



RHODE ISLAND BANKING INDUSTRY: THIRD 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 September 30, 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 12/29/06 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 September 30, 2006:

THIRD QUARTER 2006 STATUS REPORT:

On an aggregate basis, the 12 banks in Rhode Island (down from 15 in December of 2003), recorded a -4% decrease in earnings for the nine month period ending 9/30/06 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 9 institutions (75%) registered a decrease and 3 institutions (25%) reported an increase. **The median performance for all institutions was a -27.6% decrease.** Nonetheless, 83% of all institutions were profitable during Q3-06. 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	9 Months Ending: 9/30/05	9 Months Ending: 9/30/06	% Change 9 Mos. '05 vs 9 Mos. '06
Net Income After Tax (\$ millions)	\$238	\$169	\$162	-4%
Return on Assets (R.O.A.)	1.26%	1.22%	1.06%	
Gross Loans (\$ billions)	\$12.4	\$12.0	\$13.4	12%
Deposits (\$ billions)	\$13.2	\$13.6	\$13.3	-2%
Net Interest Margin	3.47%	3.54%	3.08%	
Efficiency Ratio	56.3%	55.7%	57.1%	
Non-Interest Inc. % Avg. Assets	1.6%	1.5%	1.7%	
Non-Performing Assets (\$ millions)	\$29	\$29	\$32	10%
Tier 1 Leverage	7.9%	7.8%	8.4%	
Reserves % Non-Perf. Loans	414%	418%	399%	
Provision for Losses (\$ millions)	\$41	\$37	\$45	22%
Liquidity (loans % deposits)	94%	89%	101%	

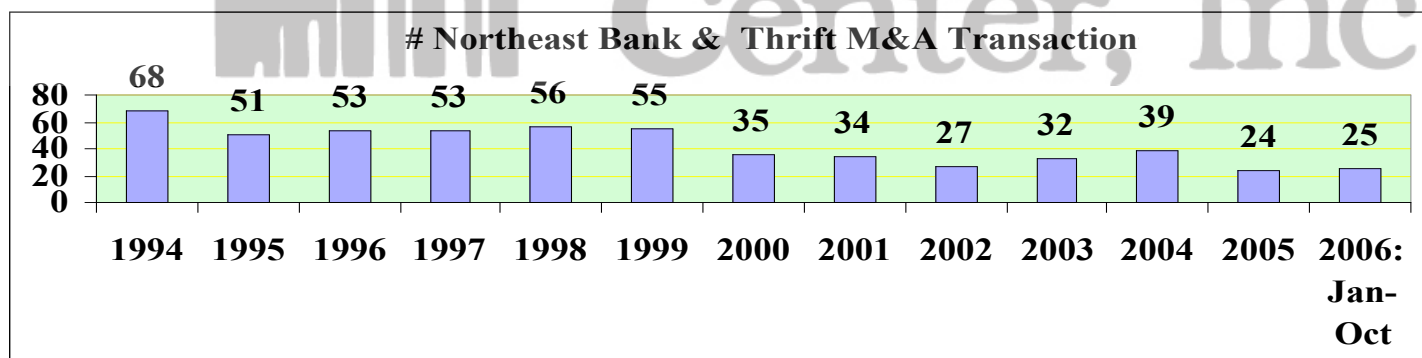
We include below 9-month summary data (as of 9/30/06) on the banking industries in each of the six New England states along with New York, New Jersey and Pennsylvania:

NORTHEAST BANKING DATA as of 9/30/06 (\$=Billions, except net inc.)							New Eng.	NY	NJ	PA
	CT	ME	MA	NH	RI	VT				
# Banking Institutions	56	36	190	26	12	19	339	195	130	248
% Institutions Profitable	91%	97%	94%	100%	83%	100%	94%	90%	86%	90%
Total Assets (\$ Bils)	\$64	\$56	\$243	\$19	\$21	\$9	\$412	\$1,334	\$137	\$427
Total Deposits (\$ Bils)	\$47	\$40	\$170	\$13	\$13	\$7	\$290	\$919	\$89	\$300
Gross Loans (\$ Bils)	\$46	\$39	\$96	\$13	\$13	\$6	\$212	\$711	\$81	\$254
Net Inc. After Tax (\$ Mils)	\$352	\$408	\$1,819	\$166	\$162	\$79	\$2,986	\$11,626	\$886	\$2,744
Return on Assets (R.O.A.)	0.82%	1.05%	1.03%	1.16%	1.06%	1.25%	1.01%	1.23%	0.90%	0.91%
Return on Equity (R.O.E.)	6.91%	5.83%	11.57%	11.59%	12.39%	14.37%	9.6%	12.69%	7.97%	9.64%
Net Interest Margins	3.29%	4.37%	2.38%	3.41%	3.08%	4.25%	2.88%	3.17%	2.82%	2.99%
Efficiency Ratio	65.4%	64.26%	68.5%	55.9%	57.1%	63.4%	66.4%	62.1%	57.2%	64.9%
Non-Perf. Assets % Assets	0.20%	0.33%	0.10%	0.20%	0.20%	0.50%	0.20%	0.40%	0.30%	0.30%

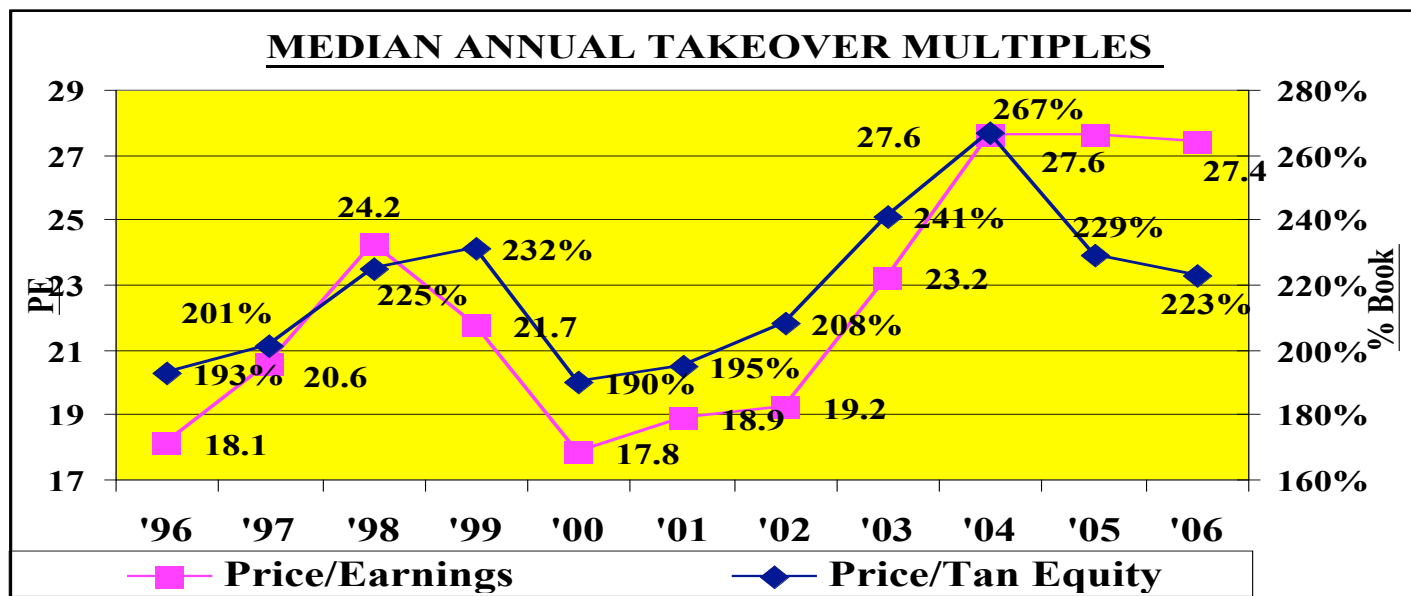
MERGER / ACQUISITION DATA AND COMPARATIVE STOCK PRICE MULTIPLES:

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 October 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 30 transactions in the Northeast completed over the last 12 months between October 2005 and October 2006 the median price for all deals (banks & thrifts) was approximately 223% of tangible book equity and a multiple of 27X 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.



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:

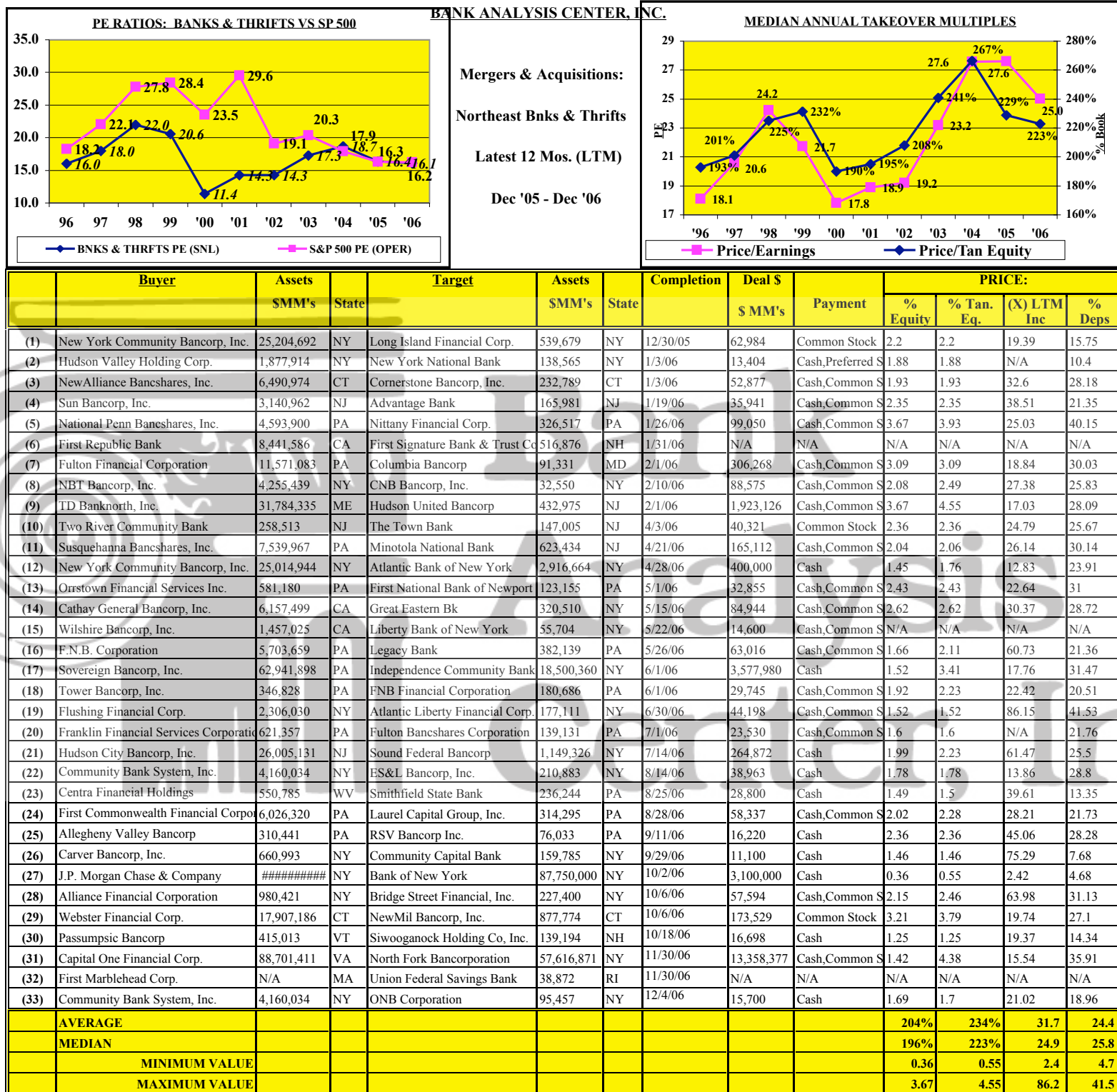
- ✓ **Market Segmentation**
- ✓ **Product Development & Positioning**
- ✓ **Business Development Initiatives**
- ✓ **Consumer Behavior**

- ✓ **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

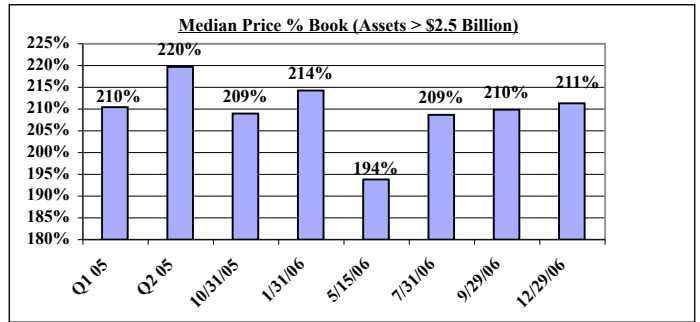
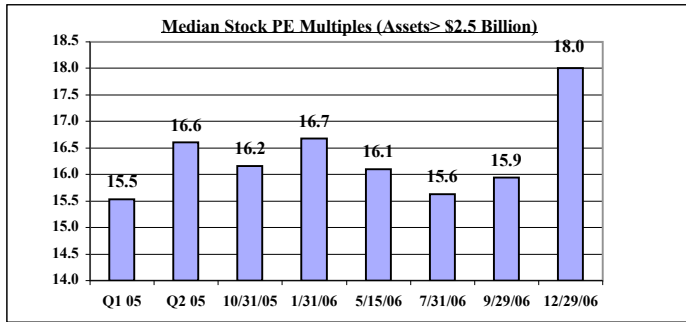


NORTHEAST BANKING STOCK TRADING DATA THROUGH 12/29/2006

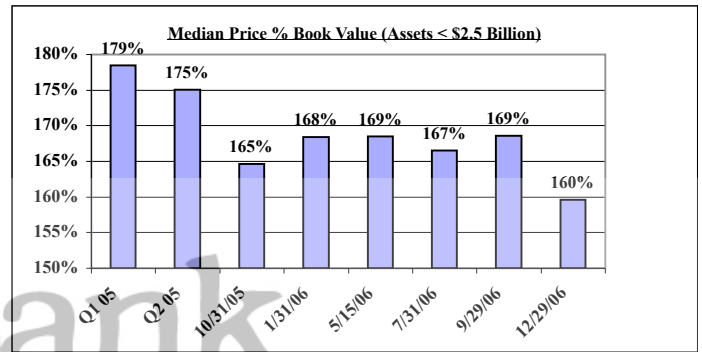
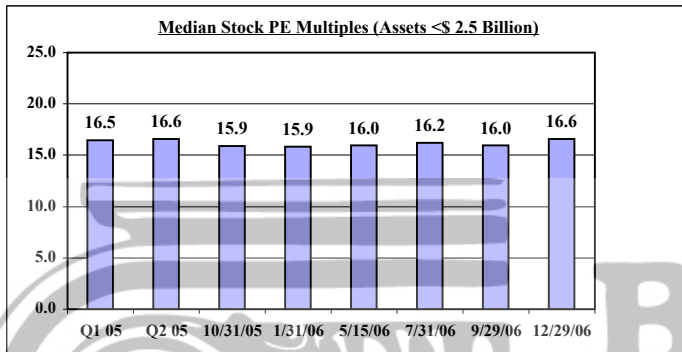
PREPARED BY: BANK ANALYSIS CENTER, INC., HTFD. CT

COMMERCIAL BANKS

ASSETS GREATER THAN \$2.5 BILLION

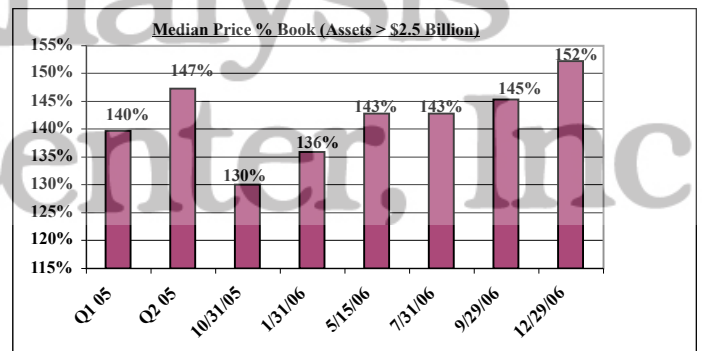
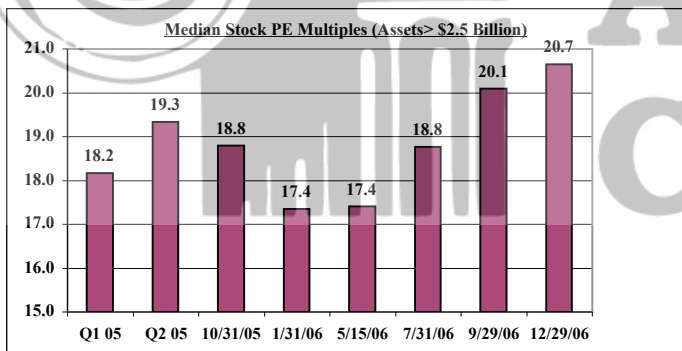


ASSETS LESS THAN \$2.5 BILLION

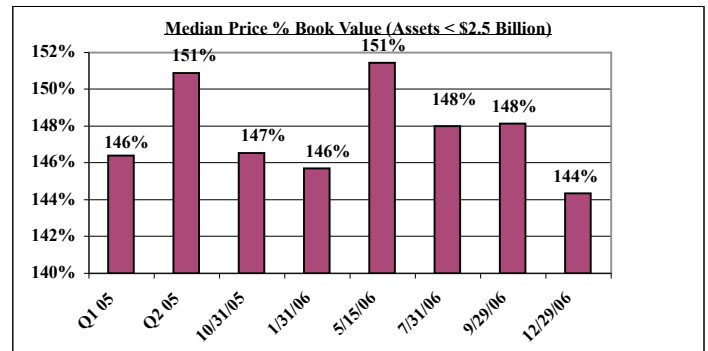
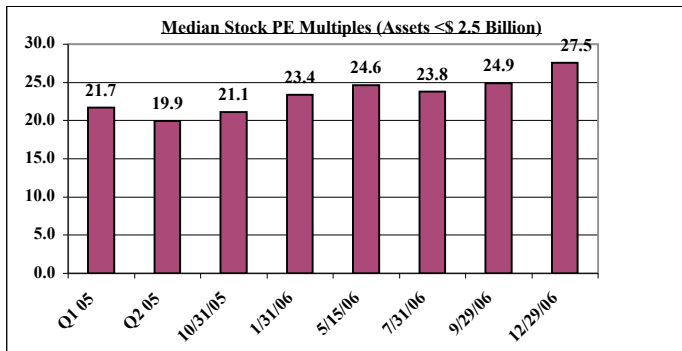


THRIFTS

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 9/30/2006

(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	9/30/05	9/30/06	2005 - 9/30/06	9/30/05 - 9/30/06
						Increase/(Decrease)	Increase/(Decrease)
						\$ %	\$ %
(1) Beginning balance # Institutions:	15	15	13	13	12		
(2) - Number of institutions reduced through mergers	0	0	1	0	0	0	
(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	0	0	0	
(6) Ending balance # institutions period end:	15	15	12	13	12	(1)	-8%
(7) # Reporting profits	12	13	10	11	10		
(8) % Reporting Profits	80%	87%	83%	85%	83%		

BALANCE SHEET DATA:

ASSETS							
(9) Gross Loans	142,588	131,911	12,450	12,024	13,448	998	8%
(10) -Allowance for Loan Losses	3,243	2,902	106	115	111	4	4%
(11) Net Loans	139,345	129,009	12,344	11,909	13,337	994	8%
(12) Investments, Securities & Funds	48,319	57,846	4,877	4,718	4,601	(276)	-6%
(13) TOTAL EARNING ASSETS	187,664	186,856	17,221	16,628	17,938	717	4%
(14) 90 Days Past Due Loans	529	453	7	6	6	(1)	-9%
(15) +Non-Accrual Loans	1,961	805	19	22	21	3	15%
(16) =Total Non-Performing Loans	2,490	1,257	26	27	28	2	8%
(17) OREO(Non-Direct Investment)	18	27	4	2	4	1	15%
(18) TOTAL NON-PERFORMING ASSETS	2,508	1,284	29	29	32	3	9%
(19) All Other Assets	26,310	57,930	2,744	2,661	2,952	208	8%
(20) TOTAL ASSETS	216,482	246,069	19,994	19,318	20,922	928	5%
LIABILITIES & EQUITY							
(21) Total deposits	158,000	158,583	13,279	13,550	13,316	38	0%
(22) All other borrowings & liabilities	35,466	35,890	5,059	4,159	5,774	714	14%
(23) Total equity capital and surplus	23,016	51,597	1,656	1,609	1,832	175	11%
(24) TOTAL LIABILITIES & EQUITY	216,482	246,069	19,994	19,318	20,922	928	5%

INCOME STATEMENT:

(25) Net Interest Earned	7,609	6,436	567	428	408	(22)	-4%
(26) +Non-Interest Income	4,893	3,994	299	214	261	49	17%
(27) +Gains/Losses on Securities	153	(22)	16	8	3	(12)	-75%
(28) -Non-Interest Expense	6,683	5,440	485	357	381	22	5%
(29) -Provision for Loan Losses	1,360	860	41	37	45	19	45%
(30) =Pre Tax Income	4,613	4,108	355	256	247	(26)	-7%
(31) NET INCOME AFTER TAX	2,919	2,411	238	169	162	(22)	-9%
(32) Charged-Off Loans	2,425	1,292	55	44	54	16	30%
(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	6,615	6,788	(11)	0%

PERFORMANCE MEASURES:

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

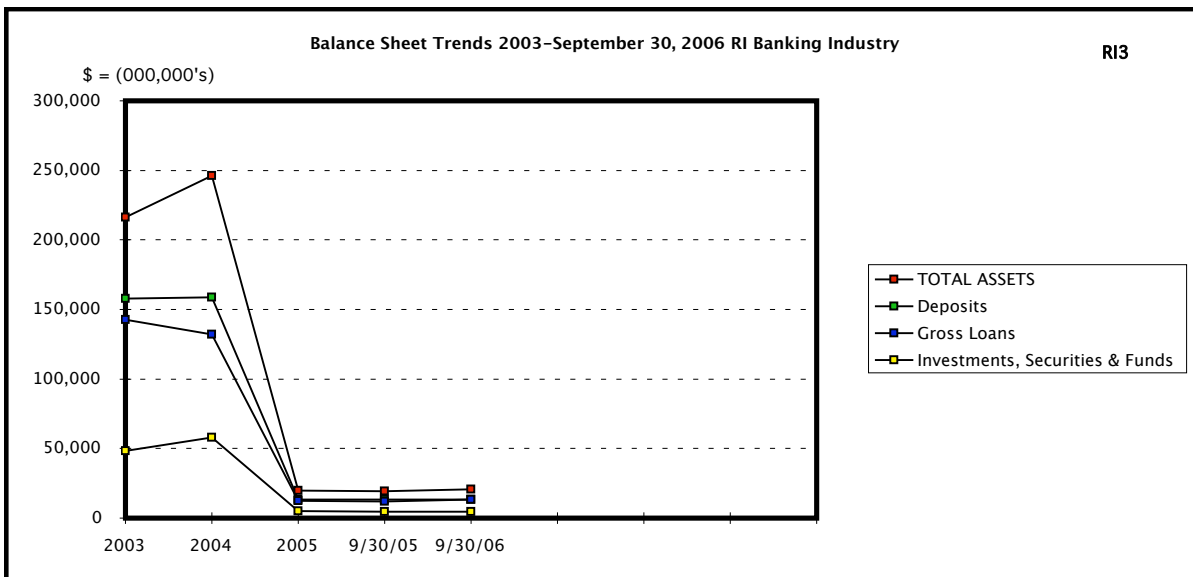
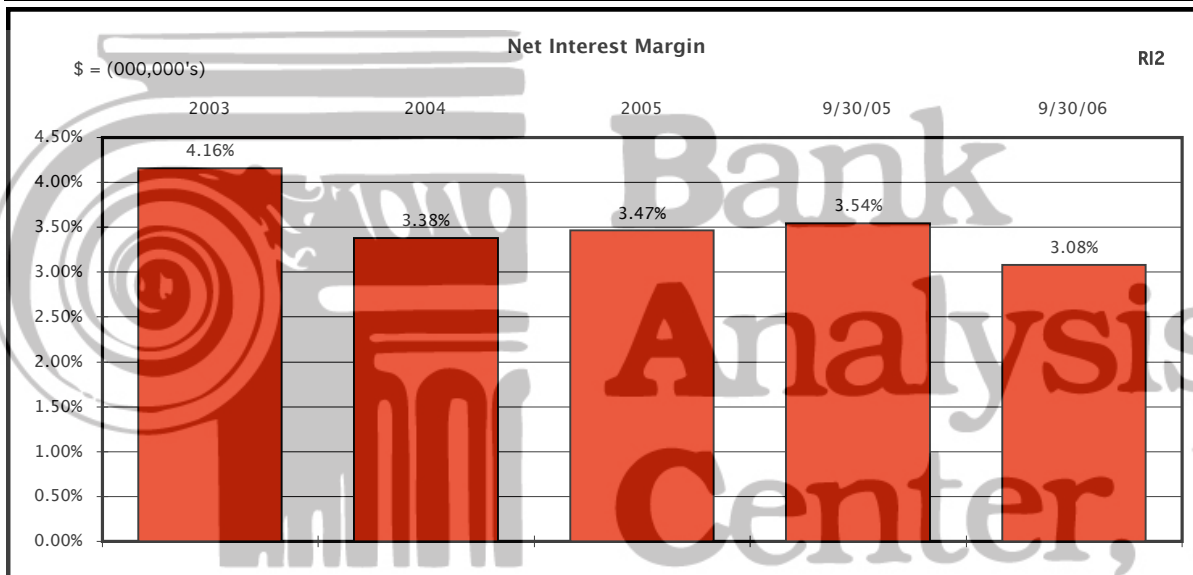
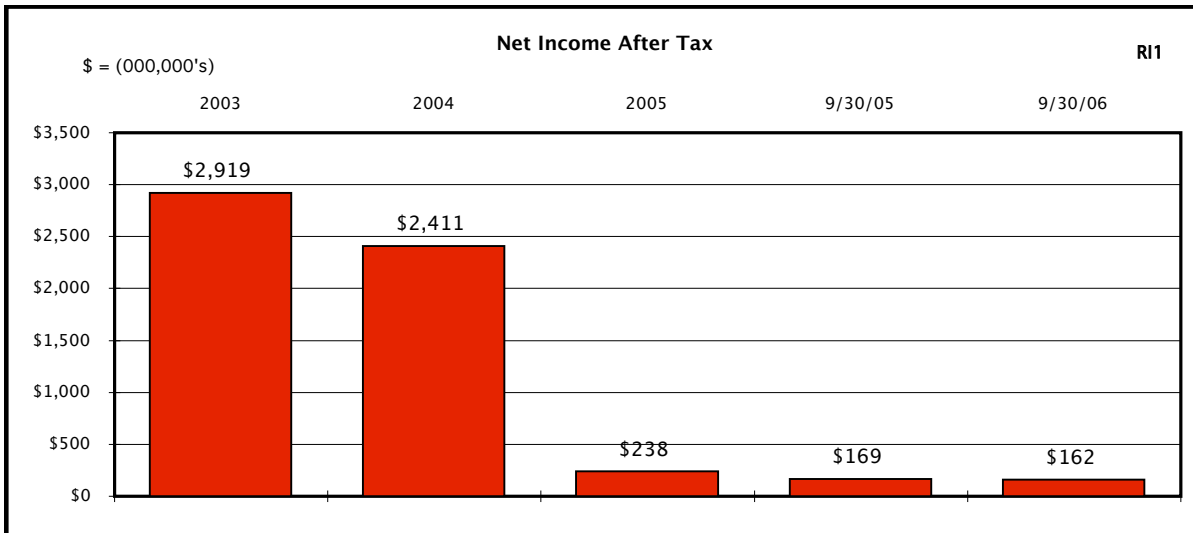
(35) Non-Performing Loans % Gross Loans	1.7%	1.0%	0.2%	0.2%	0.2%		
(36) Non-Performing Assets % Assets	1.2%	0.5%	0.1%	0.2%	0.2%		
(37) Reserve % Non-Performing Loans	130%	231%	414%	418%	399%		
(38) Return on Average Assets (R.O.A.)	1.40%	1.04%	1.26%	1.22%	1.06%		
(39) Return on Average Equity (R.O.E.)	12.84%	6.46%	14.00%	13.42%	12.39%		
(40) Non-Interest Expense % Average Assets	3.2%	2.4%	2.6%	2.6%	2.5%		
(41) Non-Interest Income % Average Assets	2.3%	1.7%	1.6%	1.5%	1.7%		
(42) Non-Interest Expense Efficiency Ratio	53.6%	52.9%	56.3%	55.7%	57.1%		
(43) Net Interest Margin	4.16%	3.38%	3.47%	3.54%	3.08%		
(44) Tier 1 Leverage	8.8%	8.7%	7.9%	7.8%	8.4%		
(45) Adjusted Tier 1 Leverage	9.2%	9.5%	8.3%	8.3%	8.8%		

COMPOSITION OF EARNING ASSETS

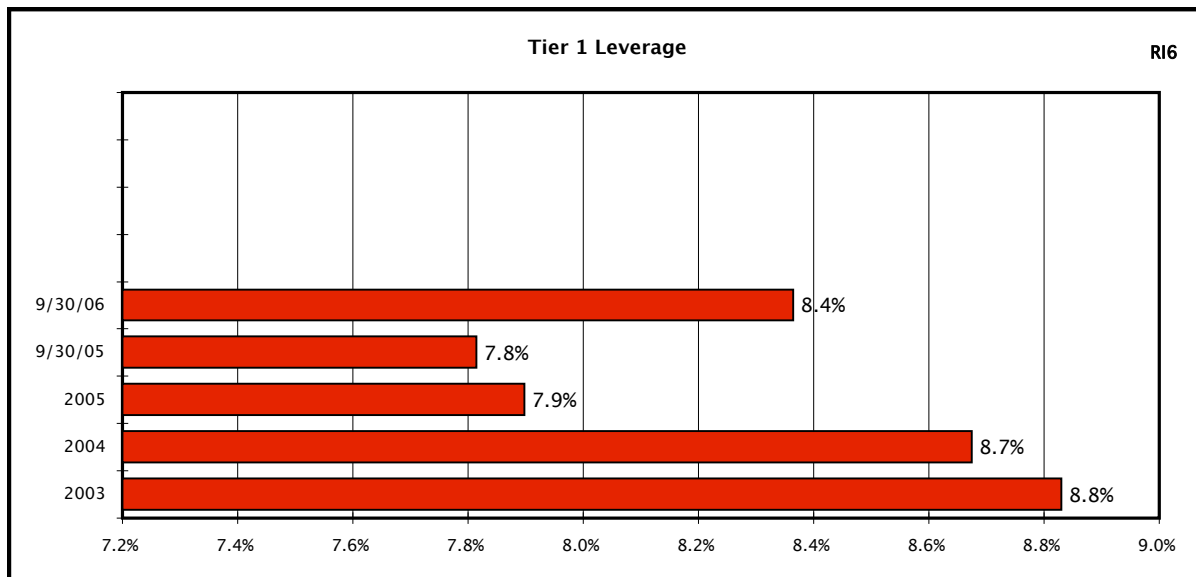
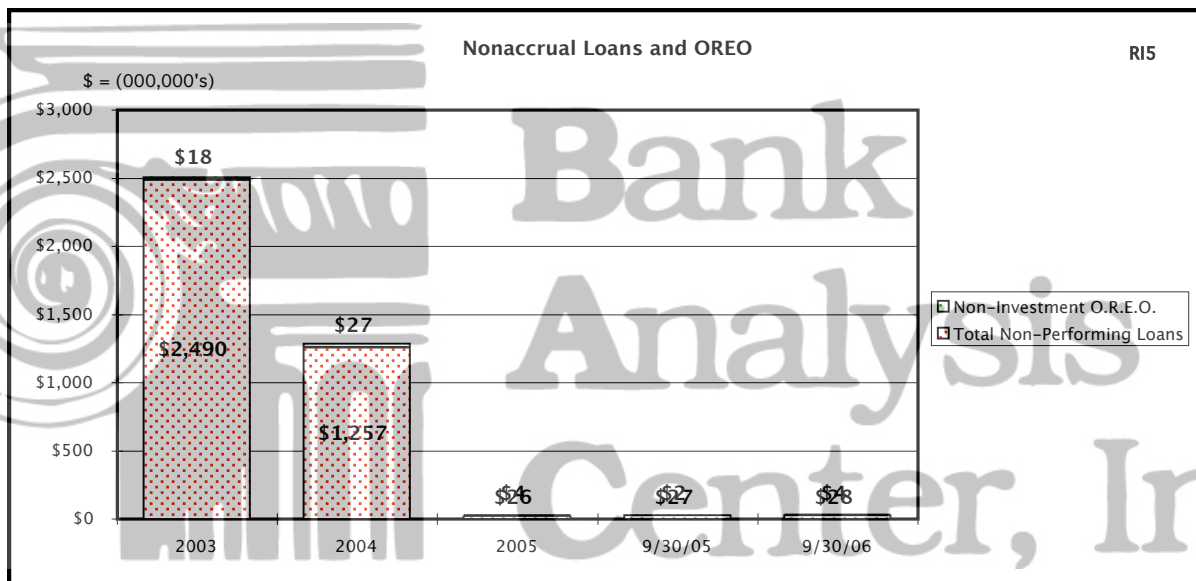
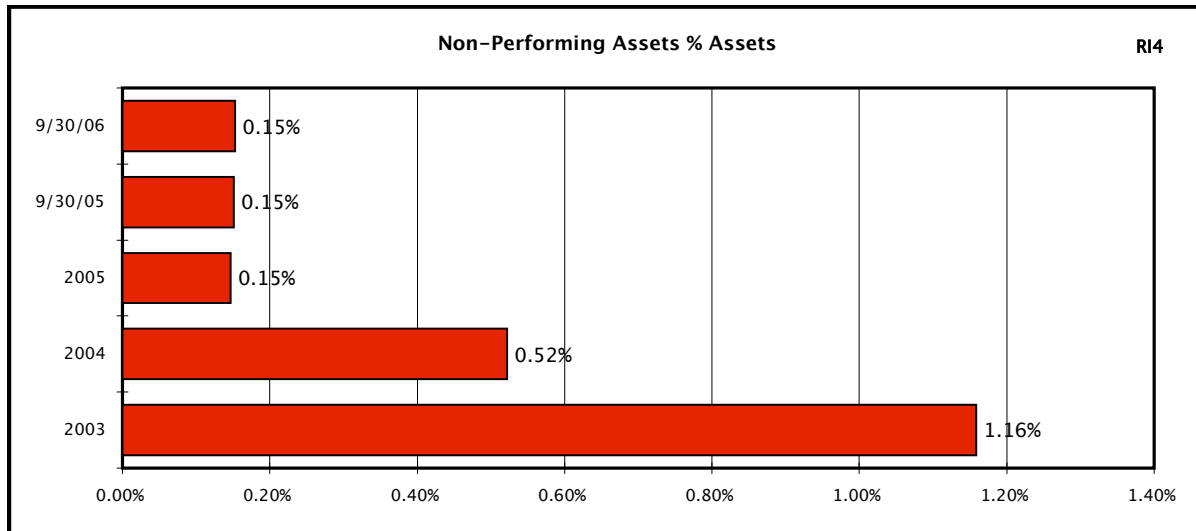
(46) % Investments, Securities, Funds	26%	31%	28%	28%	26%		
(47) % Loans (net)	74%	69%	72%	72%	74%		
(48) Total	100%	100%	100%	100%	100%		
(49) Loans % Deposits	90%	83%	94%	89%	101%		

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 09/30/06

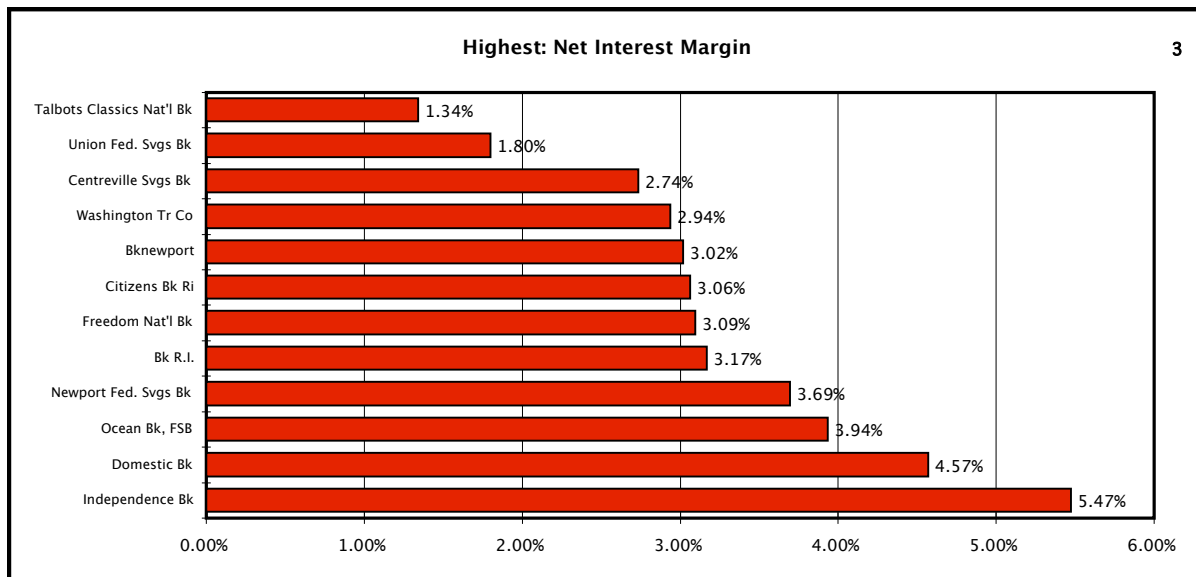
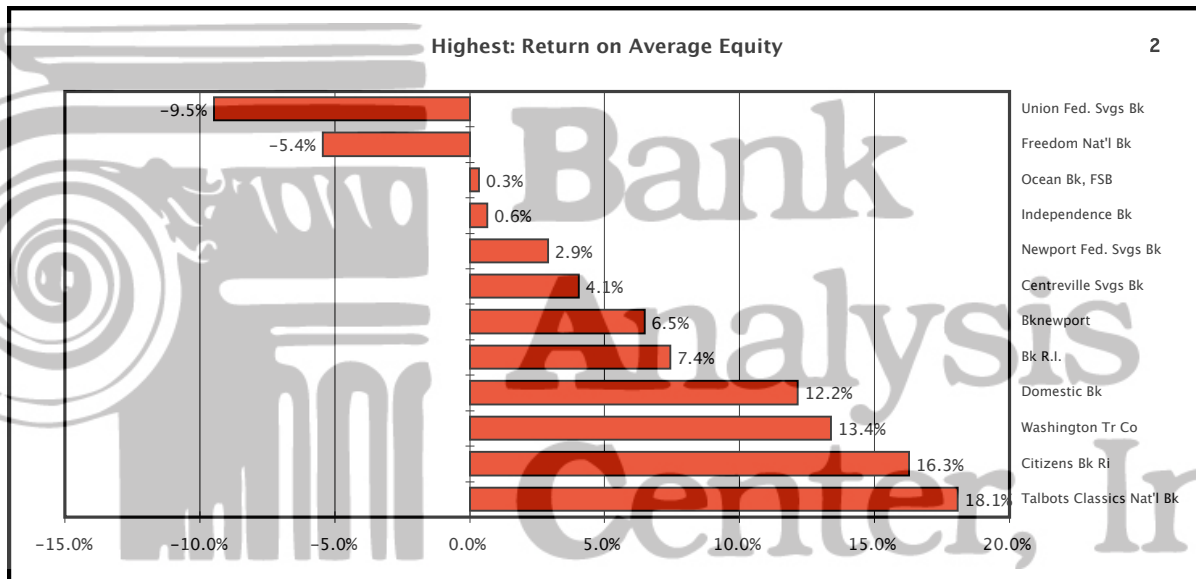
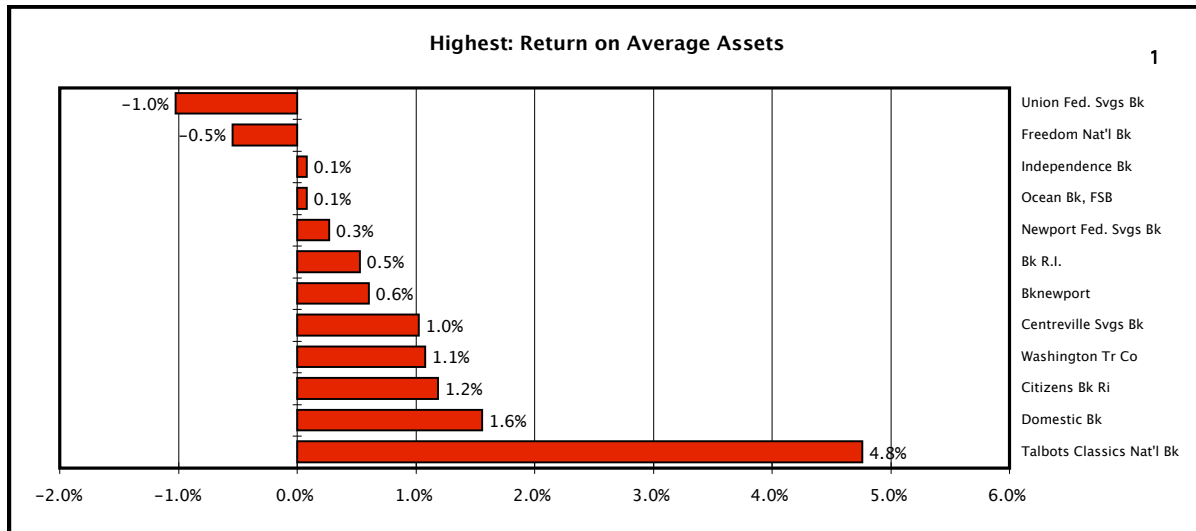


RHODE ISLAND BANKING INDUSTRY TRENDS AS OF 09/30/06



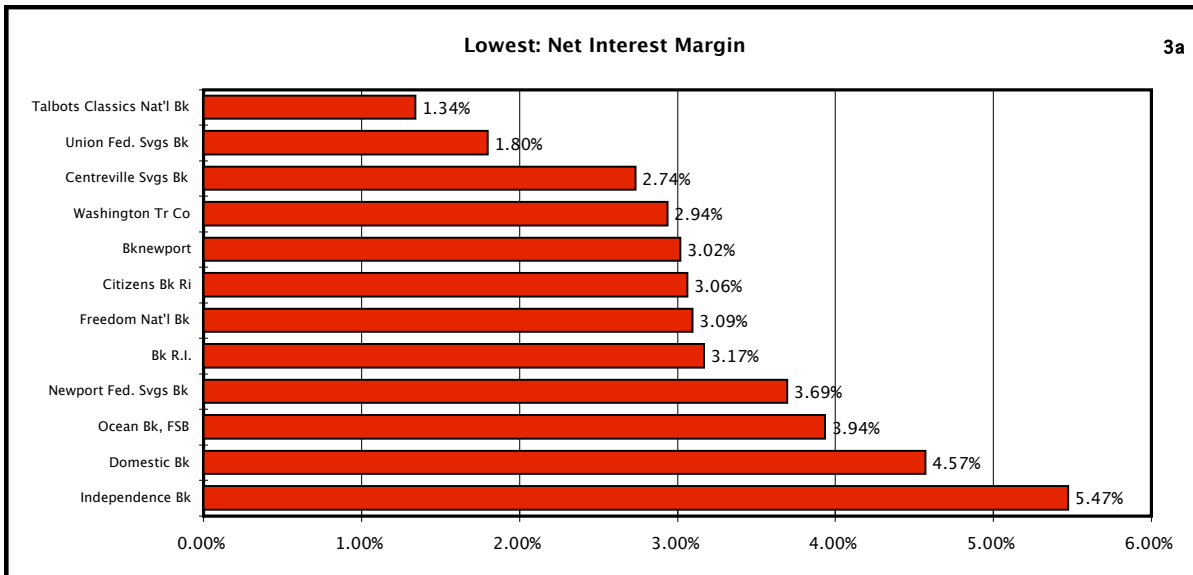
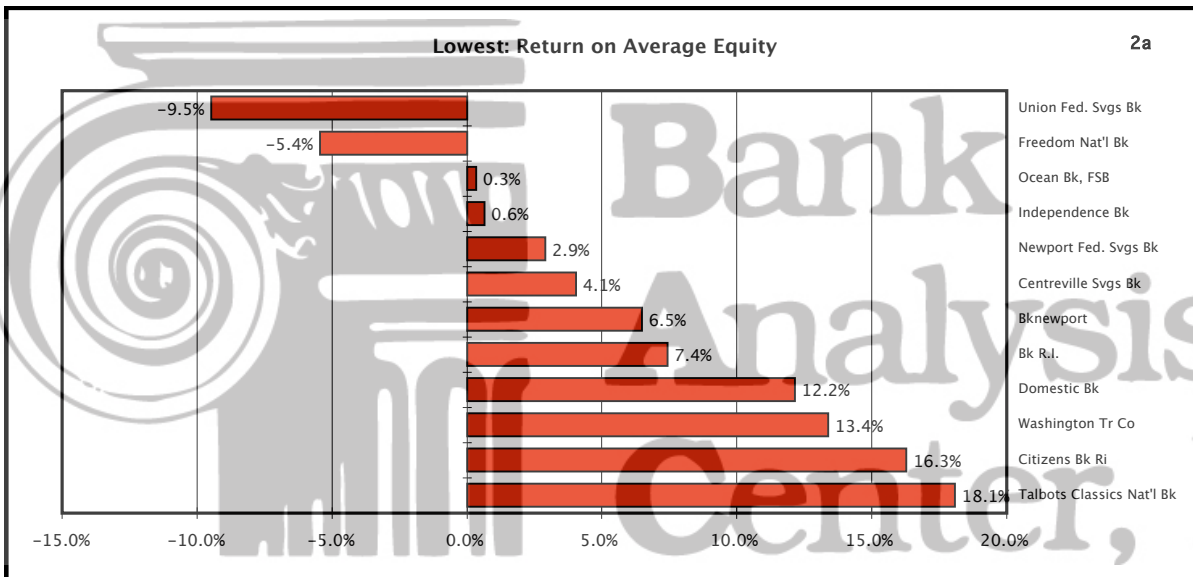
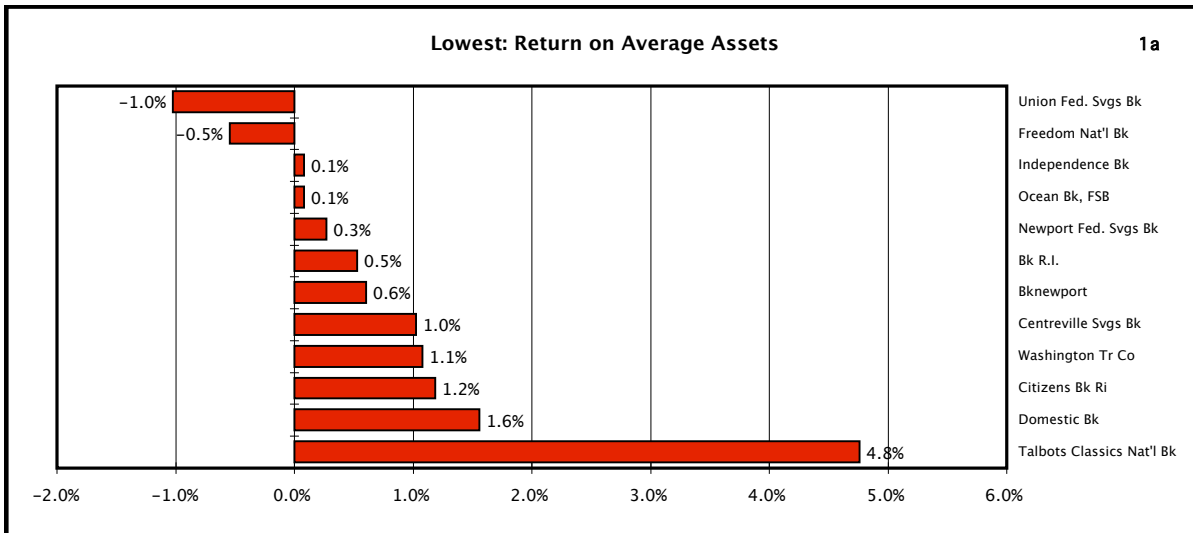
Third Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Highest Percentage



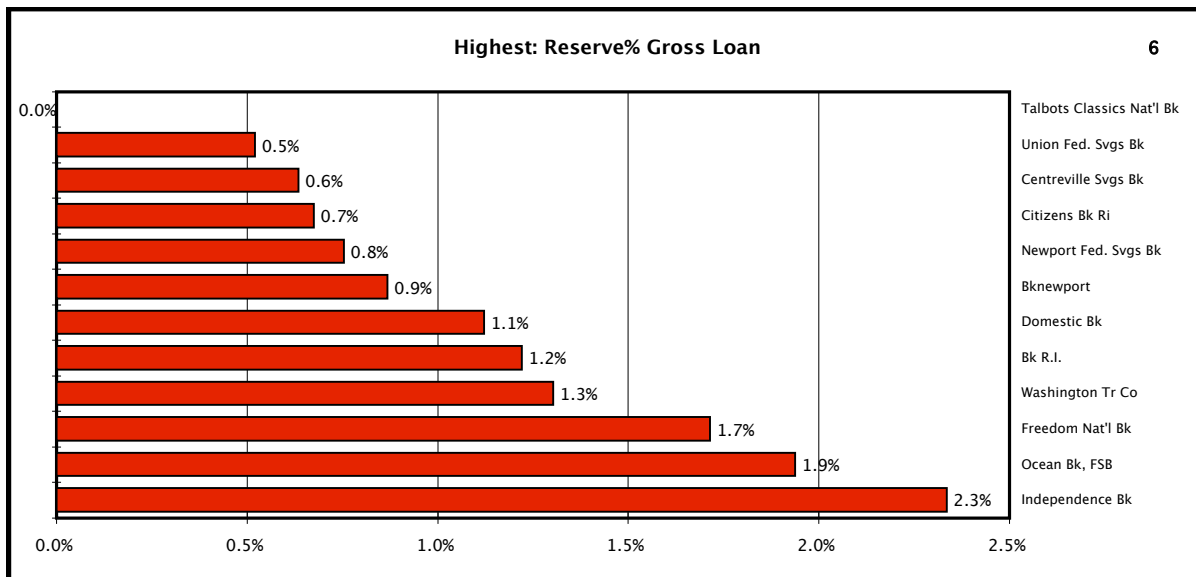
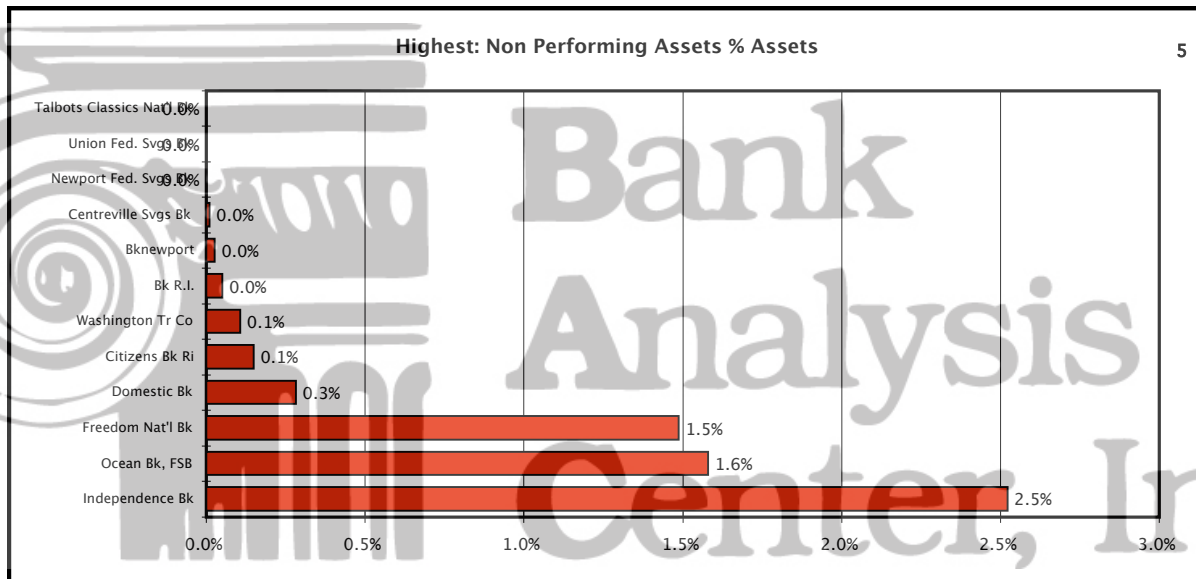
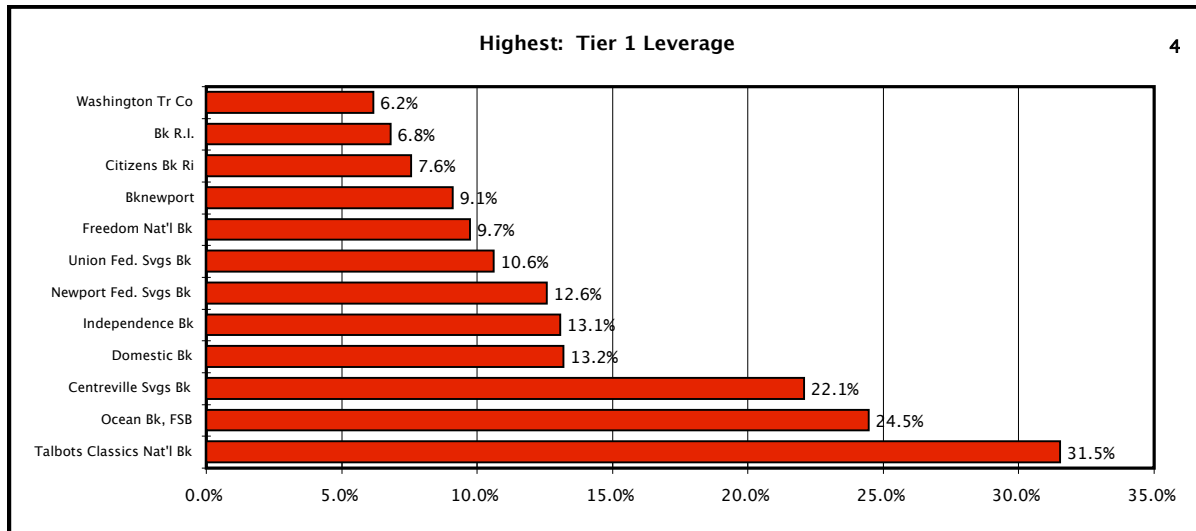
Third Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Lowest Percentage



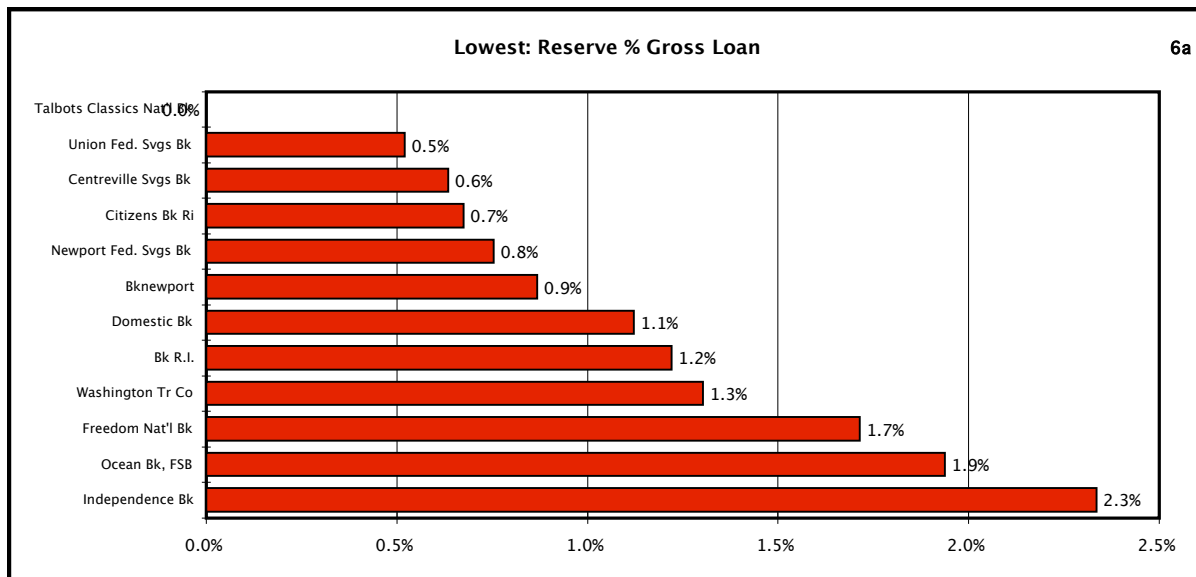
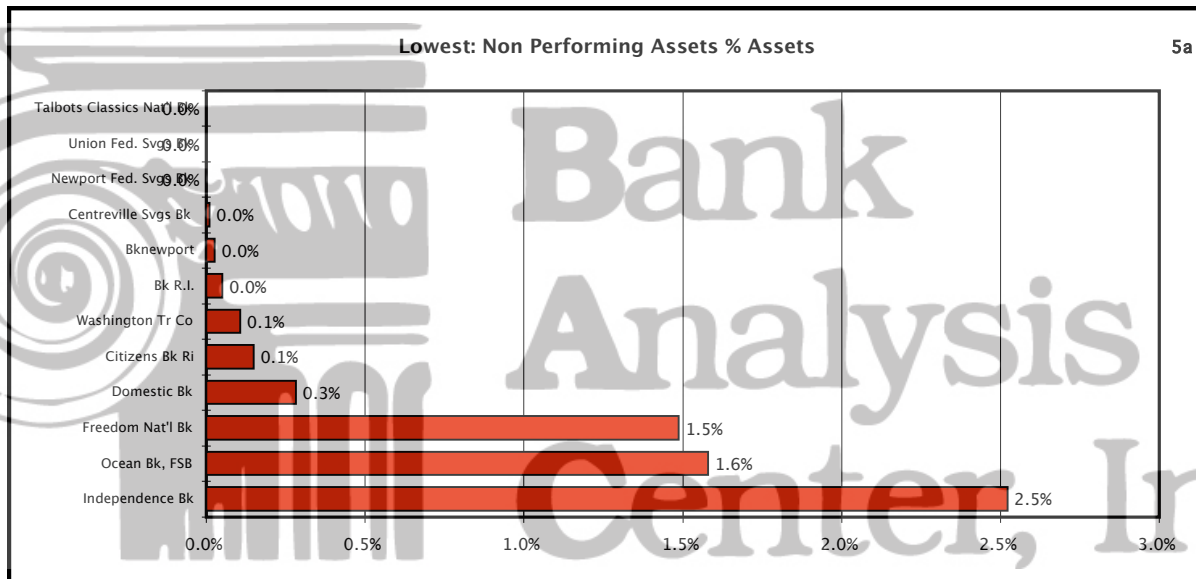
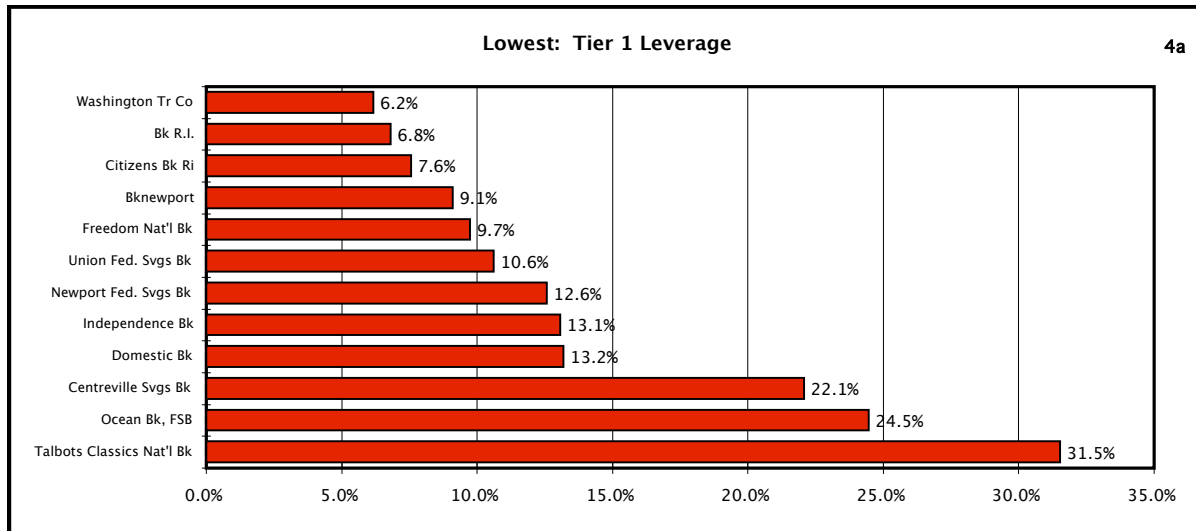
Third Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Highest Percentage



Third Quarter 2006
Rhode Island Banking Industry Performance Measures

12 Lowest Percentage



FINANCIAL CONDITION AND OPERATING PERFORMANCE
(DATA AS OF SEPTEMBER 30, 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)	Total Assets	NET INCOME		Realized Net Gains/ (Loss) on Securities	Total Equity or Surplus	Gross Loans	Investmnts. + Securities	Securities Gains/ Losses "Held to Maturity"	Non-qualifying Intangible Assets	Total Non-Performing Loans	Non-Investment	Total Non-Performing Assets	Reserve % Non-Perform. Loans	Non-Perf. % Assets	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)	Bank #
		Period End	Prior 09/05	Current 09/06	(Loss) on Securities	or Surplus	Period End	(Per. End)				NA's+90+	O.R.E.O.																			
		Bank Name	End	09/05	09/06	Securities	Surplus	End	(Per. End)	Maturity"	Assets													Per. End)	(Per. End)	(Per. End)	Employ.	Assets	Assets	Ratio	(Full Tax Eqv)	(After tax)
ASSETS \$0-\$100 Million																																
(1)	Freedom National Bank	63,280	(15)	(259)	0	6,242	46,595	13,748	0	0	941	0	941	85%	1.5%	74%	26%	1.7%	77%	23%	0%	9.7%	9.5%	82%	13	0.16%	3.04%	98.2%	3.09%	-0.54%	-5.4%	(1)
(2)	Independence Bank	46,602	151	28	0	5,792	27,359	14,802	(115)	484	1,176	0	1,176	54%	2.5%	66%	34%	2.3%	60%	40%	0%	13.1%	11.6%	76%	23	4.74%	8.64%	88.3%	5.47%	0.08%	0.6%	(2)
(3)	Talbots Classics National Bank	17,520	729	498	0	3,922	0	16,564	0	0	0	0	0	0%	0.0%	0%	100%	0.0%	0%	0%	0%	31.5%	31.5%	0%	10	47.74%	39.77%	81.4%	1.34%	4.76%	18.1%	(3)
(4)	Union Federal Svgs Bank	40,250	(78)	(311)	0	4,235	18,061	21,369	0	0	0	0	0	0%	0.0%	49%	51%	0.5%	15%	85%	0%	10.6%	10.9%	50%	13	1.44%	4.27%	136.1%	1.80%	-1.03%	-9.5%	(4)
	SUBTOTAL	167,652	787	(44)	0	20,191	92,015	66,483	(115)	484	2,117	0	2,117	72%	1.3%	60%	40%	1.7%	60%	40%	0%	12.5%	12.1%	65%	59	5.80%	8.04%	90.56%	3.29%	-0.04%	-0.3%	
	MEDIAN	43,426	68	(116)	0	5,014	22,710	15,683	0	0	471	0	471	27%	0.7%	58%	42%	1.1%	37%	32%	0%	11.8%	11.2%	63%	13	3.09%	6.45%	93.27%	2.45%	-0.23%	-2.4%	
ASSETS \$100-\$250 Million																																
No Banks																																
	SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0%	0.0%	0%	0%	0.0%	0%	0%	0%	0.0%	0.0%	0%	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
	MEDIAN	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	0%	0.0%	0%	0%	0.0%	0%	0%	0%	0.0%	0.0%	0%	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
ASSETS \$250-\$500 Million																																
(5)	Domestic Bank	281,872	2,787	3,052	0	34,762	204,974	35,642	0	412	794	0	794	290%	0.3%	86%	14%	1.1%	12%	87%	0%	13.2%	13.6%	99%	174	5.38%	6.67%	72.5%	4.57%	1.56%	12.2%	(5)
(6)	Newport Federal Svgs Bank	331,680	303	597	0	36,765	256,534	17,916	0	0	0	0	0	0%	0.0%	94%	6%	0.8%	26%	73%	0%	12.6%	13.2%	118%	67	0.55%	3.34%	90.2%	3.69%	0.27%	2.9%	(6)
(7)	Ocean Bank, FSB	287,267	307	165	0	61,383	182,928	63,876	0	0	3,885	650	4,535	91%	1.6%	57%	43%	1.9%	10%	89%	0%	24.5%	24.3%	97%	225	6.70%	9.93%	99.2%	3.94%	0.08%	0.3%	(7)
	SUBTOTAL	900,819	3,397	3,814	0	132,910	644,436	117,434	0	412	4,679	650	5,329	166%	0.6%	80%	20%	1.2%	17%	82%	0%	16.5%	16.9%	105%	466	4.06%	6.52%	87.15%	4.05%	0.62%	4.1%	
	MEDIAN	287,267	307	597	0	36,765	204,974	35,642	0	0	794	0	794	91%	0.3%	86%	14%	1.1%	12%	87%	0%	13.2%	13.6%	99%	174	5.38%	6.67%	90.21%	3.94%	0.27%	2.9%	
ASSETS \$500-\$1 Billion																																
(8)	Centreville Svgs Bank	816,888	7,244	6,309	3,342	213,521	283,653	497,112	0	0	88	0	88	2043%	0.0%	36%	64%	0.6%	14%	86%	0%	22.1%	22.3%	50%	157	0.14%	1.84%	66.9%	2.74%	1.02%	4.1%	(8)
	SUBTOTAL	816,888	7,244	6,309	3,342	213,521	283,653	497,112	0	0	88	0	88	2043%	0.0%	36%	64%	0.6%	14%	86%	0%	22.1%	22.3%	50%	157	0.14%	1.84%	67.44%	2.74%	1.02%	4.1%	
	MEDIAN	816,888	7,244	6,309	3,342	213,521	283,653	497,112	0	0	88	0	88	2043%	0.0%	36%	64%	0.6%	14%	86%	0%	22.1%	22.3%	50%	157	0.14%	1.84%	66.88%	2.74%	1.02%	4.1%	
ASSETS OVER \$1 Billion																																
(9)	Bank Rhode Island	1,496,672	7,965	5,794	(859)	106,455	1,008,148	400,208	0	11,317	744	0	744	1653%	0.0%	71%	29%	1.2%	50%	50%	0%	6.8%	7.6%	102%	287	0.65%	2.67%	73.6%	3.17%	0.53%	7.4%	(9)
(10)	Banknewport	1,021,401	6,366	4,590	(75)	96,617	620,671	336,434	(213)	9,001	276	0	276	1952%	0.0%	64%	36%	0.9%	24%	76%	0%	9.1%	9.6%	88%	255	1.22%	3.16%	78.0%	3.02%	0.60%	6.5%	(10)
(11)	Citizens Bank Ri	14,116,034	125,954	122,184	57	1,059,383	9,367,647	2,424,247	0	59,771	17,650	3,263	20,913	358%	0.1%	78%	22%	0.7%	14%	81%	1%	7.6%	7.9%	109%	5,131	1.75%	2.09%	48.5%	3.06%	1.18%	16.3%	(11)
(12)	Washington Trust Co	2,402,410	17,014	19,430	459	202,584	1,431,397	758,790	(1,746)	58,633	2,180	402	2,582	855%	0.1%	64%	36%	1.3%	40%	60%	1%	6.2%	6.8%	84%	433	1.73%	2.76%	62.5%	2.94%	1.08%	13.4%	(12)
	SUBTOTAL	19,036,517	157,299	151,998	(418)	1,465,039	12,427,863	3,919,679	(1,959)	138,722	20,850	3,665	24,515	477%	0.1%	75%	25%	0.8%	20%	76%	1%	7.4%	7.8%	104%	6,106	1.63%	2.28%	53.90%	3.05%	1.09%	14.6%	
	MEDIAN	1,949,541	12,490	12,612	(9)	154,520	1,219,773	579,499	(107)	34,975	1,462	201	1,663	1254%	0.1%	68%	32%	1.0%	32%	68%	0%	7.2%	7.8%	95%	360	1.47%	2.71%	68.06%	3.04%	0.84%	10.4%	
	RHODE ISLAND	20,921,876	168,727	162,077	2,924	1,831,661	13,447,967	4,600,708	(2,074)	139,618	27,734	4,315	32,049	399%	0.2%	73%	27%	0.8%	20%	79%	1%	8.4%	8.8%	101%	6,788	1.70%	2.48%	57.14%	3.08%	1.06%	12.4%	

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 soliciation 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.

\$=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 (\$) 12/29/06	Avg Daily Vol 12/29/06	Price/LTM Earnings 12/29/06	Price/ Book (%) 12/29/06	12 Mth Price Chg	12 Mth Return	
(1)	Bancorp Rhode Island, Inc.	BARI	Bank	09/30/06	1,496,855	987,623	109,387	98,070	7,409	4,773,771	\$22.91	\$20.54	\$1.51	\$1.71	\$0.15	\$0.60	1.4%	\$46.20	\$32.53	09/21/06	01/04/06	\$43.25	9,420	28.64	188.8%	29.93%	31.98%	(1)
(2)	Newport Bancorp, Inc.	NFSB	Thrift	09/30/06	292,729	198,713	59,255	59,255	NA	4,878,349	\$12.15	\$12.15	NA	NA	\$0.00	\$0.00	0.0%	\$14.48	\$12.25	09/01/06	07/07/06	\$13.66	3,466	NA	112.5%	NA	NA	(2)
(3)	Washington Trust Bancorp, Inc.	WASH	Bank	09/30/06	2,403,266	1,700,186	172,420	114,662	24,981	13,445,064	\$12.82	\$8.53	\$1.82	\$1.84	\$0.19	\$0.76	2.7%	\$29.49	\$24.01	03/17/06	07/14/06	\$27.89	19,134	15.3	217.6%	6.5%	9.6%	(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. 2007. 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