

BANCORP RHODE ISLAND INC
Form DEFA14A
May 18, 2011

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Annual Meeting of Shareholders
May 18, 2011

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.

On April 19, 2011, the Company entered into a merger agreement with Brookline Bancorp, Inc. (“Brookline Bancorp”) pursuant to which the Company will merge with and into Brookline Bancorp, whereupon the separate corporate existence of the Company will cease and its subsidiary, Bank Rhode Island will become a wholly owned subsidiary of Brookline Bancorp. In connection with the merger, Brookline Bancorp intends to file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4, which will include a proxy statement of the Company and a prospectus of Brookline Bancorp, as well as other relevant materials concerning the merger. Investors and security holders of the Company are urged to read the proxy statement/prospectus and the other relevant materials when they become available because they will contain important information about Brookline Bancorp, the Company and the proposed transaction. The proxy statement/prospectus and other relevant materials (when they become available), and any and all documents filed by Brookline Bancorp or the Company with the SEC, may be obtained free of charge at the SEC’s website at www.sec.gov. In addition, investors may obtain free copies of the documents filed by Brookline Bancorp with the SEC by directing a written request to Paul R. Bechet, Chief Financial Officer, Brookline Bancorp, 160 Washington Street, Brookline, MA 02445. Investors may obtain free copies of the documents filed by the Company with the SEC by directing a written request to Linda H. Simmons, Chief Financial Officer, One Turks Head Place, Providence, Rhode Island 02903. The Company and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in connection with the merger. Information about the directors and executive officers of the Company is set forth in the proxy statement for the Company’s 2011 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on April 15, 2011. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement regarding the merger when it becomes available.

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Review of 2010

– Highlights

– Financial performance

Financial results - Q1 2011

Brookline/BancorpRI merger

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A Year in Review - 2010

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Global environment showed slow growth but remains
challenging
Unemployment still high at national and local levels but
improving slightly
Consumer spending still cautious
Credit quality is manageable

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Strong business performance in a challenging environment

- Net income at record level, increased 78% over 2009
- Significant diluted earnings per share growth of 200%
 - Commercial loans and core deposits grew
 - Expanded net interest margin
 - Disciplined expense management
 - Increased dividend by 12%

Credit quality

- Remained solid

Other accomplishments

- #1 SBA lender in Rhode Island for 2nd consecutive year
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Commercial Loans & Leases

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Core deposits are defined as DDA, NOW, money market and savings accounts

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Noninterest Expense

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Dividend Track Record

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(1) Source: Includes all major exchanges (NYSE, NYSE Amex, NASDAQ) banks and thrifts in SNL's coverage universe. The aggregates are size weighted, calculated by consolidating all companies into a single entity.

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Financial Results - Q1 2011

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At \$2.3 million, net income up 8.5% from Q4 2010

Diluted EPS of \$0.49

Net interest margin expands to 3.58%

Commercial loan growth continues but slowly

Core deposits reach 70% of total deposits

Nonperforming assets remain at a manageable level

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Financial Results

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Asset Quality

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Brookline Bancorp/BancorpRI Merger

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On April 20, 2011:

- Announced a merger with Brookline Bancorp. Inc.
 - Shareholders can elect to receive either:
 - \$48.25 in cash; or
 - 4.686 shares of Brookline Bancorp common stock; or
 - a combination thereof
 - The cash consideration will remain fixed while the value of the stock consideration will fluctuate with the market price of Brookline Bancorp common stock.
 - All elections are subject to adjustment and allocation procedures to ensure that:
 - Approximately 50% of the outstanding shares of BancorpRI common stock will convert into cash, and
 - Approximately 50% of the outstanding shares of BancorpRI common stock will convert into Brookline Bancorp common stock.
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On April 20, 2011:

- The deal pricing represented a 57% premium to the stock price
 - Market valuations (as of 4/20/11):
 - 1.9x tangible book value
 - 22.2x forward EPS (analysts consensus)
 - Expect to close in 4th quarter 2011
 - BankRI will keep its name, its Board and its bank charter.
 - No overlap between the two companies, no branches will be closed.
 - As far as our customers are concerned, it will be business as usual.
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"This transaction represents a tremendous opportunity to enhance shareholder value, strengthen our competitive market position and bring together two organizations dedicated to serving New England businesses and residents."

Paul Perrault - Brookline's President and CEO

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Banks/Thriffs in New England
Source: SNL Financial. Data as of March 31, 2011

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Questions?

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