

BANCORP RHODE ISLAND INC
Form SC 13D/A
January 24, 2007
CUSIP No. 059690107

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 2)

BANCORP RHODE ISLAND, INC.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

059690107
(CUSIP Number)

Mr. John W. Palmer
PL Capital, LLC
20 East Jefferson Avenue
Suite 22
Naperville, IL 60540
(630) 848-1340
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 24, 2007
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

CUSIP No. 059690107

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Financial Edge Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	7	SOLE VOTING POWER	
		0	
BENEFICIALLY OWNED	8	SHARED VOTING POWER	
		128,952	
BY EACH REPORTING PERSON WITH:	9	SOLE DISPOSITIVE POWER	
		0	
	10	SHARED DISPOSITIVE POWER	
		128,952	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

128,952

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.7%

14 TYPE OF REPORTING PERSON

PN

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Financial Edge Strategic Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER	
			0
	8	SHARED VOTING POWER	
			64,092
	9	SOLE DISPOSITIVE POWER	
			0
	10	SHARED DISPOSITIVE POWER	
			64,092

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
64,092

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.3%

14 TYPE OF REPORTING PERSON
PN

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Goodbody/PL Capital, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC, 00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	63,676
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	63,676

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
63,676

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.3%

14 TYPE OF REPORTING PERSON
PN

1 NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
PL Capital, LLC

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	310,044
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	310,044

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

310,044

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

6.5%

14 TYPE OF REPORTING PERSON

PN

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Goodbody/PL Capital, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	63,676
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	63,676

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
63,676

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.3%

14 TYPE OF REPORTING PERSON
PN

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	PL Capital Advisors, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 380,720
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 380,720
	11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 380,720
	12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
	13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.0%
	14	TYPE OF REPORTING PERSON PN

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

John W. Palmer

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

SOURCE OF FUNDS

4
AF, PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER
		1,000
	8	SHARED VOTING POWER
		380,720
	9	SOLE DISPOSITIVE POWER
		1,000
	10	SHARED DISPOSITIVE POWER
		380,720

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

381,720

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.0%

14 TYPE OF REPORTING PERSON

IN

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Richard J. Lashley

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF, PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER
		500
	8	SHARED VOTING POWER
		380,720
	9	SOLE DISPOSITIVE POWER
		500
	10	SHARED DISPOSITIVE POWER
		380,720

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

381,220

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.0%

14 TYPE OF REPORTING PERSON

IN

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

PL Capital Offshore, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	7,000
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	7,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1%

14 TYPE OF REPORTING PERSON

CO

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

PL Capital Focused Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

<p>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:</p>	<p>7 SOLE VOTING POWER 0</p> <p>8 SHARED VOTING POWER 117,000</p> <p>9 SOLE DISPOSITIVE POWER 0</p> <p>10 SHARED DISPOSITIVE POWER 117,000</p>
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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

117,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.4%

14 TYPE OF REPORTING PERSON

PN

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Item 1. Security and Issuer

This Schedule 13D/A relates to the common stock, par value \$0.01 per share (Common Stock), of Bancorp Rhode Island, Inc. (the Company or Bancorp RI). The address of the principal executive offices of the Company is One Turks Head Place, Providence, Rhode Island 02903-2219.

Item 2. Identity and Background

This Schedule 13D/A is being filed jointly by the parties identified below. All of the filers of this Schedule 13D/A are collectively the PL Capital Group. The joint filing agreement of the members of the PL Capital Group was attached to the initial Schedule 13D as Exhibit 1.

Financial Edge Fund, L.P., a Delaware limited partnership (Financial Edge Fund);

Financial Edge-Strategic Fund, L.P., a Delaware limited partnership (Financial Edge Strategic);

PL Capital/Focused Fund, L.P., a Delaware limited partnership (Focused Fund);

PL Capital Offshore, Ltd., a Cayman Islands company (PL Capital Offshore);

PL Capital, LLC, a Delaware limited liability company (PL Capital) and General Partner of Financial Edge Fund, Financial Edge Strategic and Focused Fund;

PL Capital Advisors, LLC, a Delaware limited liability company (PL Capital Advisors), and the investment advisor to PL Capital Offshore, Financial Edge Fund, Financial Edge Strategic, Goodbody/PL Capital, L.P. and Focused Fund;

Goodbody/PL Capital, L.P., a Delaware limited partnership (Goodbody/PL LP);

Goodbody/PL Capital, LLC (Goodbody/PL LLC), a Delaware limited liability company and General Partner of Goodbody/PL LP; and

John W. Palmer and Richard J. Lashley, as Managing Members of PL Capital, PL Capital Advisors and Goodbody/PL LLC, members of the Board of Directors of PL Capital Offshore, and as individuals.

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(a)-(c) This Schedule 13D/A is filed by Mr. John W. Palmer and Mr. Richard J. Lashley, with respect to the shares of Common Stock beneficially owned by them, as follows:

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- (1) shares of Common Stock held in the name of Financial Edge Fund, Financial Edge Strategic, Focused Fund and PL Capital Offshore, in Mr. Palmer's and Mr. Lashley's capacity as Managing Members of (A) PL Capital: the General Partner of Financial Edge Fund, Financial Edge Strategic and Focused Fund, and (B) PL Capital Advisors: the investment advisor for Financial Edge Fund, Financial Edge Strategic, Focused Fund and PL Capital Offshore; Messrs. Lashley and Palmer are also members of PL Capital Offshore's Board of Directors;
- (2) shares of Common Stock held in the name of Goodbody/PL LP, in Mr. Palmer's and Mr. Lashley's capacity as Managing Members of (A) Goodbody/PL LLC: the General Partner of Goodbody/PL LP, and (B) PL Capital Advisors: the investment advisor for Goodbody/PL LP; and
- (3) shares of Common Stock held by Mr. Palmer and Mr. Lashley, as individuals.

The business address of Financial Edge Fund, Financial Edge Strategic, Focused Fund, PL Capital, PL Capital Advisors, Goodbody/PL LP, Goodbody/PL LLC, Mr. Palmer and Mr. Lashley is: c/o PL Capital, 20 East Jefferson Avenue, Suite 22, Naperville, Illinois 60540. Each of Financial Edge Fund, Financial Edge Strategic, Focused Fund, PL Capital, Goodbody/PL LP, PL Capital Advisors and Goodbody/PL LLC are engaged in various interests, including investments.

The business address of PL Capital Offshore is One Capital Place, P.O. Box 847GT, Grand Cayman, Cayman Islands. PL Capital Offshore is an investment company.

The principal employment of Messrs. Palmer and Lashley is investment management with each of PL Capital, PL Capital Advisors and Goodbody/PL LLC.

(d) During the past five years, no member of the PL Capital Group has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, no member of the PL Capital Group has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

(f) All of the individuals who are members of the PL Capital Group are citizens of the United States.

Item 3. Source and Amount of Funds or Other Consideration

In aggregate, the PL Capital Group owns 382,220 shares of Common Stock of the Company acquired at an aggregate cost of \$13,719,310.

The amount of funds expended by Financial Edge Fund to acquire the 128,952 shares of Common Stock it holds in its name is \$4,638,404. Such funds were provided from Financial Edge Fund's available capital and from time to time by margin provided by Bear Stearns Securities Corp. (Bear Stearns) on such firm's usual terms and conditions.

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The amount of funds expended by Financial Edge Strategic to acquire the 64,092 shares of Common Stock it holds in its name is \$2,301,078. Such funds were provided from Financial Edge Strategic's available capital and from time to time by margin provided by Bear Stearns on such firm's usual terms and conditions.

The amount of funds expended by Focused Fund to acquire the 117,000 shares of Common Stock it holds in its name is \$4,192,004. Such funds were provided from Focused Fund's available capital and from time to time by margin provided by Bear Stearns on such firm's usual terms and conditions.

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The amount of funds expended by PL Capital Offshore to acquire the 7,000 shares of Common Stock it holds in its name was \$248,690. Such funds were provided from PL Capital Offshore's available capital and margin provided by Bear Stearns on such firm's usual terms and conditions.

The amount of funds expended by Goodbody/PL LP to acquire the 63,676 shares of Common Stock it holds in its name is \$2,286,092. Such funds were provided from Goodbody/PL LP's available capital and from time to time by margin provided by Bear Stearns on such firm's usual terms and conditions.

The amount of funds expended by Mr. Palmer to acquire the 1,000 shares of Common Stock he holds in his name was \$35,408. Such funds were provided from Mr. Palmer's personal funds.

The amount of funds expended by Mr. Lashley to acquire the 500 shares of Common Stock he holds in his name was \$17,634. Such funds were provided from Mr. Lashley's personal funds.

Any purchases of Common Stock made by members of the PL Capital Group using funds borrowed from Bear Stearns, if any, were made in margin transactions on that firm's usual terms and conditions. All or part of the shares of Common Stock owned by members of the PL Capital Group may from time to time be pledged with one or more banking institutions or brokerage firms as collateral for loans made by such entities to members of the PL Capital Group. Such loans, if any, generally bear interest at a rate based upon the federal funds rate plus a margin. Such indebtedness, if any, may be refinanced with other banks or broker-dealers. As of the date of this filing, no member of the PL Capital Group, other than the Focused Fund and PL Capital Offshore, has margin or other loans outstanding secured by Common Stock.

Item 4. Purpose of Transaction

This is the PL Capital Group's second amendment to its initial Schedule 13D filing. The PL Capital Group owns 8.0% of Bancorp RI.

On July 25, 2006, PL Capital representatives Richard Lashley and John Palmer spoke with Ms. Merrill W. Sherman, President and CEO of Bancorp RI and Ms. Linda Simmons, Treasurer and CFO of Bancorp RI. The purpose of the call was to discuss the recently released second quarter operating results as well as management's plans for the future. In PL Capital's view, Bancorp RI's management was not forthcoming with answers to its questions or responsive to its concerns. Management cited Regulation FD as a reason.

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Among other things, Messrs. Palmer and Lashley noted that Bancorp RI had not acquired any stock under the five percent stock repurchase authorization announced on April 18, 2006. Management would not provide any details as to why no stock was repurchased or the analytics used, if any, to evaluate stock repurchases. Messrs. Palmer and Lashley inquired about the prospects for achieving positive operating leverage, noting that year over year revenues (second quarter 2006 versus second quarter 2005) were down approximately 1% while operating expenses were up approximately 7%. Management did not provide any details on this issue other than to cite increased growth in commercial loans and deposits. Messrs. Lashley and Palmer told management that PL Capital is concerned that its modeling projects that Bancorp RI's efficiency ratio will remain above 70% in 2007 and 2008, versus PL Capital's expectation for well run commercial banks of 55% to 60%. Management did not confirm or refute PL Capital's projections. Management claimed that 55-60% was unrealistic and they did not share that level as a goal.

Messrs. Palmer and Lashley told management that it was PL Capital's belief that the value of Bancorp RI, if it were to be sold, far exceeded Bancorp RI's value as an independent entity, and that this valuation gap was not going to be closed by continuing to operate as an independent entity, given its current and prospective track record. PL Capital asked management to provide any evidence that this assumption was incorrect. Management did not provide any specific evidence to rebut this assumption, or that the board and management have analytically evaluated different strategic alternatives.

Messrs. Palmer and Lashley informed management that PL Capital generally seeks to become actively involved in the companies in which it invests, if needed, and that this call was management's chance to convince PL Capital why such active involvement was not necessary in this instance. In PL Capital's view, management failed to provide PL Capital with any reason not to become more actively involved in Bancorp RI.

On December 7, 2006, Messrs. Palmer and Lashley met with Merrill Sherman, the Chief Executive Officer of Bancorp RI, and Linda Simmons, the Chief Financial Officer of Bancorp RI. They discussed Bancorp RI's recent results and prospects and the challenges in the current banking industry environment. Messrs. Palmer and Lashley asked Ms. Sherman if she would arrange a meeting between them and Malcolm Chace, the Chairman of the Bancorp RI Board of Directors, and/or the entire Board of Directors of Bancorp RI. Subsequent to the meeting, Ms. Sherman invited Messrs. Palmer and Lashley to meet with Mr. Chace and the Board Governance and Nominating Committee of the Bancorp RI Board of Directors on January 18, 2007. On January 18, 2007, Messrs. Palmer and Lashley met with Mr. Chace and the Board Governance and

Nominating Committee and explained their backgrounds and discussed the outlook for banks in general and Bancorp RI specifically. They also discussed Messrs. Palmer's and Lashley's qualifications to serve on the Bancorp RI Board of Directors. No agreements on board representation were reached.

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On January 24, 2007, Mr. Lashley notified Bancorp RI of his intention to nominate himself and Mr. Palmer as candidates for election to Bancorp RI's board of directors at the 2007 Annual Meeting of Shareholders, in opposition to the candidates proposed by Bancorp RI management. In connection with such notice and in full compliance with the requirements of Section 3.03 of Article III of Bancorp RI's By-Laws, Mr. Lashley provided Bancorp RI with certain information about himself and Mr. Palmer, including, but not limited to, certain personal information (i.e., name, age, business address and residence address), and information regarding their principal occupation and place of employment, their individual share ownership of Common Stock and the absence of conflicts of interest with the Company. A copy of the nomination letter is attached as Exhibit 2.

Members of the PL Capital Group may make further purchases of shares of Common Stock, although the PL Capital Group has no present intention of ever increasing PL Capital Group's aggregate holdings above 9.999% of the Company's outstanding Common Stock. Members of the PL Capital Group may dispose of any or all the shares of Common Stock held by them.

To the extent the actions described herein may be deemed to constitute a control purpose with respect to the Securities Exchange Act of 1934, as amended, and the regulations thereunder, the PL Capital Group has such a purpose. Except as noted in this Schedule 13D/A, no member of the PL Capital Group has any plans or proposals, which relate to, or would result in, any of the matters referred to in paragraphs (b) through (j), inclusive of Item (4) of Schedule 13D/A. Such individuals may, at any time and from time to time, review or reconsider their positions and formulate plans or proposals with respect thereto.

Item 5. Interest in Securities of the Company

The percentages used in this Schedule 13D/A are calculated based upon the number of outstanding shares of Common Stock, 4,780,521, reported as the number of outstanding shares as of November 1, 2006, in the Company's Form 10-Q filed with the Securities and Exchange Commission on November 8, 2006.

The PL Capital Group made no transactions in the Common Stock within the past 60 days.

(A) Financial Edge Fund

(a)-(b) See cover page.

(c) Financial Edge Fund made no transactions in the Common Stock within the past 60 days.

(d) Because Messrs. Palmer and Lashley are the Managing Members of PL Capital, the general partner of Financial Edge Fund, they have the power to direct the affairs of Financial Edge Fund, including the voting and disposition of shares of Common Stock held in the name of Financial Edge Fund. Mr. Palmer and Mr. Lashley are also the Managing Members of PL Capital Advisors, the investment advisor of Financial Edge Fund. Therefore, Mr. Palmer and Mr. Lashley are deemed to share voting and disposition power with Financial Edge Fund with regard to those shares of Common Stock.

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(B) Financial Edge Strategic

(a)-(b) See cover page.

(c) Financial Edge Strategic made no transactions in the Common Stock within the past 60 days.

(d) Because Messrs. Palmer and Lashley are the Managing Members of PL Capital, the general partner of Financial Edge Strategic, they have the power to direct the affairs of Financial Edge Strategic, including the voting and disposition of shares of Common

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Stock held in the name of Financial Edge Strategic. Mr. Palmer and Mr. Lashley are also the Managing Members of PL Capital Advisors, the investment advisor of Financial Edge Strategic. Therefore, Mr. Palmer and Mr. Lashley are deemed to share voting and disposition power with Financial Edge Strategic with regard to those shares of Common Stock.

(C) Focused Fund

(a)-(b) See cover page.

(c) Focused Fund made no transactions in the Common Stock within the past 60 days.

(d) Because Messrs. Palmer and Lashley are the Managing Members of PL Capital, the general partner of Focused Fund, they have the power to direct the affairs of Focused Fund, including the voting and disposition of shares of Common Stock held in the name of Focused Fund. Mr. Palmer and Mr. Lashley are also the Managing Members of PL Capital Advisors, the investment advisor of Focused Fund. Therefore, Mr. Palmer and Mr. Lashley are deemed to share voting and disposition power with Focused Fund with regard to those shares of Common Stock.

(D) PL Capital Offshore

(a)-(b) See cover page.

(c) PL Capital Offshore made no transactions in the Common Stock within the past 60 days.

(d) PL Capital Advisors is the investment advisor for PL Capital Offshore. Because Messrs. Palmer and Lashley are the Managing Members of PL Capital Advisors, and members of the Board of Directors of PL Capital Offshore, they have the power to direct the affairs of PL Capital Offshore. Therefore, PL Capital Offshore may be deemed to share with Messrs. Palmer and Lashley voting and disposition power with regard to the shares of Common Stock held by PL Capital Offshore.