

investor presentation

Sterne Agee
Financial Services Symposium
February 9, 2010

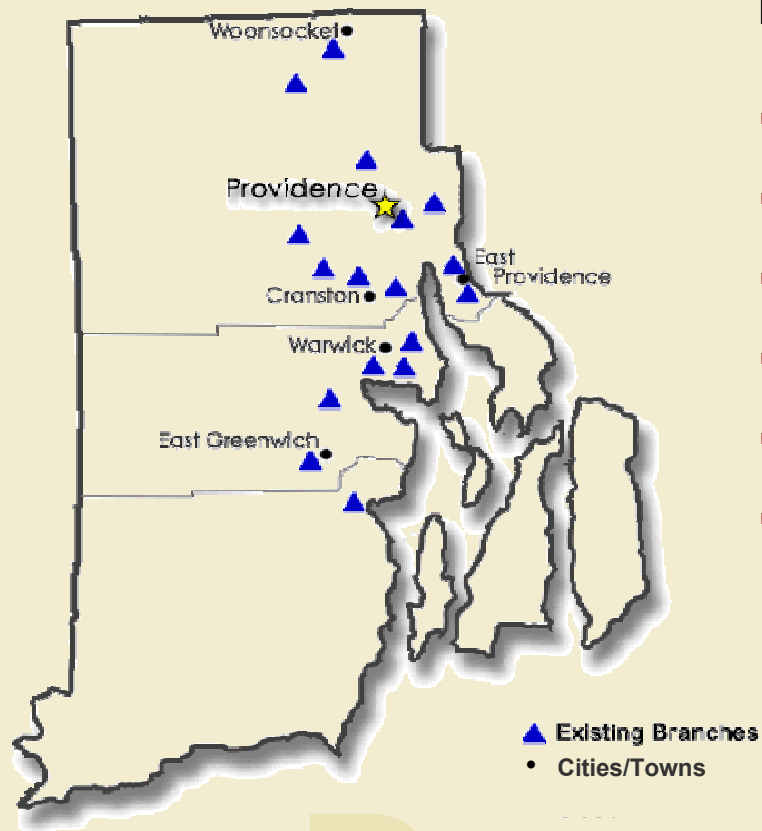
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Forward Looking Statements

Certain statements contained in this presentation are “Forward Looking Statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward Looking Statements may be identified by the use of forward looking terminology such as “may,” “believes,” “intends,” “expects,” and “anticipates” or similar terms or variations of these terms. Actual results could differ materially from those set forth in Forward Looking Statements due to a variety of factors including, without limitation, competition, interest rate risk, credit risk, political and economic conditions and regulatory issues. Further information on these risk factors is included in our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.

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Who We Are



Profile:

- Formed in March 1996
- \$1.6 billion commercial bank
- NASDAQ listed (since 1998): BARI
- 16 branches in Greater Providence area
- Headquartered in Providence, state capital
- Approximately 75% of RI's population, jobs and businesses are located in Greater Providence area

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Key Strengths

Strong Management Team

- Focused on delivering results and creating long-term value for shareholders
- Experienced team includes large bank expertise
- Consistent track record
- Highly visible in the Rhode Island community

Prudent Credit Culture

- Conservative credit culture has delivered moderate level of nonperforming loans and leases and low level of net charge-offs compared to peers
- Diversified loan portfolio
- Credit team has significant credit management expertise
- Precautions taken and monitoring processes established to weather current economic storm
- Credit culture extends to investment portfolio

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Key Strengths

Solid Capital Position

- As of December 31, 2009:
 - Total Capital (to Risk Weighted Assets) of 12.04%
 - Tier 1 Capital Ratio of 7.70%
 - Tangible Common Equity Ratio of 6.92%
- Concluded our participation in the U.S. Treasury's Capital Purchase Program
- Firm commitment for \$8 million of additional capital in place; available at Company's election

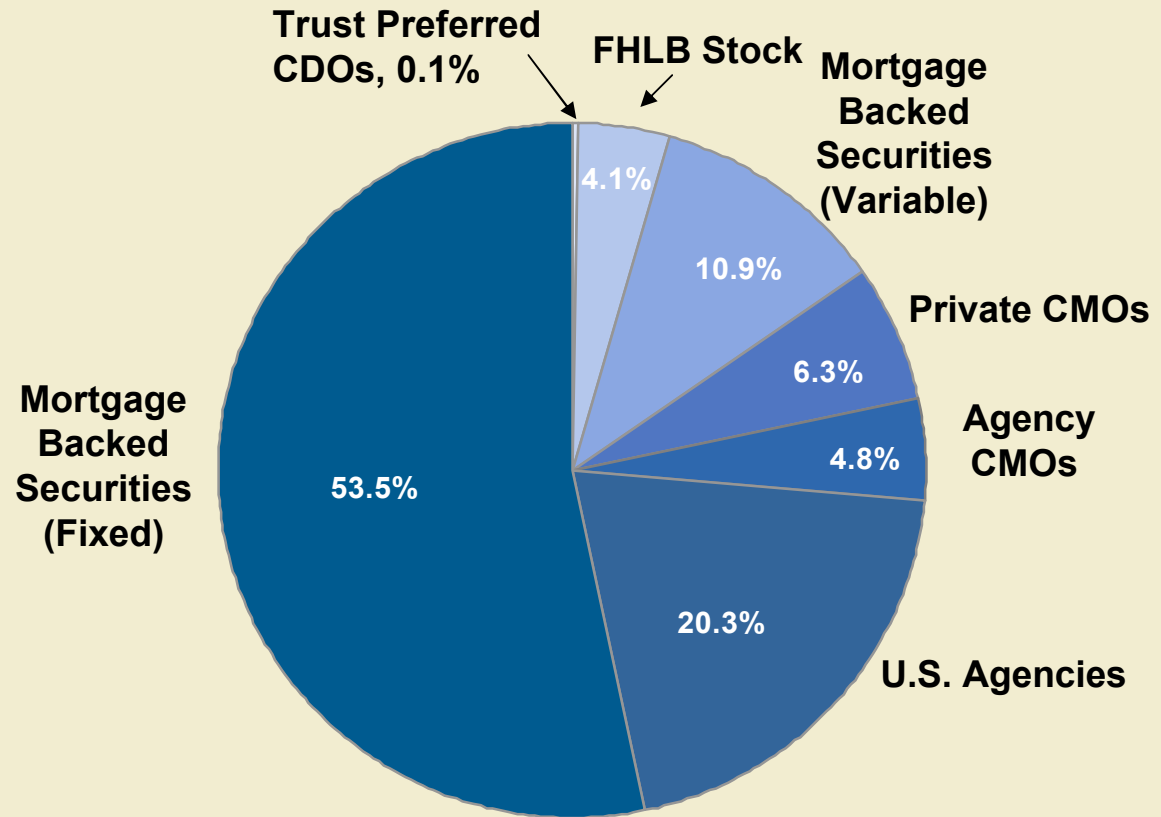
Strong Liquidity Position

- Solid core deposit base at 12/31/09 was 65% of total deposits (DDA, money market, NOW and savings) up from 59% at year-end 2008
- Liquidity supported by diversified funding sources

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Investment Portfolio

12/31/2009: \$398.1 million



2009 earnings were negatively impacted by \$384,000 in other-than-temporary charges related to credit losses.

Total par value of the trust preferred collateralized debt obligations is \$2.9 million.

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Diversified Loan Portfolio

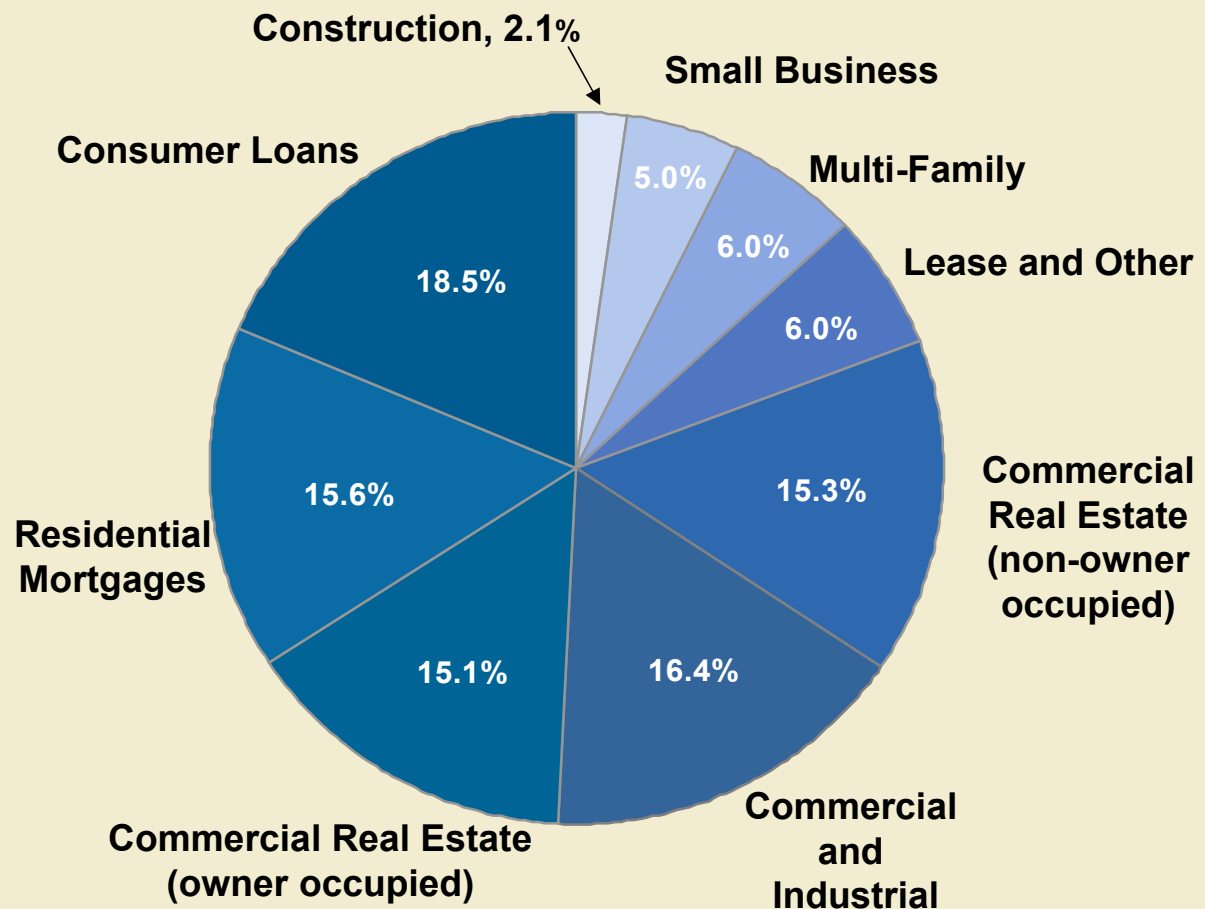
12/31/2009: \$1.11 billion

Commercial:
65.9%

Consumer:
18.5%

Residential:
15.6%

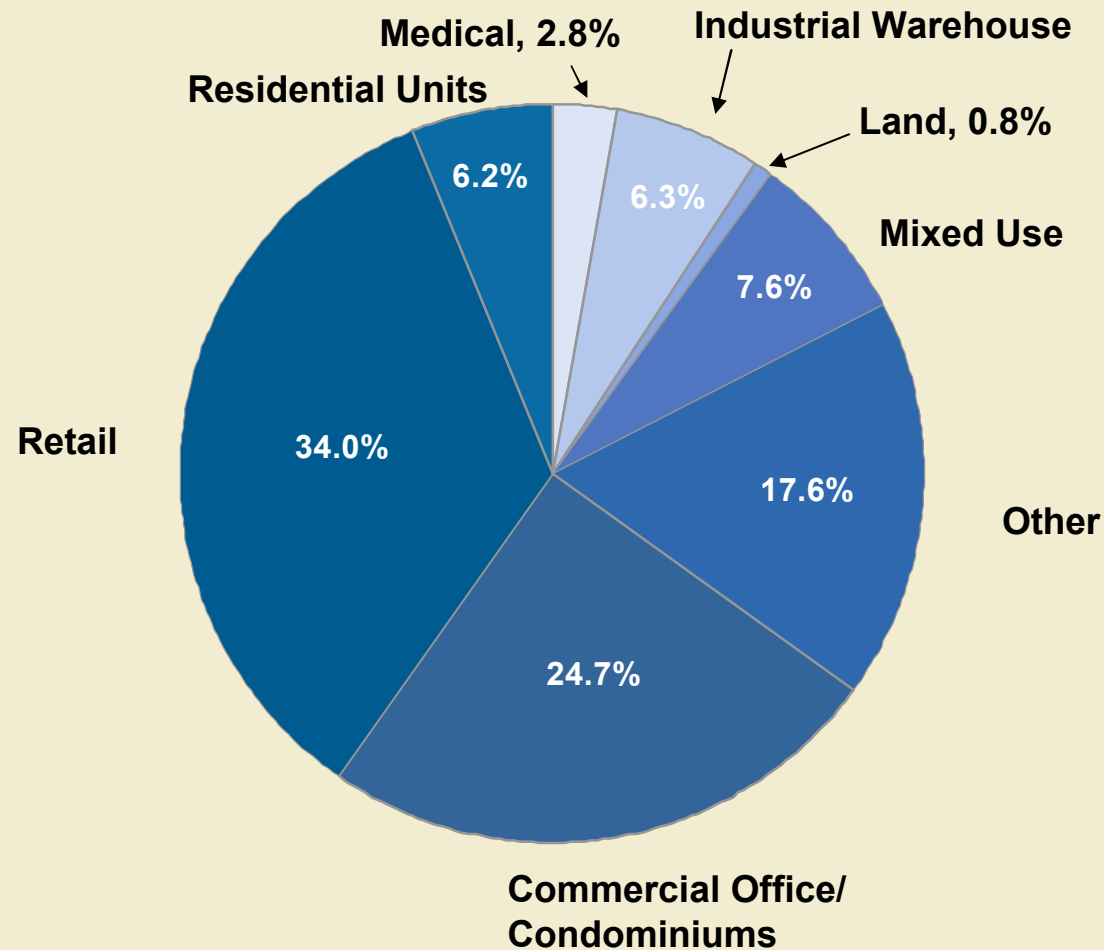
100.0%



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Commercial Real Estate (non-owner occupied)

12/31/2009: \$169.9 million

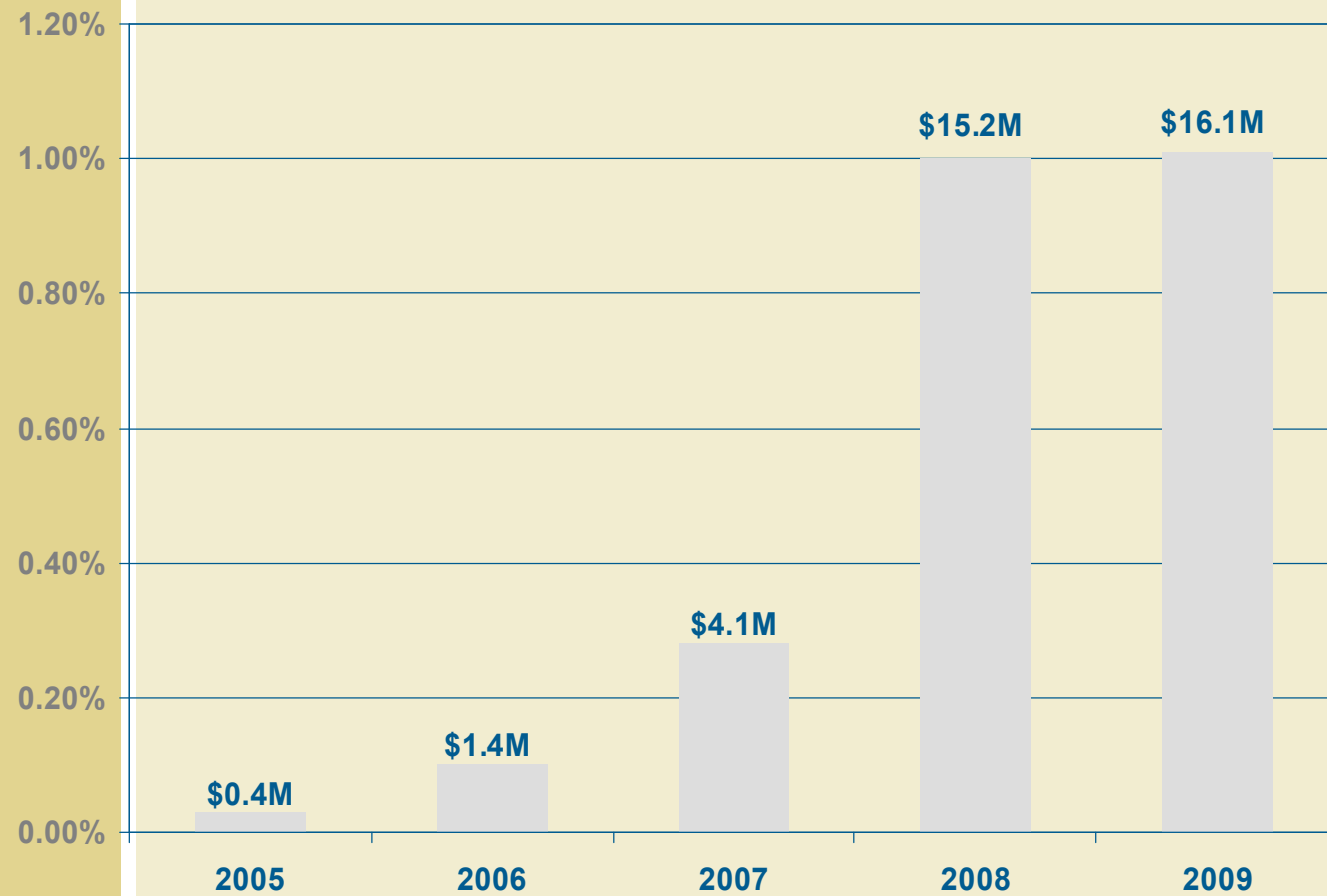


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Credit Quality of Portfolio

% of total assets

Total Nonperforming Assets

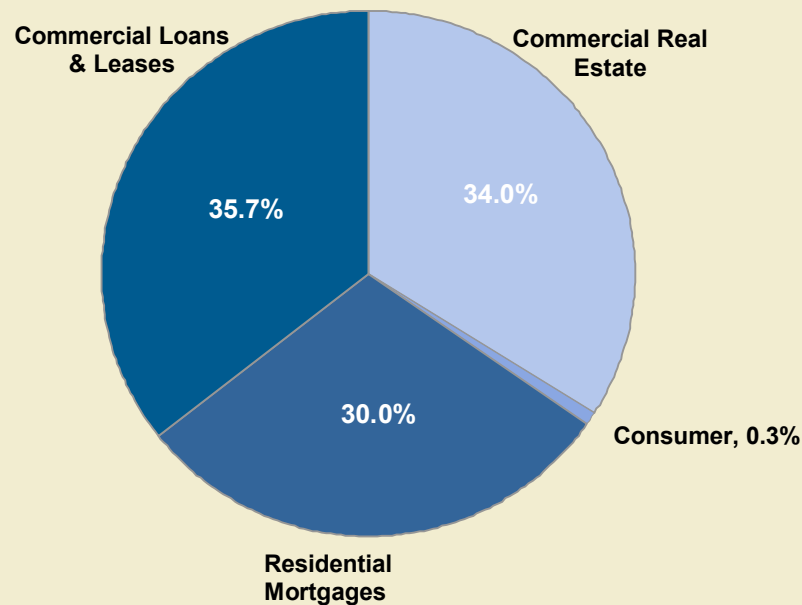


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Credit Quality of Loan and Lease Portfolios

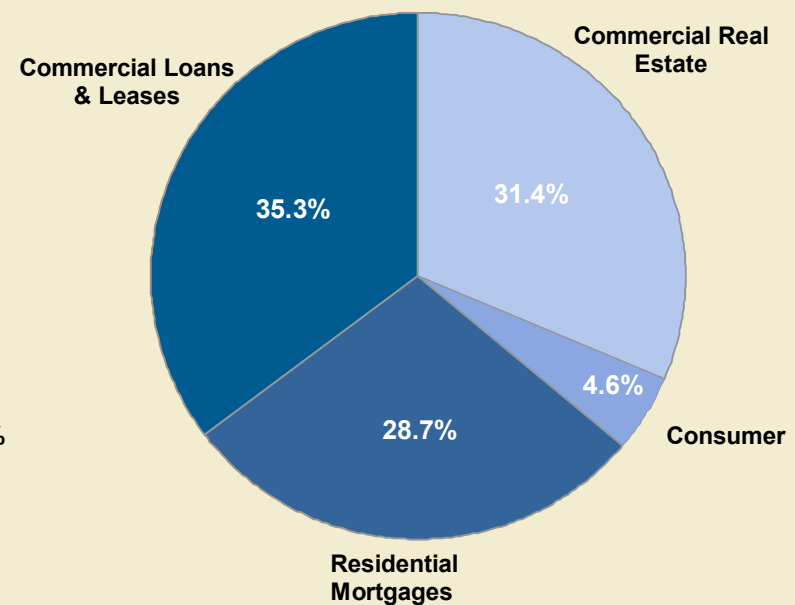
Nonperforming Loans and Leases

2008



\$14.4M Nonperforming Loans & Leases
1.33% of Total Loans & Leases

2009



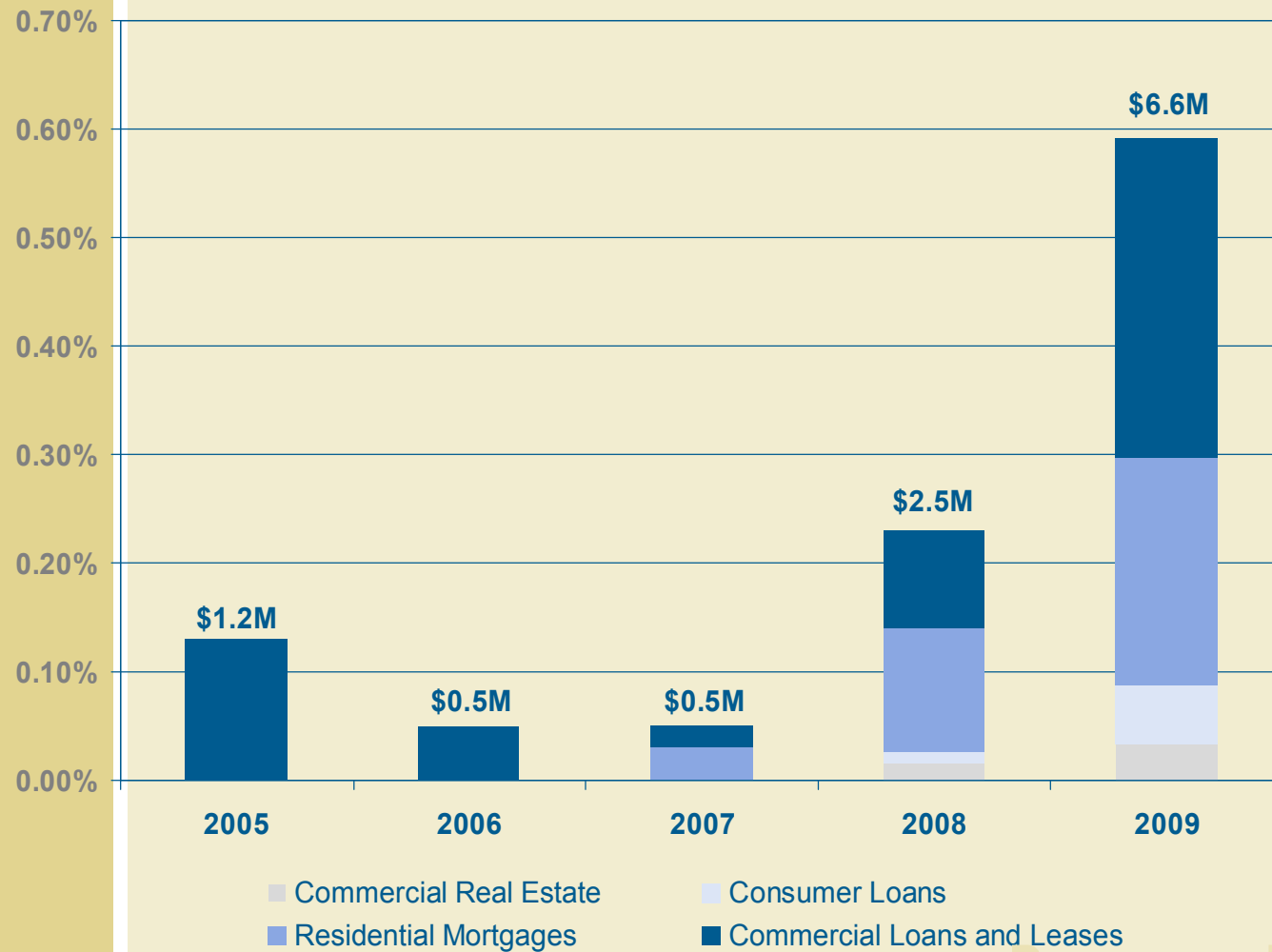
\$14.4M Nonperforming Loans & Leases
1.29% of Total Loans & Leases

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Credit Quality of Loan and Lease Portfolios

% of average
loans and
leases

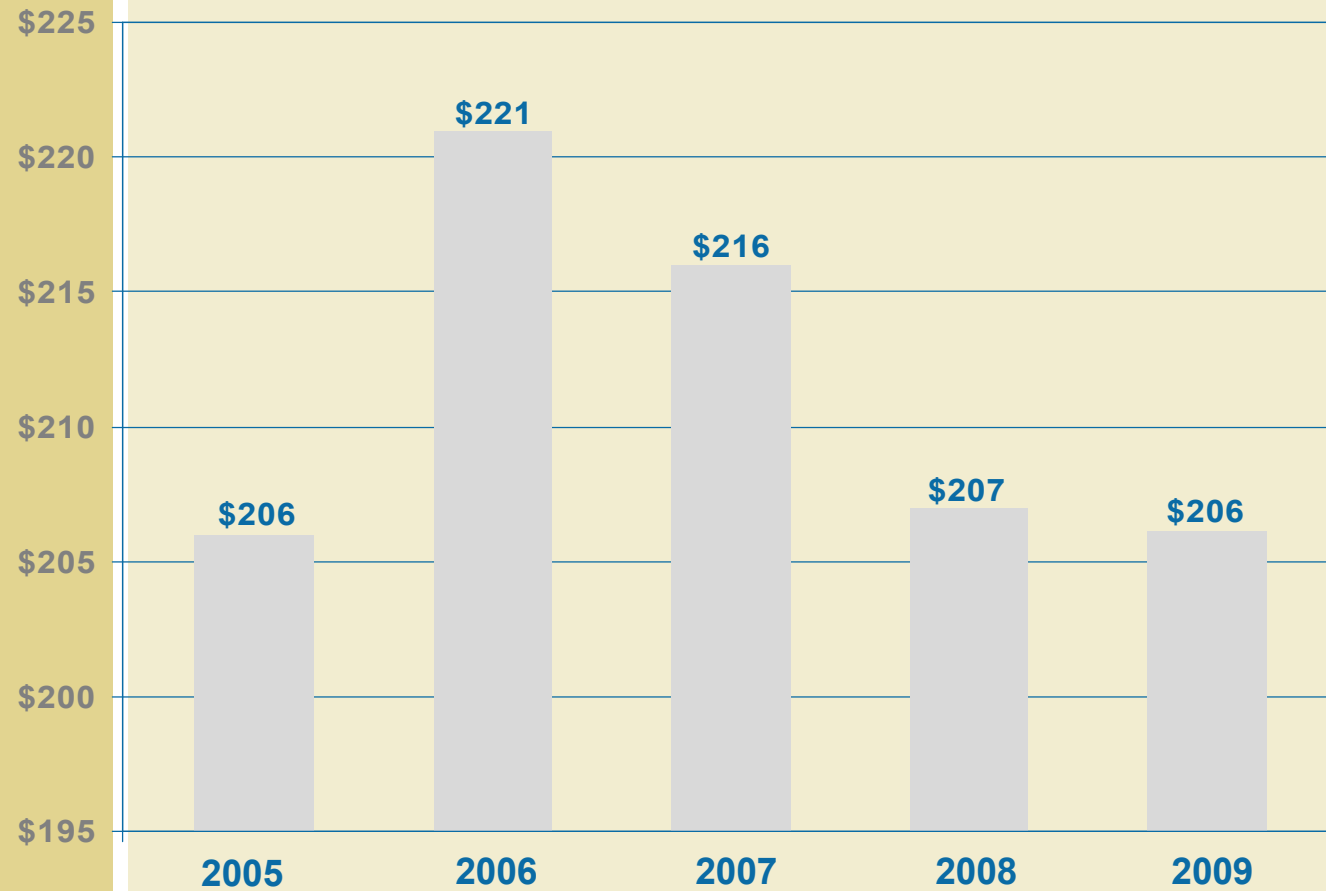
Loan and Lease Portfolio Net Charge-Offs



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Consumer Loan Portfolio

\$ in millions

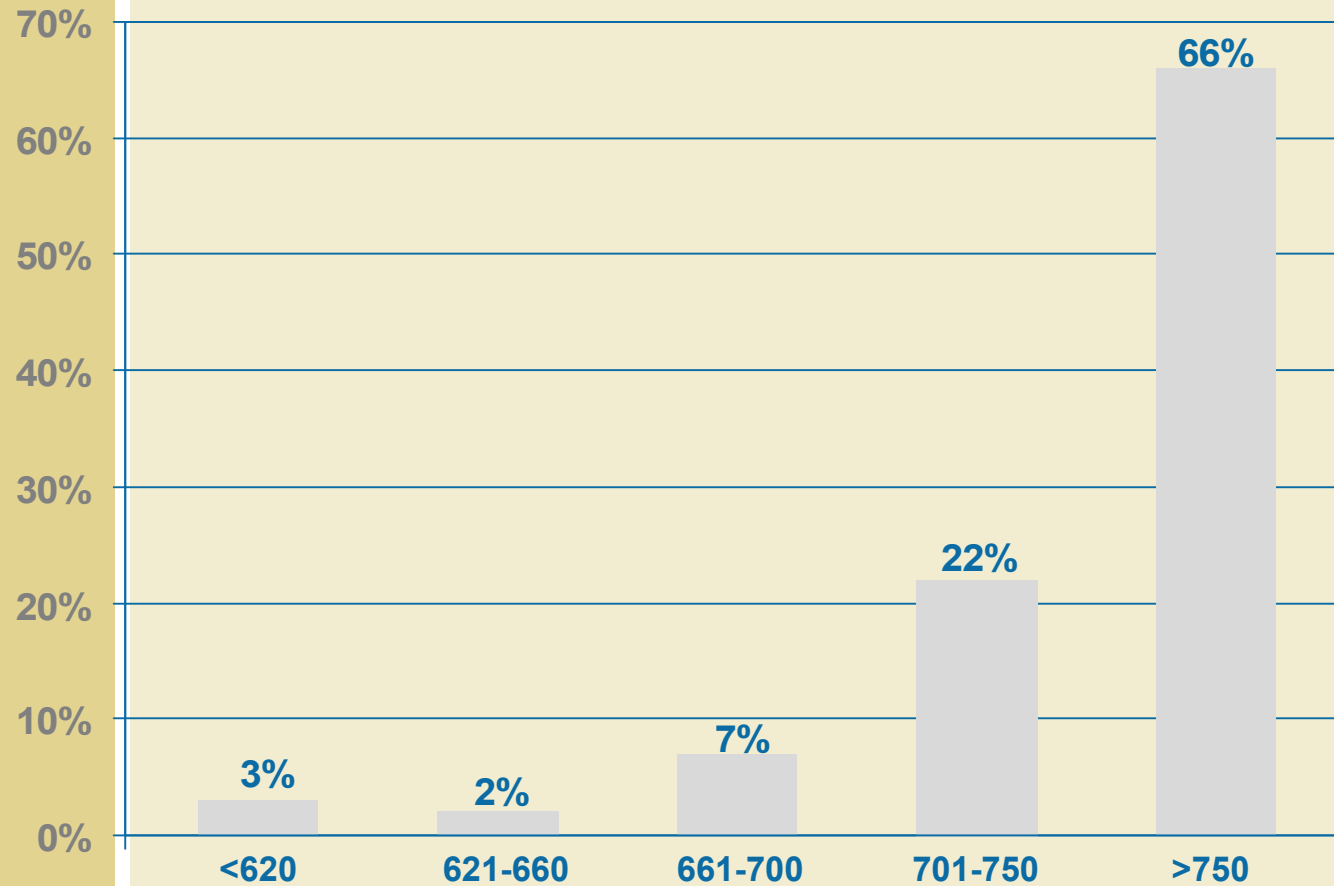


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Consumer Loan Snapshot

% of consumer
portfolio

12/31/09: Credit Score Distribution

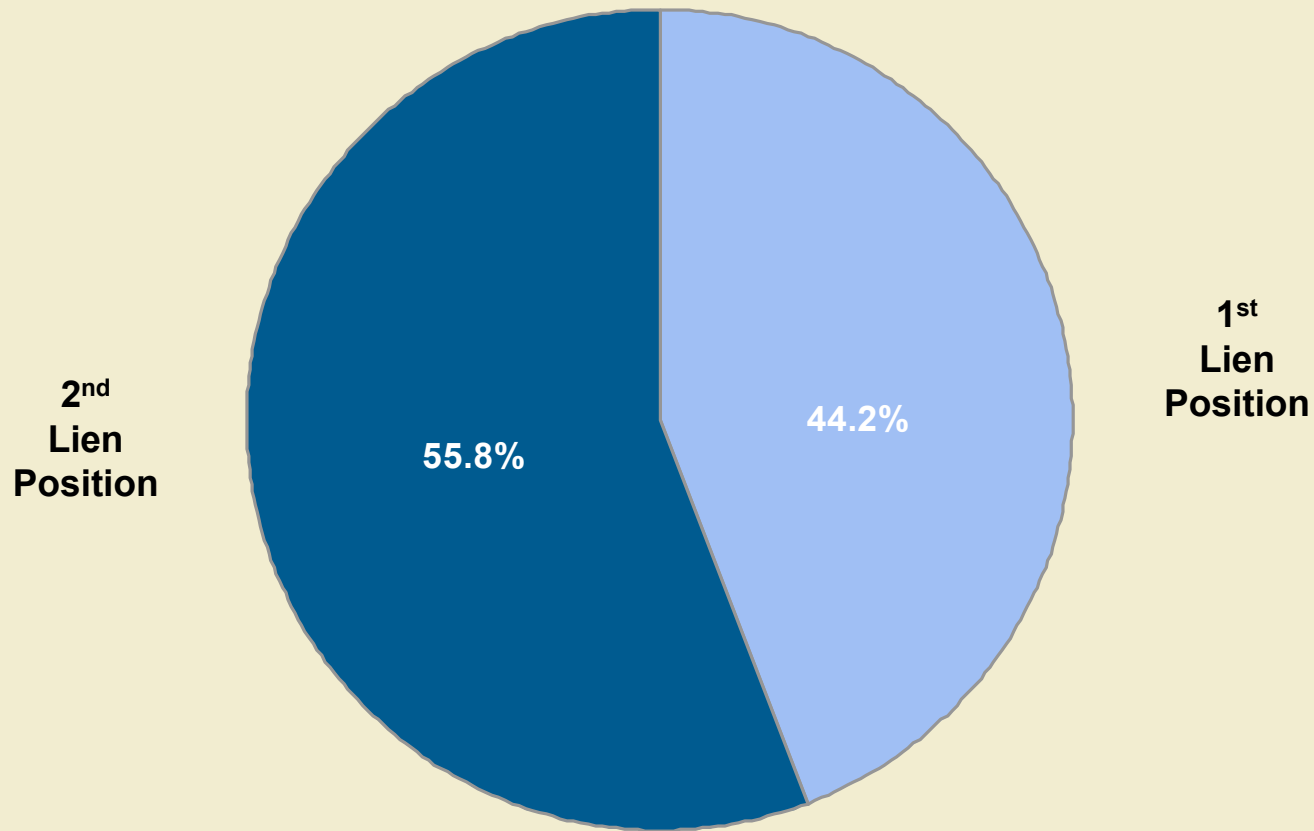


99.3% of Consumer Portfolio is Home Equity Lines or Loans

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Consumer Loans

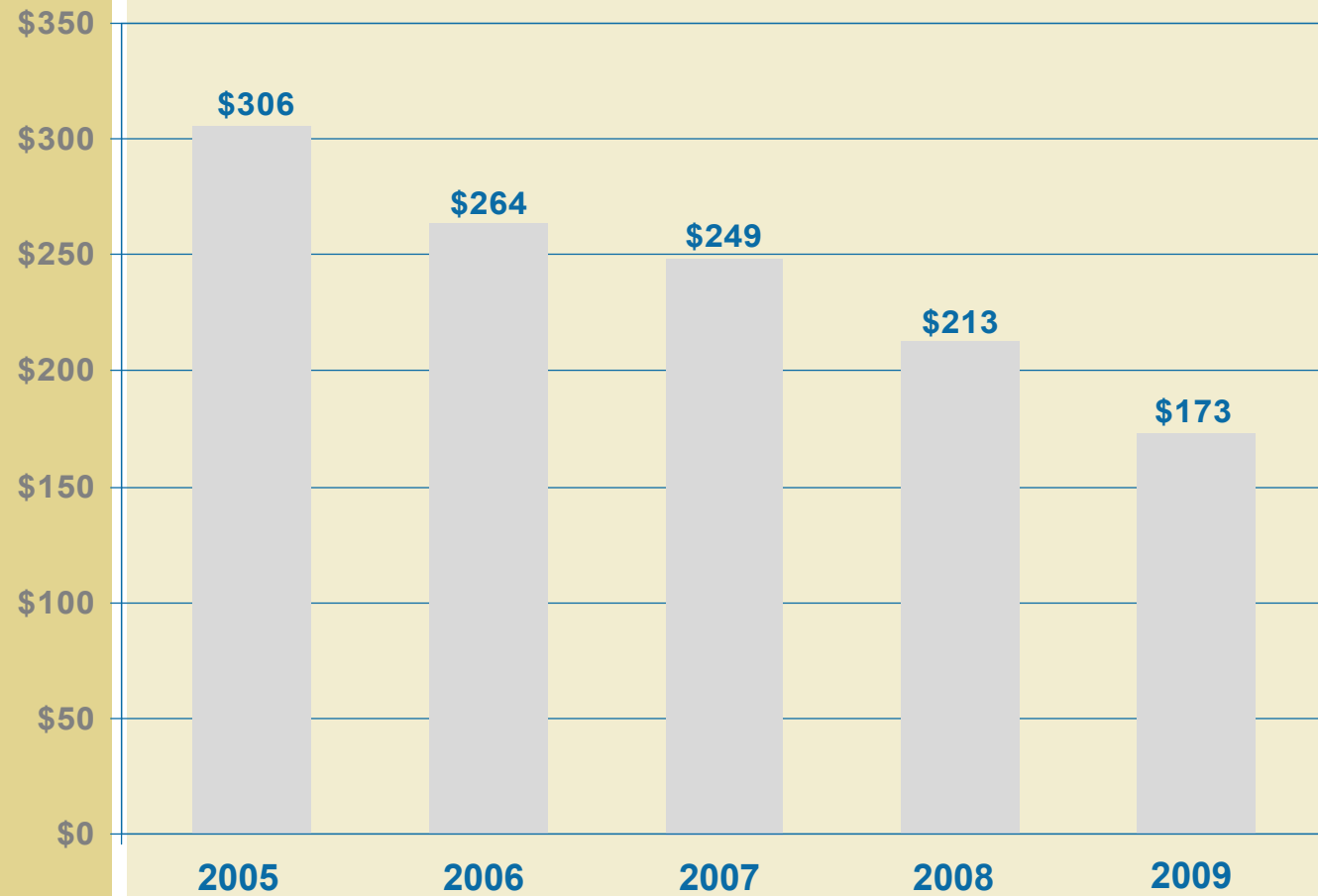
12/31/09: Lien Position Distribution



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Residential Loan Portfolio

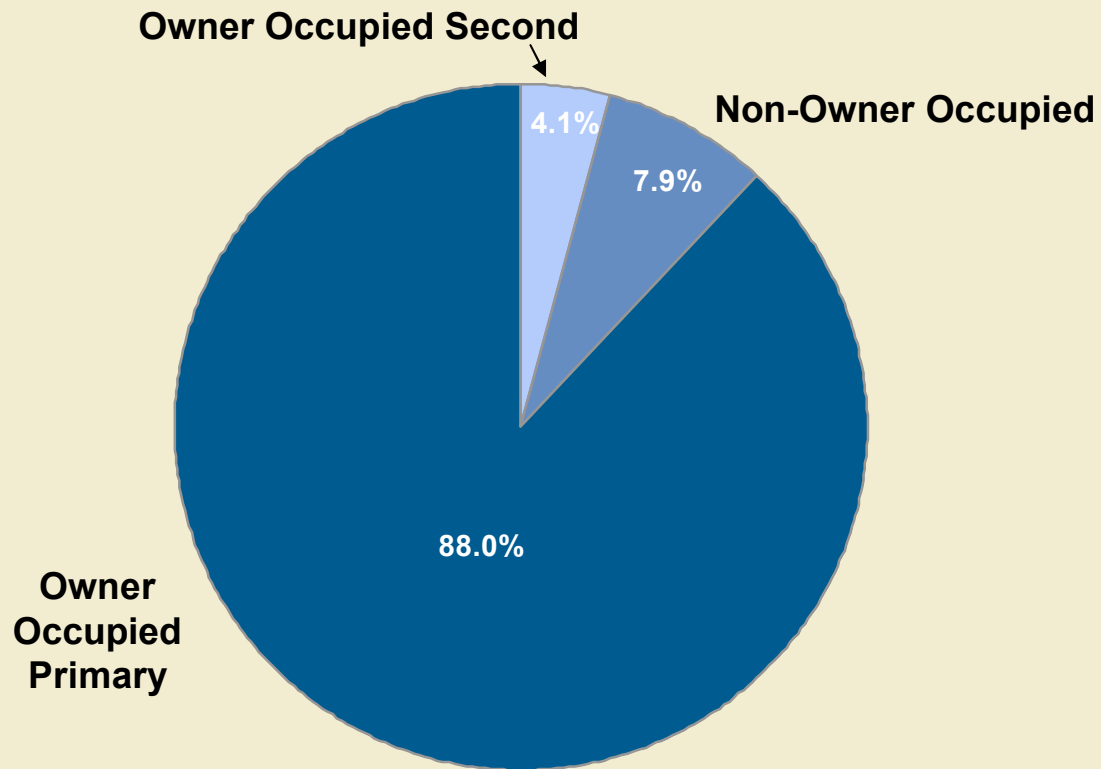
\$ in millions



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Residential Mortgage Snapshot

12/31/2009: \$173.3 million



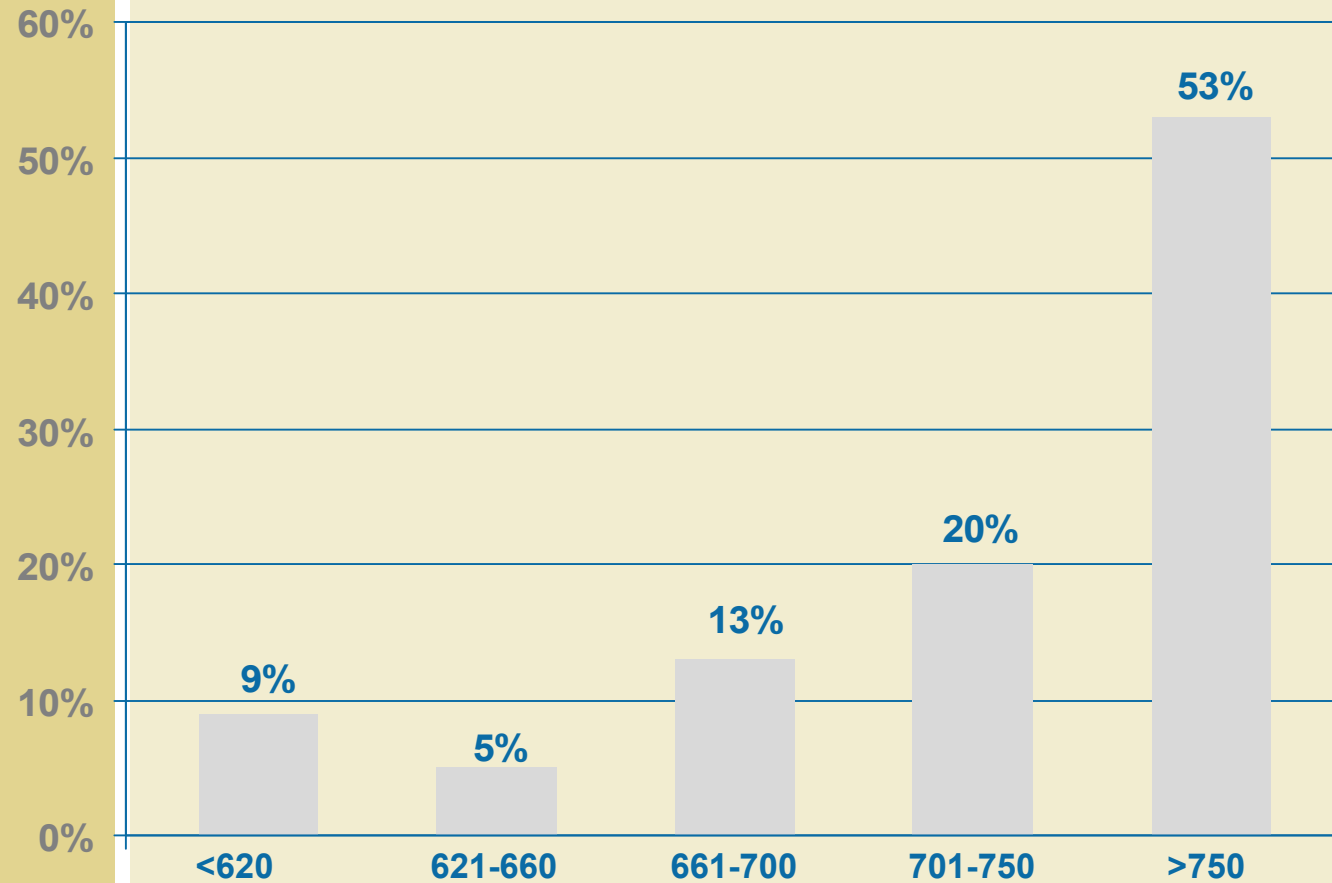
Total Delinquencies (30 - 89 days)	2.7%
Weighted Average FICO	693

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Residential Mortgage Snapshot

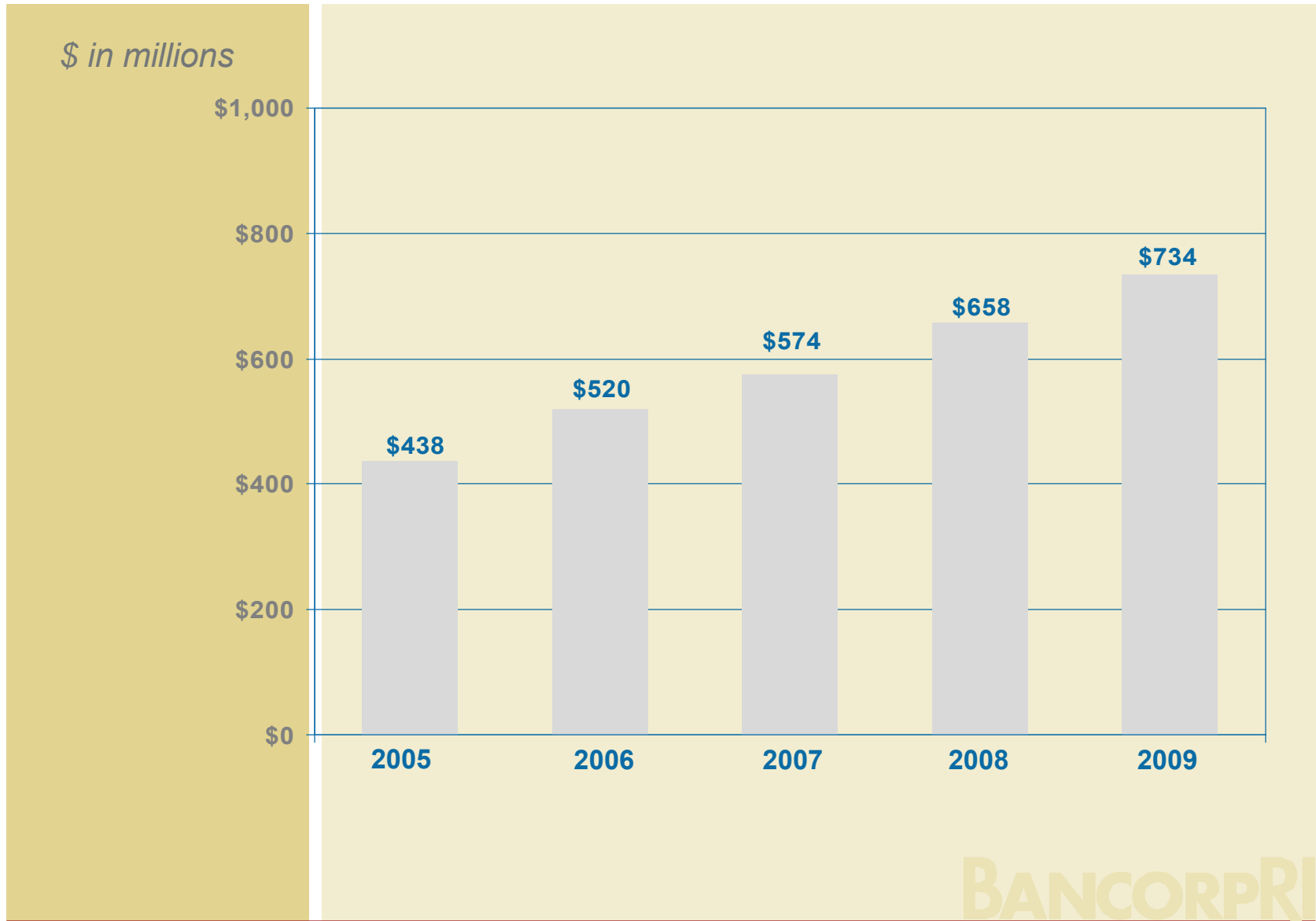
% of residential portfolio

12/31/09: Credit Score Distribution



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Commercial Loan Growth



Performance Highlights

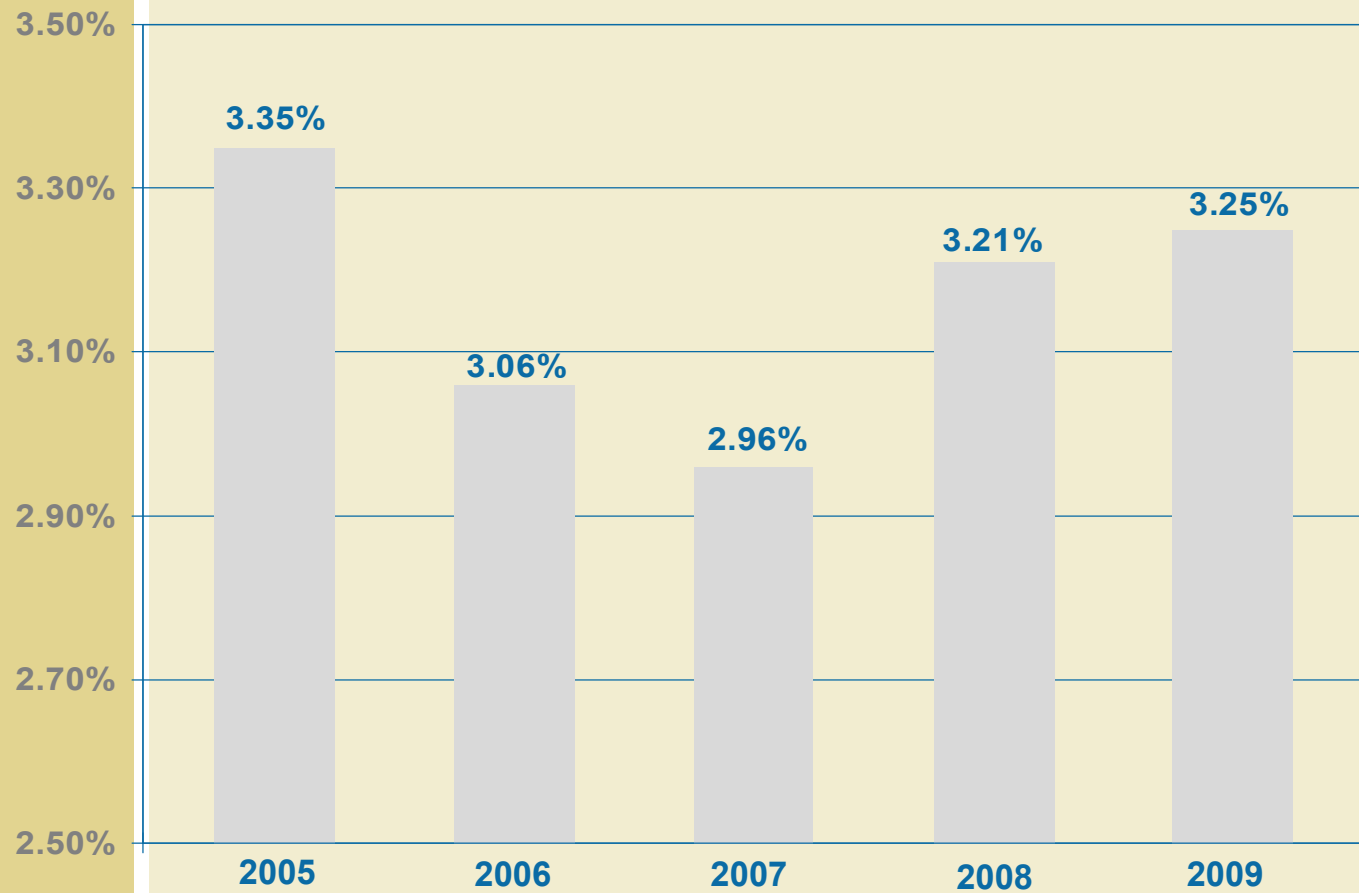
2009

- Continued strategic shift to commercially-oriented balance sheet and company originated assets
 - Commercial loan portfolio growth of 11.5%
- Core deposits growth of \$92 million or 15% from year-end 2008
- Nonperforming assets remain at a manageable level
- Expanded net interest margin on quarter and YTD basis
- Noninterest expenses flat year-over-year, excluding FDIC insurance increases
- Earnings per share of \$.90 were negatively impacted by the repurchase of preferred stock and the discount accretion associated with its issuance by \$.49 per share

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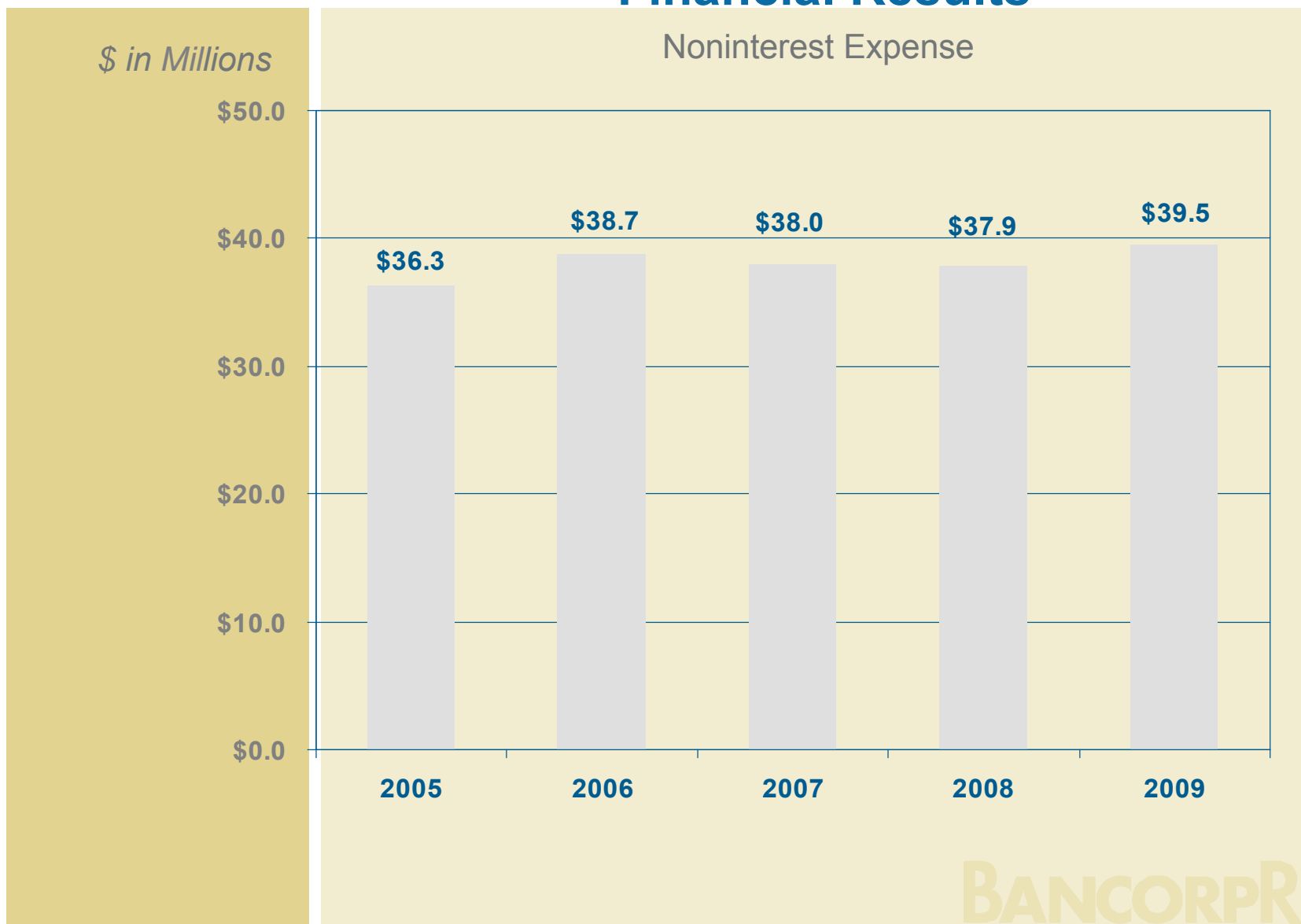
Financial Results

Net Interest Margin



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Financial Results



Financial Results



Financial Results

Earnings Per Share (diluted)



Going Forward

Challenges

- Uncertain economic environment
- Lower consumer spending negatively impacting fee income
- Government regulations may negatively impact fee income
- Market illiquidity still impacting Macrolease sales

Opportunities

- Capitalize on marketplace perceptions and dislocations
- Seasoned talent available for recruitment
- Patient investment philosophy positions institution well for income expansion when economy turns

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Attractive Valuation

Market price as of February 1, 2010 - \$24.66

Book Value Per Common Share	\$26.36
Price to Book Value Per Common Share	93.39%
Tangible Book Value Per Common Share	\$23.70
Price to Tangible Book Value Per Common Share	103.85%
Price to TTM Earnings	17.57
Common Shares Outstanding (net)	4,604,694
Quarterly Dividend (per share)	\$0.17
Dividend Yield	2.76%
Market Capitalization (in millions)	\$113.6
Tangible Common Equity Ratio	6.92%
Tier 1 Capital Ratio	7.70%
Total Capital (to risk-weighted assets)	12.04%

Based on December 31, 2009 financial data

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NASDAQ: BARI

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