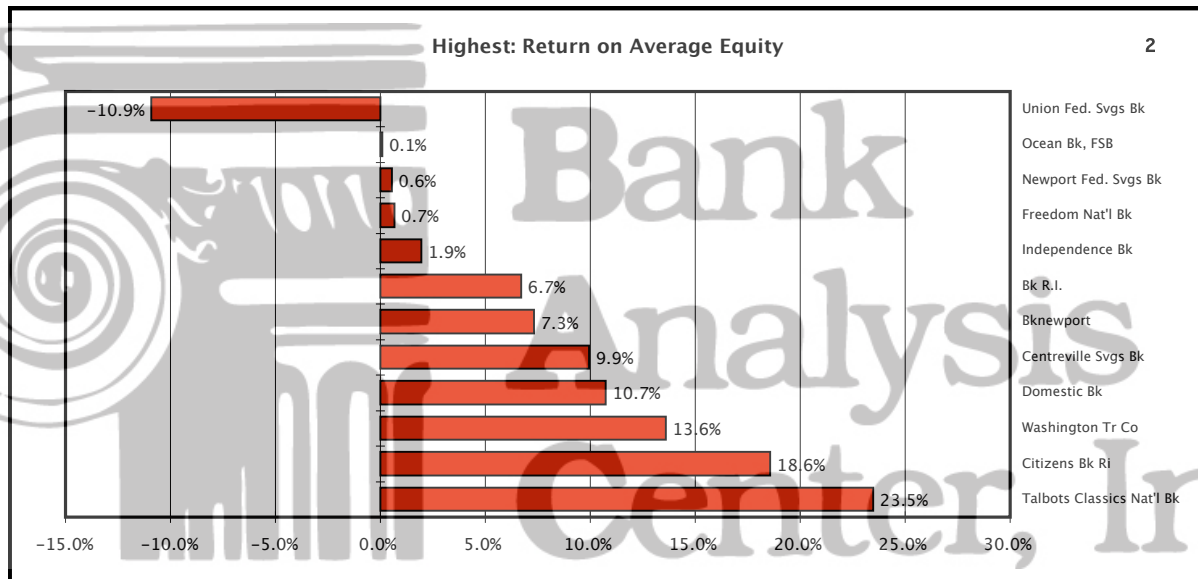
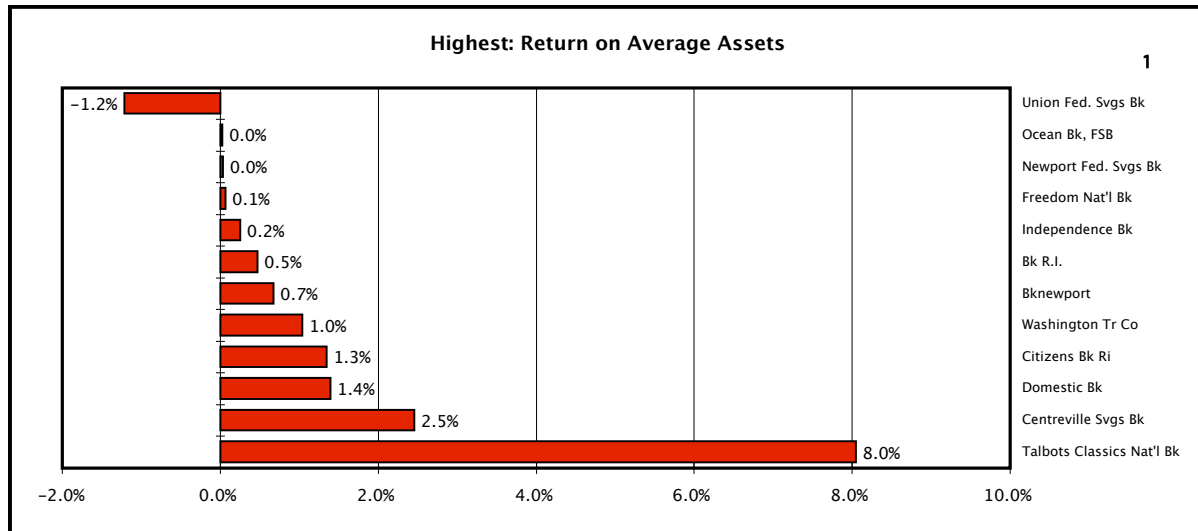


RHODE ISLAND BANKING INDUSTRY TRENDS AS OF 03/31/06



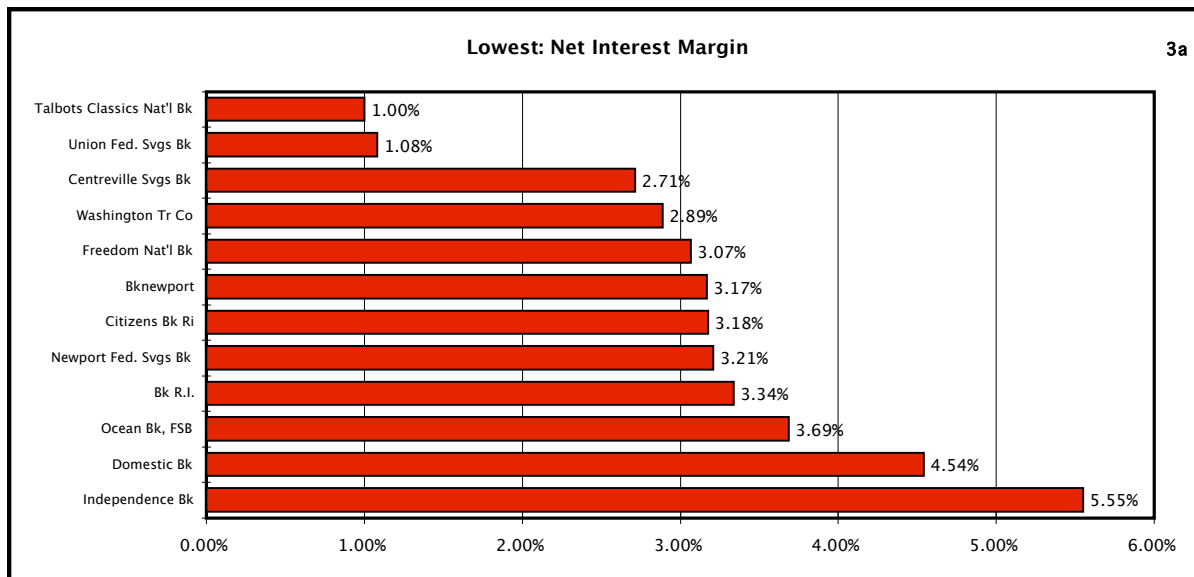
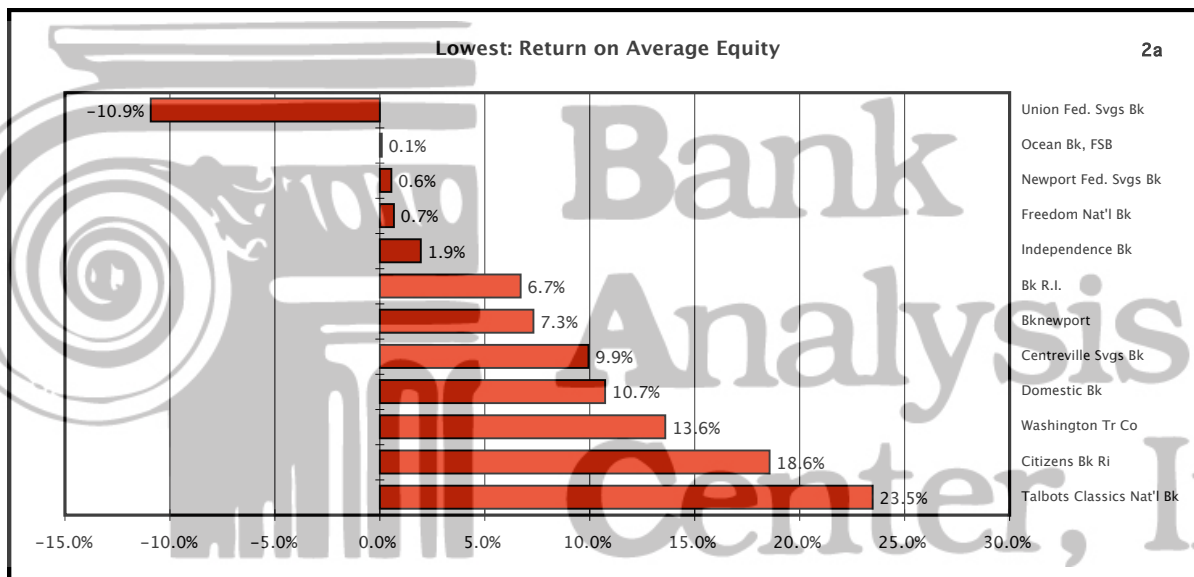
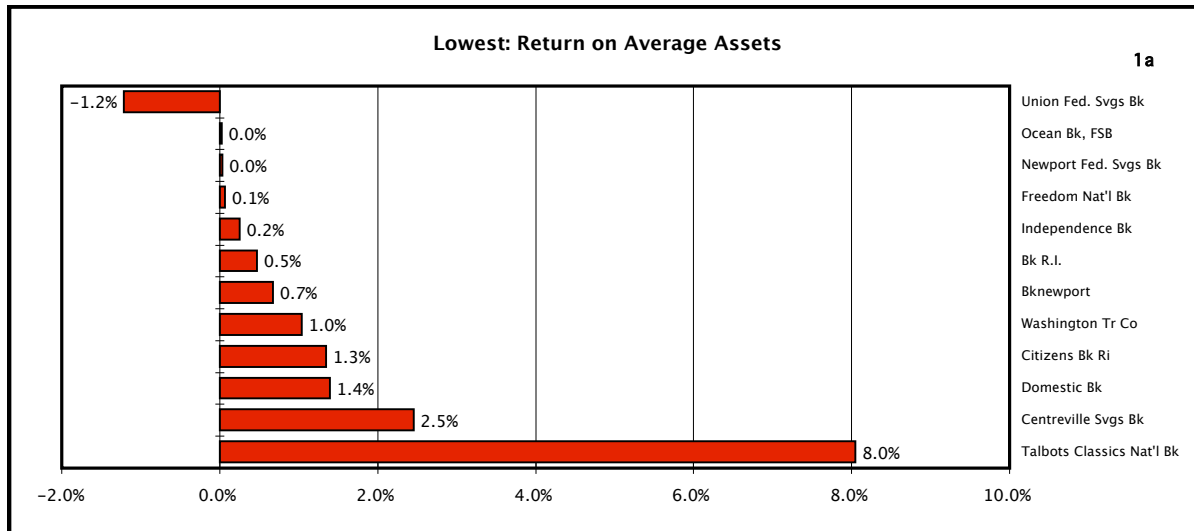
First Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Highest Percentage



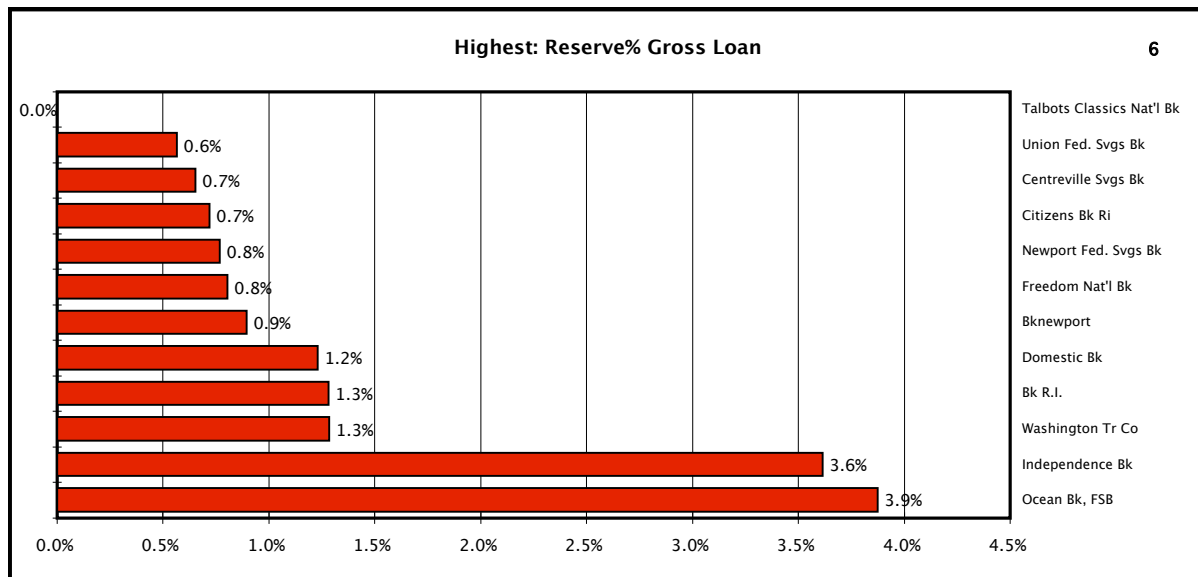
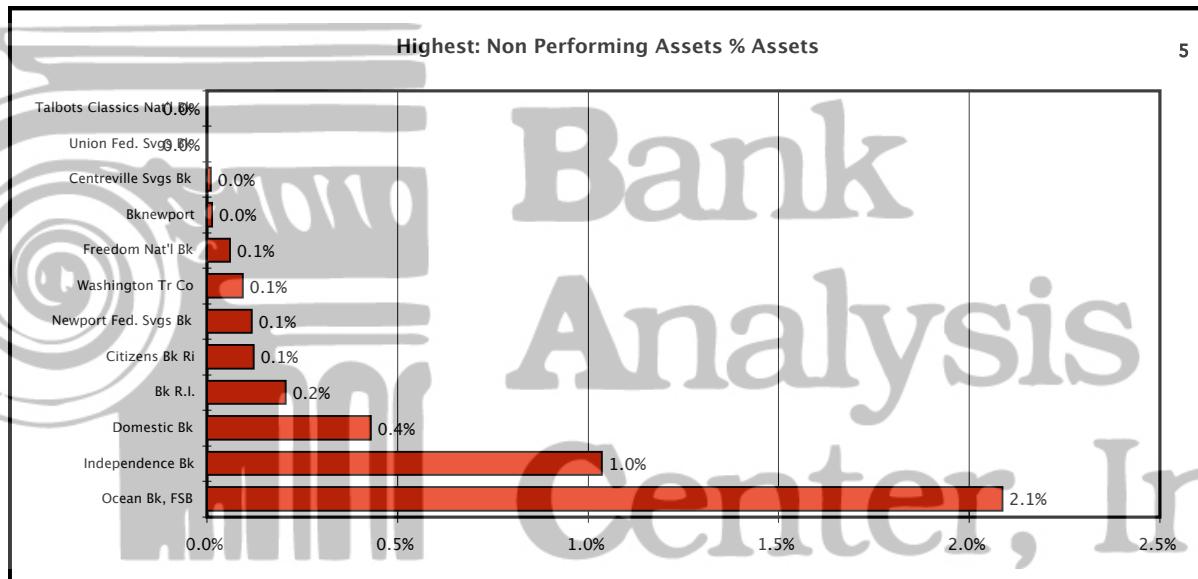
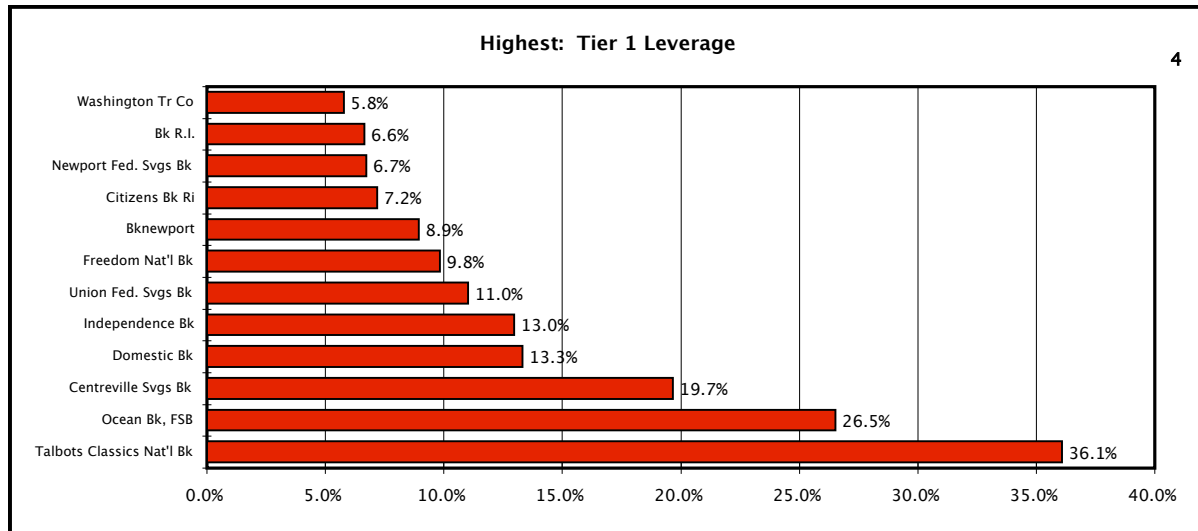
First Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Lowest Percentage



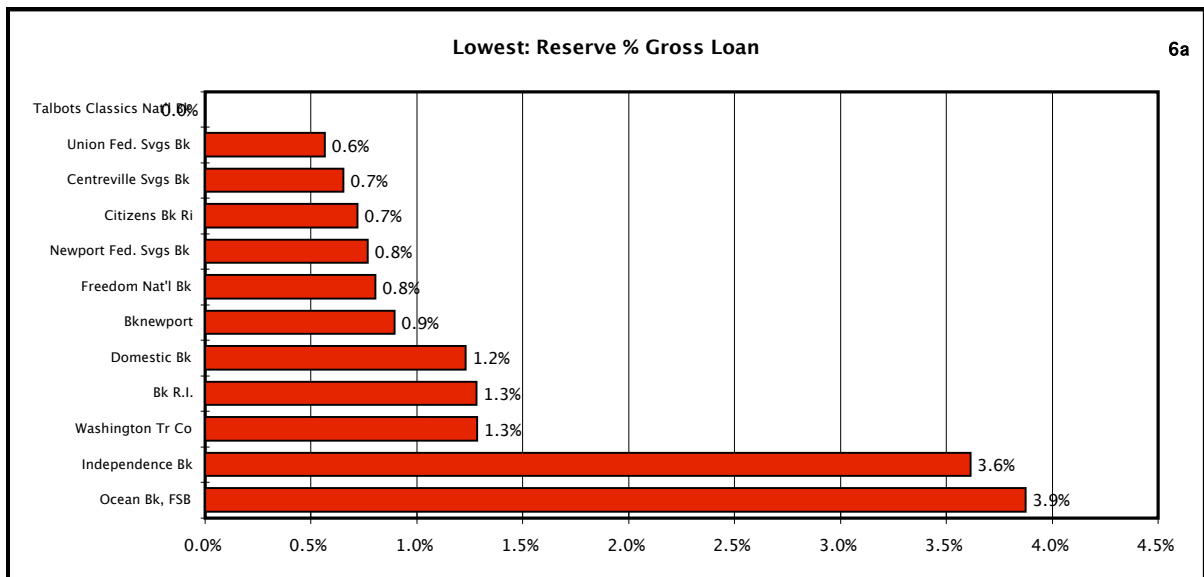
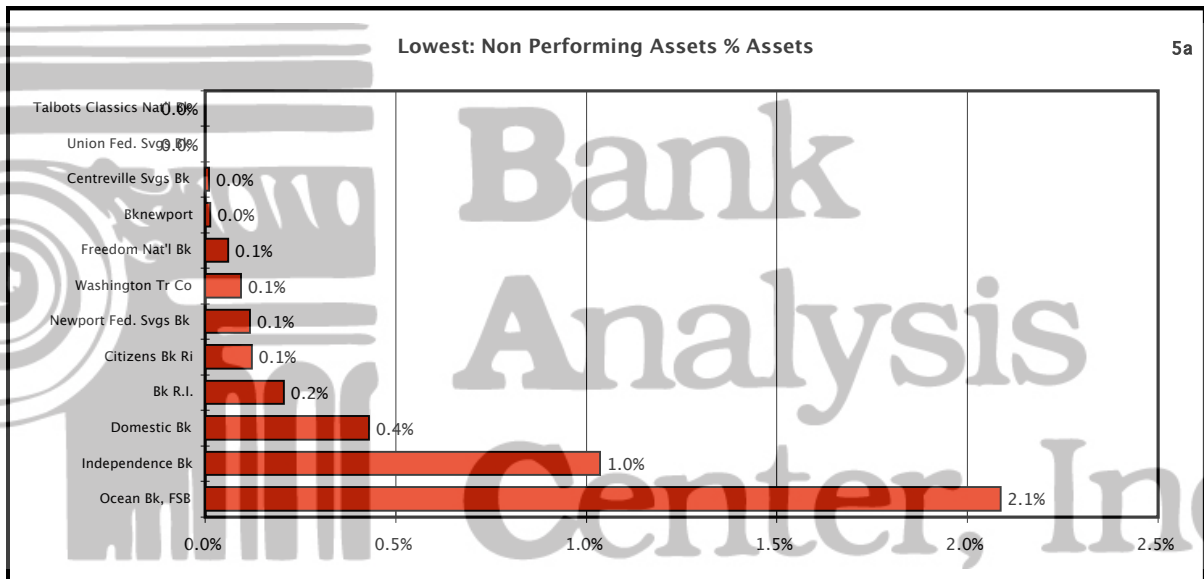
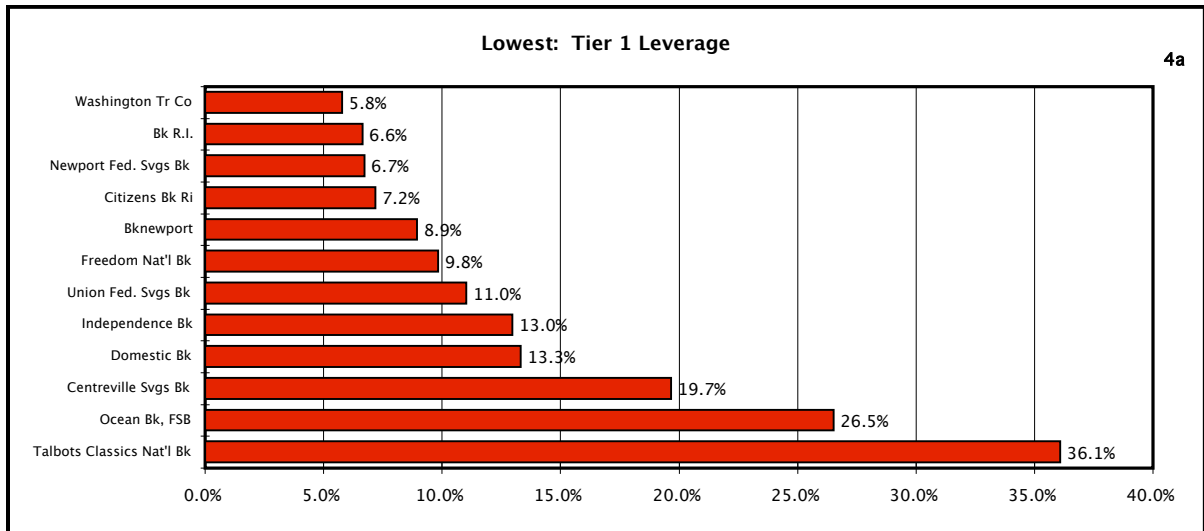
First Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Highest Percentage



First Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Lowest Percentage



FINANCIAL CONDITION AND OPERATING PERFORMANCE
(DATA AS OF MARCH 31, 2006:

RHODE ISLAND COMMERCIAL BANKS, SAVINGS BANKS & S&L'S
FDIC CALL REPORTS)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
		BASIC DATA (SELECT)									NON - P E R F O R M I N G					BALANCE SHEET						CAPITAL		OPERATING					PROFIT			
Bank #	(\$000's)	NET INCOME		Realized Net	Total	Gross	Investmnts.	Securities	Non-qualifying Intangible Assets	Total	Non-	Non-	old 1/2/02	Reserve	Non-Perf.	Loans Earning Assets (Avg Yr.)	Securities Earning Assets (Avg Yr.)	Reserve % Gross Loans	Commercial Risk % Gross Loans (Est.)	Retail Risk % Gross Loans (Est.)	Other & Govt. Risk % Gross Loans (Est.)	Tier 1 Lev. (Per. End)	Adj. Tier 1 Leverage (Per. End)	Gross Loans % Total Deposits (Per. End)	Full Time Equiv. Employ.	Non-Interest Income % Average Assets	Non-Interest Expenses % Average Assets	Non-Interest Expense Efficiency Ratio (Full Tax Eqv)	Net Interest Margin (Estimated) (After tax)	Return on Average Assets (After tax)	Return on Average Equity (After tax)	
		Prior	Current	(Loss) on	Equity or	Period	+ Securities	Gains/Losses		Non-Perf. Loans	Non-Performing Assets	Non-Performing Assets	Non-Performing Loans	% Non-Perform. (Per. End)	% Assets																	
		End	03/05	03/06	Securities	Surplus	End	(Per. End)		"Held to Maturity"	NA's+90+	O.R.E.O.	Assets	Loans	Loans																	(Per. End)
Bank Name		End	03/05	03/06	Securities	Surplus	End	(Per. End)	"Held to Maturity"	Assets	NA's+90+	O.R.E.O.	Assets	Loans	Loans	(Per. End)	(Avg Yr.)	(Avg Yr.)	% Gross Loans	% Gross Loans (Est.)	% Gross Loans (Est.)	% Gross Loans (Est.)	Per. End)	(Per. End)	(Per. End)	Employ.	Assets	Assets	Ratio (Full Tax Eqv)	(After tax)	(After tax)	
ASSETS \$0-\$100 Million																																
(1)	Freedom National Bank	69,388	(30)	11	0	6,452	44,272	21,208	0	0	42	0	42	0.1%	848%	0.1%	69%	31%	0.8%	76%	24%	0%	9.8%	10.3%	70%	16	0.13%	2.82%	92.9%	3.07%	0.07%	0.7%
(2)	Independence Bank	43,317	72	28	0	5,767	26,973	13,229	(146)	546	449	0	449	1.7%	217%	1.0%	67%	33%	3.6%	69%	31%	0%	13.0%	13.8%	84%	23	5.53%	8.90%	83.1%	5.55%	0.25%	1.9%
(3)	Talbots Classics National Bank	10,198	174	207	0	3,631	0	9,831	0	0	0	0	0	0.0%	0%	0.0%	0%	100%	0.0%	0%	0%	0%	36.1%	36.1%	0%	10	63.90%	53.02%	81.9%	1.00%	8.05%	23.5%
(4)	Union Federal Svgs Bank	39,768	33	(122)	0	4,426	21,915	16,880	0	0	0	0	0	0.0%	0%	0.0%	55%	45%	0.6%	8%	92%	0%	11.0%	11.3%	63%	18	1.24%	4.15%	138.1%	1.87%	-1.21%	-10.9%
SUBTOTAL		162,671	249	124	0	20,276	93,160	61,148	(146)	546	491	0	491	0.5%	296%	0.3%	61%	39%	1.6%	58%	42%	0%	12.6%	13.1%	68%	67	5.96%	8.02%	88.41%	3.33%	0.31%	2.5%
MEDIAN		41,543	53	20	0	5,097	24,444	15,055	0	0	21	0	21	0.0%	109%	0.0%	61%	39%	0.7%	39%	28%	0%	12.0%	12.6%	67%	17	3.39%	6.52%	87.96%	2.47%	0.16%	1.3%
ASSETS \$100-\$250 Million																																
(5)	Ocean Bank, FSB	239,832	(511)	13	0	65,020	102,068	91,136	0	0	3,822	1,184	5,006	3.7%	103%	2.1%	44%	56%	3.9%	21%	77%	0%	26.5%	26.5%	60%	208	7.85%	11.04%	99.8%	3.95%	0.02%	0.1%
SUBTOTAL		239,832	(511)	13	0	65,020	102,068	91,136	0	0	3,822	1,184	5,006	3.7%	103%	2.1%	44%	56%	3.9%	21%	77%	0%	26.5%	26.5%	60%	208	7.85%	11.04%	99.80%	3.95%	0.02%	0.1%
MEDIAN		239,832	(511)	13	0	65,020	102,068	91,136	0	0	3,822	1,184	5,006	3.7%	103%	2.1%	44%	56%	3.9%	21%	77%	0%	26.5%	26.5%	60%	208	7.85%	11.04%	99.80%	3.95%	0.02%	0.1%
ASSETS \$250-\$500 Million																																
(6)	Domestic Bank	259,247	625	873	0	32,867	186,113	31,957	0	344	1,113	0	1,113	0.6%	206%	0.4%	86%	14%	1.2%	14%	86%	0%	13.3%	13.7%	106%	161	5.14%	6.86%	75.3%	4.83%	1.40%	10.7%
(7)	Newport Federal Svgs Bank	273,114	192	25	0	17,988	243,790	10,647	0	0	322	0	322	0.1%	582%	0.1%	96%	4%	0.8%	24%	75%	0%	6.7%	7.3%	123%	61	0.49%	3.58%	99.3%	3.40%	0.04%	0.6%
SUBTOTAL		532,361	817	898	0	50,855	429,903	42,604	0	344	1,435	0	1,435	0.3%	290%	0.3%	91%	9%	1.0%	20%	80%	0%	9.9%	10.4%	115%	222	2.73%	5.16%	82.41%	4.05%	0.69%	7.1%
MEDIAN		266,181	409	449	0	25,428	214,952	21,302	0	172	718	0	718	0.4%	394%	0.3%	91%	9%	1.0%	19%	81%	0%	10.0%	10.5%	115%	111	2.81%	5.22%	87.27%	4.11%	0.72%	5.6%
ASSETS \$500-\$1 Billion																																
(8)	Centreville Svgs Bank	819,610	1,857	5,065	3,329	205,840	276,345	511,587	0	0	82	0	82	0.0%	2205%	0.0%	35%	65%	0.7%	14%	86%	0%	19.7%	19.9%	48%	159	0.12%	1.76%	64.7%	2.71%	2.46%	9.9%
SUBTOTAL		819,610	1,857	5,065	3,329	205,840	276,345	511,587	0	0	82	0	82	0.0%	2205%	0.0%	35%	65%	0.7%	14%	86%	0%	19.7%	19.9%	48%	159	0.12%	1.76%	65.28%	2.71%	2.46%	9.9%
MEDIAN		819,610	1,857	5,065	3,329	205,840	276,345	511,587	0	0	82	0	82	0.0%	2205%	0.0%	35%	65%	0.7%	14%	86%	0%	19.7%	19.9%	48%	159	0.12%	1.76%	64.70%	2.71%	2.46%	9.9%
ASSETS OVER \$1 Billion																																
(9)	Bank Rhode Island	1,429,777	2,673	1,686	0	100,034	957,408	383,342	0	11,234	2,960	0	2,960	0.3%	415%	0.2%	71%	29%	1.3%	46%	54%	0%	6.6%	7.3%	100%	284	0.63%	2.98%	79.2%	3.34%	0.47%	6.7%
(10)	Banknewport	1,008,583	1,944	1,689	14	92,382	598,533	345,602	(296)	8,552	134	0	134	0.0%	3993%	0.0%	63%	37%	0.9%	24%	76%	0%	8.9%	9.4%	85%	254	1.25%	3.25%	77.1%	3.17%	0.67%	7.3%
(11)	Citizens Bank RI	13,025,373	37,554	44,529	54	977,053	8,525,671	2,536,638	0	60,603	13,499	2,538	16,037	0.2%	454%	0.1%	77%	23%	0.7%	16%	83%	1%	7.2%	7.6%	101%	5,178	1.71%	2.13%	48.5%	3.18%	1.35%	18.6%
(12)	Washington Trust Co	2,432,005	5,410	6,279	59	184,941	1,420,993	817,933	(3,586)	54,874	2,268	0	2,268	0.2%	805%	0.1%	64%	36%	1.3%	40%	59%	1%	5.8%	6.3%	85%	444	1.56%	2.61%	61.9%	2.89%	1.04%	13.6%
SUBTOTAL		17,895,738	47,581	54,183	127	1,354,410	11,502,605	4,083,515	(3,882)	135,263	18,861	2,538	21,399	0.2%	515%	0.1%	74%	26%	0.8%	22%	77%	1%	7.1%	7.5%	98%	6,160	1.58%	2.32%	54.20%	3.15%	1.20%	16.2%
MEDIAN		1,930,891	4,042	3,984	34	142,488	1,189,201	600,638	(148)	33,054	2,614	0	2,614	0.2%	629%	0.1%	67%	33%	1.1%	32%	68%	0%	6.9%	7.4%	93%	364	1.41%	2.79%	69.51%	3.17%	0.86%	10.5%
RHODE ISLAND		19,650,212	49,993	60,283	3,456	1,696,401	12,404,081	4,789,990	(4,028)	136,153	24,691	3,722	28,413	0.2%	440%	0.1%	72%	28%	0.9%	22%	77%	1%	7.9%	8.4%	95%	6,816	1.66%	2.53%	57.50%	3.16%	1.22%	14.4%

Although the information in this report has been obtained from sources which Bank Analysis Center, Inc. believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions and estimates included in this report constitute our judgement as of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. BAC, Inc. does not manage money or act as fiduciary for pension plans or other funds or institutions, and this report is furnished on the understanding that BAC's services do not serve as a primary basis for investment decisions by customers, investment advisors or managers, trustees or other responsible fiduciaries. This report provides information and/or alternatives that we believe to be appropriate for consideration. The decision whether or not to adopt any strategy or engage in any transaction remains the responsibility of the reader or responsible fiduciary. Reproduction and/or distribution of this report is specifically not authorized by BAC. Copyright Bank Analysis Center, Inc. 2006. All rights reserved.

Bank
Analysis
Center, Inc.

\$=000's; except per share which is in \$		BASIC DATA DATE								SHARE INFORMATION DATA					DIVIDEND DATA			PRICING DATA										
LTM=Latest 12 Months		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
Company Name		Ticker	Industry	Filing Date	Total Assets	Total Deposits	Total Equity	Total Tangible Equity	Total LTM Net Income	Common Shares Outstanding	Book Value per Share (\$)	Tangible Book Value per Share (\$)	Diluted EPS after Extrdnry. (\$)/LTM	Median EPS Estimate (\$)/ Current Year	Quarterly Dividends Declared (\$)	Dividends Declared (\$)/ LTM	Current Dividend Yield (%)	High Price (\$)	Low Price (\$)	High Price Date	Low Price Date	Price (\$)/ 07/31/06	Avg Daily Vol 07/31/06	Price/LTM Earnings 07/31/06	Price/Book (%) 07/31/06	12 Mth Price Chg	12 Mth Return	
(1)	Bancorp Rhode Island, Inc.	BARI	Bank	06/30/06	1,466,587	992,511	104,579	93,262	8,233	4,770,221	\$21.92	\$19.55	\$1.68	\$1.70	\$0.15	\$0.60	1.5%	\$41.72	\$32.53	07/31/06	01/04/06	\$41.20	15,422	24.52	188.0%	23.77%	24.83%	(1)
(2)	Newport Bancorp Incorporated	NFSB	Thrift	03/31/06	273,056	197,713	17,988	17,988	NA	NA	NA	NA	NA	NA	\$0.00	\$0.00	0.0%	\$13.34	\$12.25	07/14/06	07/07/06	\$13.12	NA	NA	NA	NA	NA	(2)
(3)	Washington Trust Bancorp, Inc.	WASH	Bank	06/30/06	2,432,277	1,670,797	161,329	107,768	24,225	13,429,369	\$12.01	\$8.02	\$1.77	\$1.84	\$0.19	\$0.74	2.8%	\$29.98	\$24.01	11/14/05	07/14/06	\$26.89	14,962	15.2	223.9%	2.7%	4.2%	(3)

Although the information in this report has been obtained from sources which Bank Analysis Center, Inc. believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions and estimates included in this report constitute our judgement as of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. BAC, Inc. does not manage money or act as fiduciary for pension plans or other funds or institutions, and this report is furnished on the understanding that BAC's services do not serve as a primary basis for investment decisions by customers, investment advisors or managers, trustees or other responsible fiduciaries. This report provides information and/or alternatives that we believe to be appropriate for consideration. The decision whether or not to adopt any strategy or engage in any transaction remains the responsibility of the reader or responsible fiduciary. Reproduction and/or distribution of this report is specifically not authorized by BAC. Copyright Bank Analysis Center, Inc. 2006. All rights reserved.

Bank
Analysis
Center, Inc.



**Bank
Analysis
Center, Inc.**
Hartford, Connecticut

Advisors to Financial Institutions

Bank Analysis Center, Inc. (BAC) delivers management consulting and investment banking advice to executive management and directors in banks, thrifts, and credit unions. Whether your assets are measured in millions or billions, the issues are fundamentally the same. We help you create value by developing solutions to questions in the following key areas:

Financial:

- **Merger and Acquisition Counseling & Representation**
- Fairness Opinions for Board of Directors
- Valuations and Appraisal of Financial Institutions & Service Firms
- Capital Raising & Planning
- Budgeting and Financial Forecasting
- Branch Purchases and Sales
- Asset/Liability Management & Interest Rate Risk Assessment
- Financial Measurement, Control Systems & Profitability Systems
- Appraisal & Conversion Valuation for Thrifts Converting from Mutual to Stock

Strategic:

- Strategic Alternatives Assessment (Sell, Independence, Acquire or Merge)
- Strategic Planning Meetings and Retreats
- Acquisition Strategy Formulation
- Organizational Structure & Management Review
- Review of Competitive Position on Markets, Products & Services
- Profit Improvement and Performance Review
- Expense Reduction Evaluation
- Market Research

- **Internet Banking**

Regulatory:

- **Review, Preparation & Response for Regulatory Examinations**
- Representation & Negotiation on Regulatory Enforcement Actions
- Compliance Assessment of Regulatory Agreements & Requirements
- Application Assistance: Branches, Start-Up Banks & Trust Companies

Executive Search:

- Chief: Executive Officers, Operating Officers, Financial Officers, Lending Officers

Contact a BAC representative for information on these and other services.

CityPlace II • 16th Floor
Hartford, CT 06103

Telephone: 860-275-6050

mail@bankanalysiscenter.com

Fax 860-275-6060