



BRIDGE
BANCORP, INC.

*Piper Jaffray Financial Institutions Conference
May 5, 2016*

Forward-Looking Statement

Certain statements in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as “may”, “will”, “believe”, “expect”, “estimate”, “anticipate”, “continue”, or similar terms or variations on those terms, or the negative of those terms. These forward-looking statements generally pertain to management’s goals, intentions and expectations regarding such matters as revenues, earnings, funding, loan production, asset quality, capital, regulations and acquisitions of other entities. Forward-looking statements may also address the estimated costs and benefits of our actions; our assessments of interest rates and other market factors that may influence our performance; and our ability to achieve our financial and other strategic goals.

It is important to note that forward-looking statements are subject to numerous assumptions, risks and uncertainties which may change over time. Accordingly, our actual results and events could differ materially from those anticipated in our forward-looking statements and our future performance could differ materially from our historical results.

You will find more detailed information regarding the factors that could affect these forward-looking statements in our filings with the U.S. Securities and Exchange Commission, including in the “Risk Factors” section of our 2015 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for subsequent periods. In addition, it should be noted that our forward-looking statements speak only as of the date of this presentation. We do not undertake to update our forward-looking statements to reflect the impact of events or circumstances that may arise after the date on which such statements are made.

Non-GAAP Financial Measures

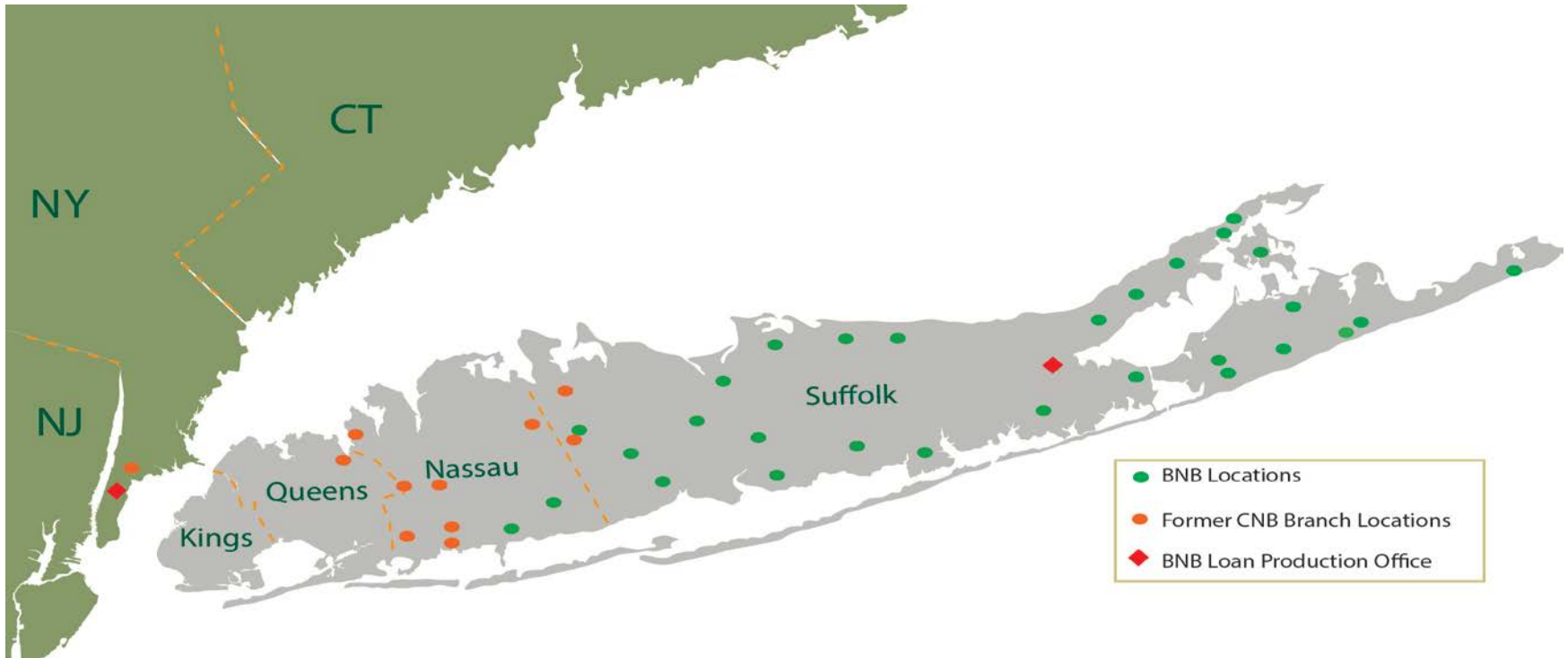
This presentation references non-GAAP financial measures including tangible book value per share, core return on average assets, core return on average equity, core earnings, core efficiency ratio and core expenses to average assets. These measures are commonly used by investors in evaluating financial condition and operations. Core earnings exclude acquisition costs, securities gains (losses), gains on sale of loans and tax benefit. Reconciliations to comparable GAAP financial measures can be found in the Appendix section of this presentation.

Current Franchise

March 31, 2016

🏢 **Headquarters:** Bridgehampton
🏢 **Chartered:** 1910
🏢 **FT Employees:** 450
🏢 **Branches:** 40
🏢 **Nasdaq/Russell 2000** BDGE

🏢 **Assets:** \$3.9 billion
🏢 **Loans:** \$2.5 billion
🏢 **Deposits:** \$2.9 billion
🏢 **Market Cap:** \$530 million⁽¹⁾



Corporate Profile

- 🚢 **A Growing Long Island Business**
 - *Passionate About Long Island Business*
- 🚢 **Committed to Community Banking**
 - *Delivering Results to Our Stakeholders*
- 🚢 **Local Decisions Made by Local Bankers**
 - *Fueling the Economy with \$2.5 Billion in Loans*
- 🚢 **Built On A Strong Culture & Identity**
 - *Succeeding by Building Relationships & Partnerships*

Management Profile



Executive Team

- *Kevin M. O'Connor, President and CEO*
- *Howard H. Nolan, Chief Financial Officer*
- *James J. Manseau, Chief Retail Banking Officer*
- *Kevin L. Santacroce, Chief Lending Officer*
- *John M. McCaffery, Treasurer*

Each with Over 25 Years of Financial Services Experience

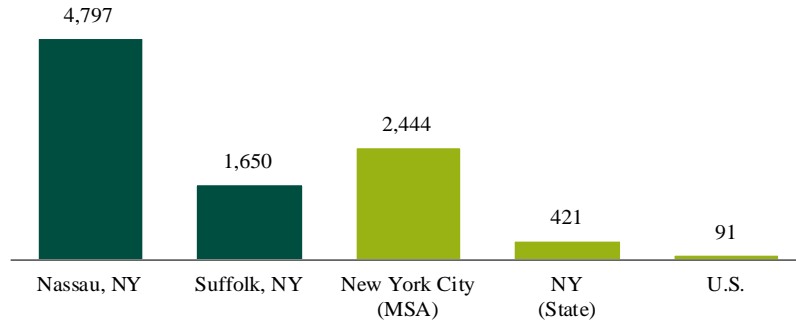


Continue to hire Experienced Professionals

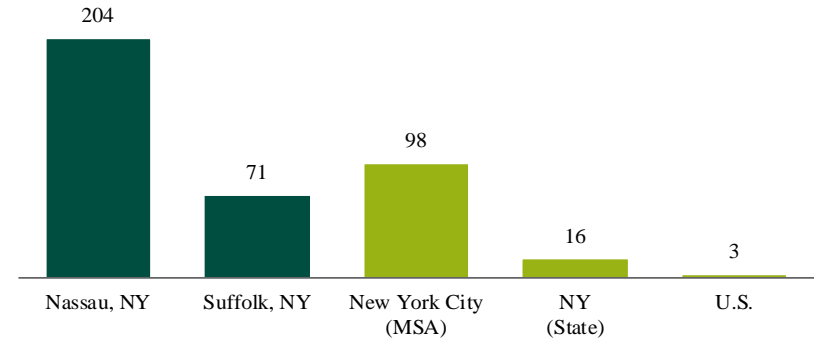
- *Revenue Producers, Compliance & Operational Positions*

Favorable Long Island Demographics

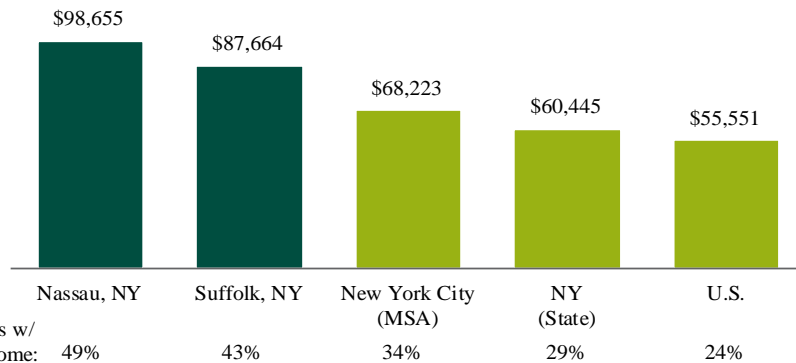
Population Density ¹



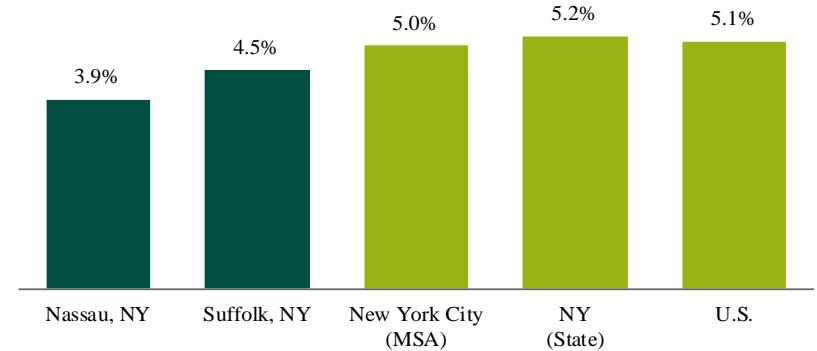
Businesses per Square Mile



Median Household Income



Unemployment Rate ²



A Transformational Year

- 🚢 **Continue Geographic Expansion into Highly Attractive Markets**
 - *Complementing Organic Push Westward*
- 🚢 **Closed and Converted Core Systems June 19, 2015**
 - *From 29 to 40 BNB Branded Branches*
- 🚢 **Increased Size and Scale, and Enhanced Operating Leverage & Profitability**
 - *Accretive to Earnings with Expected Cost Saves Achieved*
- 🚢 **Fastest Growing Community Bank Headquartered on LI**
 - *Assets Increased From \$2.3 billion to \$3.9 billion*
- 🚢 **Higher Lending Limits provide Additional Growth Potential**
 - *Serve Larger Customers & Expand Existing Relationships*

Strategies & Accomplishments – Q1 2016



Net Income of \$8.6 million or \$.49 Per Share

- *ROA .91%; ROE 10.0%; and ROTE 14.43%*



Record Net Interest Income \$29.4 million

- *Net Interest Margin 3.43%*



Loans of \$2.5 billion

- *Growth of \$70 million in Q1 2016 or 12% annualized*

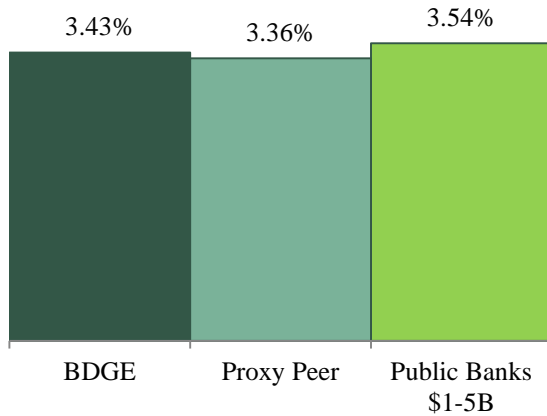


Deposits of \$2.9 billion

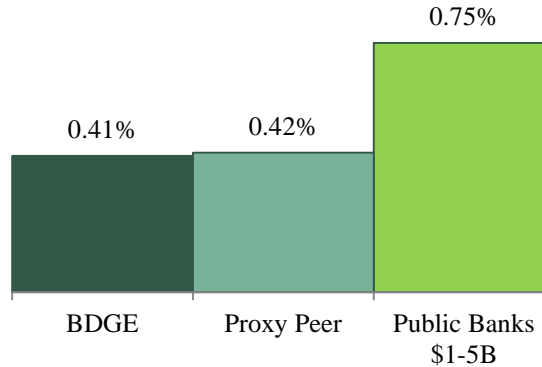
- *Growth of \$97 million or 14% annualized*

Q1 2016 Performance vs Peers

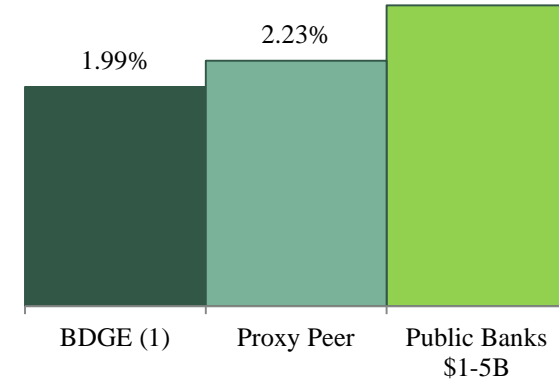
Net Interest Margin



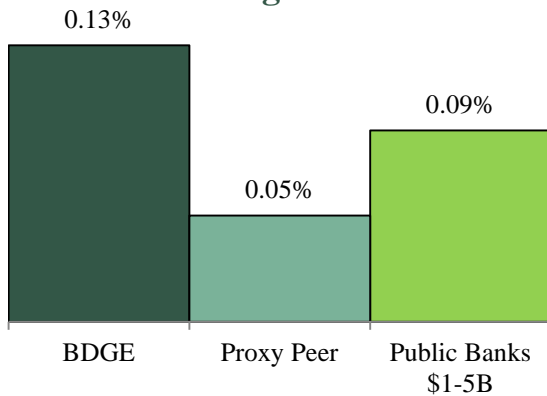
Other Income to Average Assets



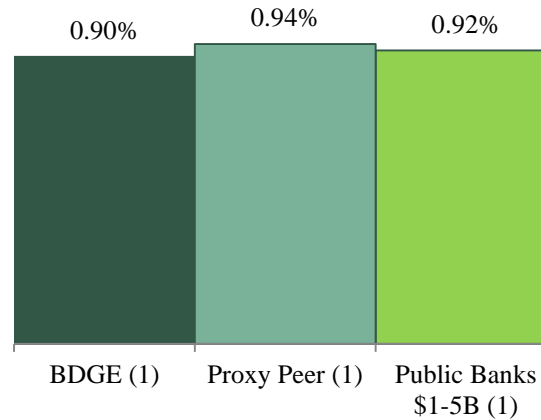
Other Expenses to Average Assets



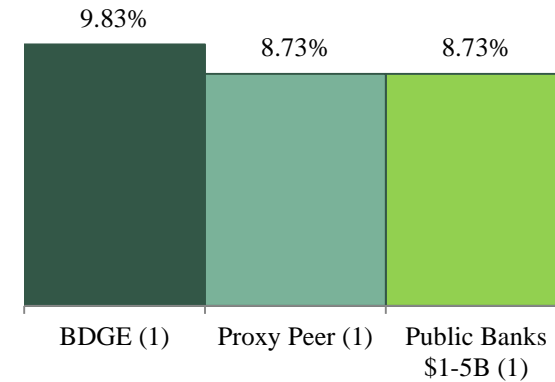
Provision for Loan Losses to Average Assets








Return on Average Assets



Return on Average Equity



Strategic Objectives





-  **Be the Preeminent Community Bank in Our Marketplace**
-  **Grow the Expanded Franchise**
-  **Attract, Retain and Develop Talented Bankers**
-  **Maximize the Efficiencies of Our Systems and Processes**
-  **Identify & Execute Market Opportunities**

“Execute Our Mission & Deliver Results”

Building Blocks For 2016 & Beyond

- 🚢 **Hired Equipment Finance Team**
 - *Diversifies loan portfolio with higher yielding assets*
- 🚢 **Hired Experienced Wealth Management Executive**
 - *Expands reach into newly acquired markets*
- 🚢 **Expand SBA and Residential Lending Platforms**
 - *Leverage Branch Footprint*
- 🚢 **NYCB Acquisition of Astoria**
 - *Disruption in Long Island Markets – Customers & employees*
 - *Branch Closures anticipated in Overlapping Markets*
- 🚢 **Execute on “Believe in Beyond”**
- 🚢 **\$80 Million in Sub-Debt Positions Capital for Self-Sustaining Growth**

IRR Strategies for 2016

(\$ in 000's)	<u>2014</u>	<u>2015</u>	<u>Q1 2016</u>
 Macro Swaps	\$75,000	\$125,000	\$125,000
 Loan Swaps	\$11,175	\$ 56,328	\$ 56,014
 O/N Borrowings as percent of assets	6.09%	5.52%	2.66%
 Portfolio E-DUR	3.46 years	4.45 years	3.30 years

Summary

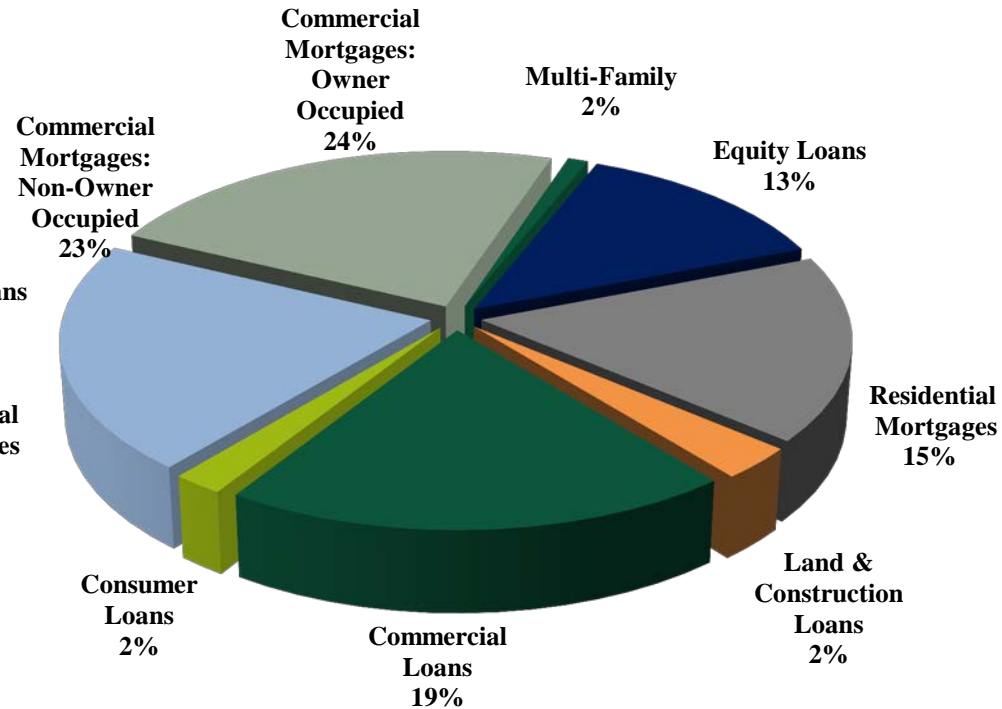
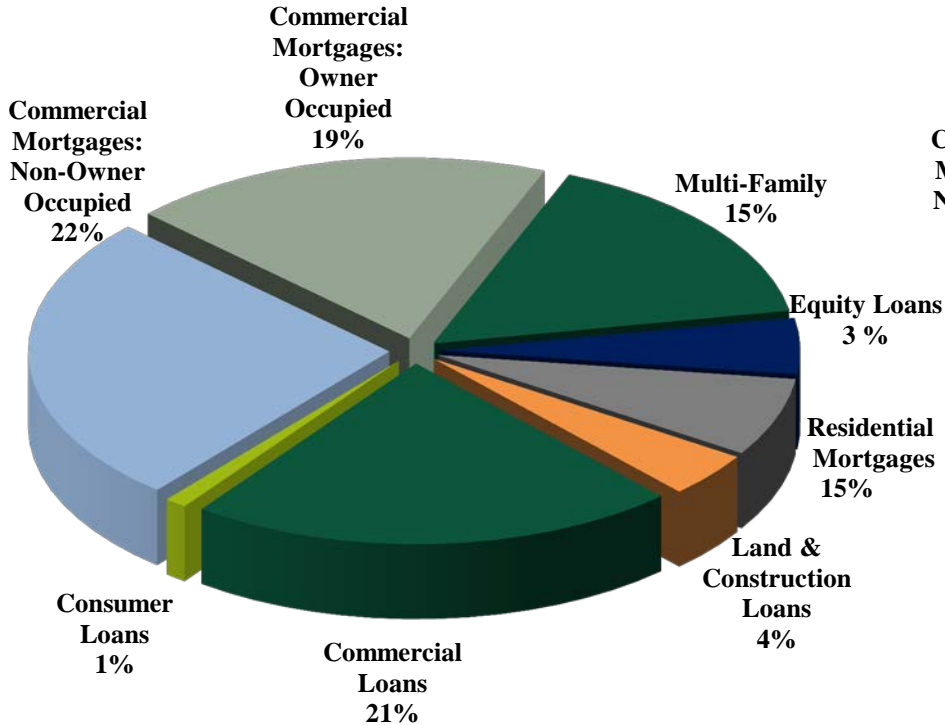
-  **Strong & Consistent Financial Performance**
-  **Outstanding Asset Quality and Balance Sheet Flexibility**
-  **Superior Franchise Growth with Compelling Opportunities**
-  **Well-Positioned in Economically Attractive Markets**
-  **Experienced Management Team and Board of Directors**
-  **Clear Understanding of Risks, Opportunities and Challenges**

Appendix

Diversified Loan Composition

As of March 31, 2016

As of December 31, 2015



\$2.5 Billion in Total Loans as of March 31, 2016 with an Average Yield of 4.65%

Taxi Medallions

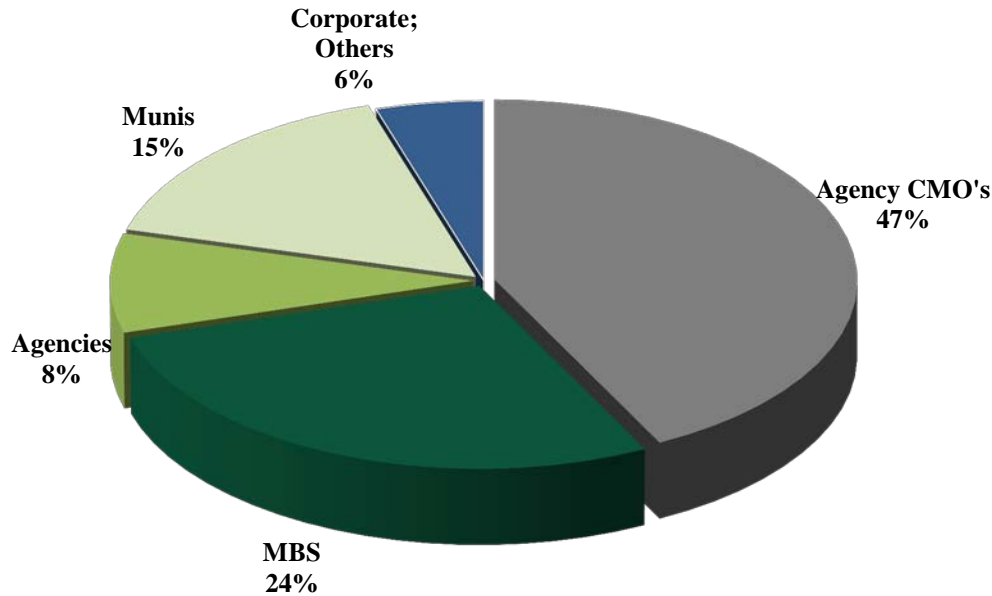
- ☛ **Total exposure of \$27 million is exclusively first lien direct obligations of Medallion Owners, with 99% Fleet Medallion Owners representing just 1.08% of total loans and 7.87% of Bank's Tier 2 capital.**
- ☛ **No new originations planned and we anticipate our exposure and concentration levels to decline even further through amortization, pay-downs and total loan portfolio growth.**
- ☛ **Only NYC-Manhattan Medallions; No exposure to non-NYC medallions. All loans carry personal guarantees.**
- ☛ **At March 31, 2016, the Taxi Medallion portfolio is 100% current.**
- ☛ **The most recent transaction in December 2015 indicates a market value of \$792,500 per fleet medallion. Based on internal valuation estimates which have been adjusted by over 30% from the peak value, the current average LTV of our portfolio is 62%.**
- ☛ **Approximately 10% of the Portfolio comes due in 2016.***

Asset Quality Ratios


	ALLL/Total Loans*	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans	ALLL/NPLs
<u>Historical</u>				
12/31/2010	1.69%	1.33%	0.22%	126%
12/31/2011	1.87%	0.68%	0.28%	261%
12/31/2012	1.81%	0.41%	0.21%	439%
12/31/2013	1.58%	0.38%	0.09%	419%
12/31/2014	1.39%	0.09%	0.04%	1466%
12/31/2015	1.21%	0.04%	(0.05%)	2168%
<u>Current</u>				
3/31/2016	1.21%	0.07%	0.03%	1333%
<u>Proxy Peer Group Median</u>				
12/31/2015	0.95%	0.75%	0.04%	113%

Conservative Securities Portfolio

March 31, 2016



 **\$1,127 Million in Securities**

 **Exceptional Credit Quality with 80% Guaranteed by the U.S. Government**

 **Effective Portfolio Duration is 3.30 Years**

Exposure to Interest Rate Risk

Interest Rate Risk

3/31/16

12/31/15

Earnings at Risk (Max.)

Pct (%) Change in Net Interest Income with
+200 bps ramp (12 Mths)

Year 1 NII (% Change from Year 1 – Base)
Up 200 BP

-4.8%

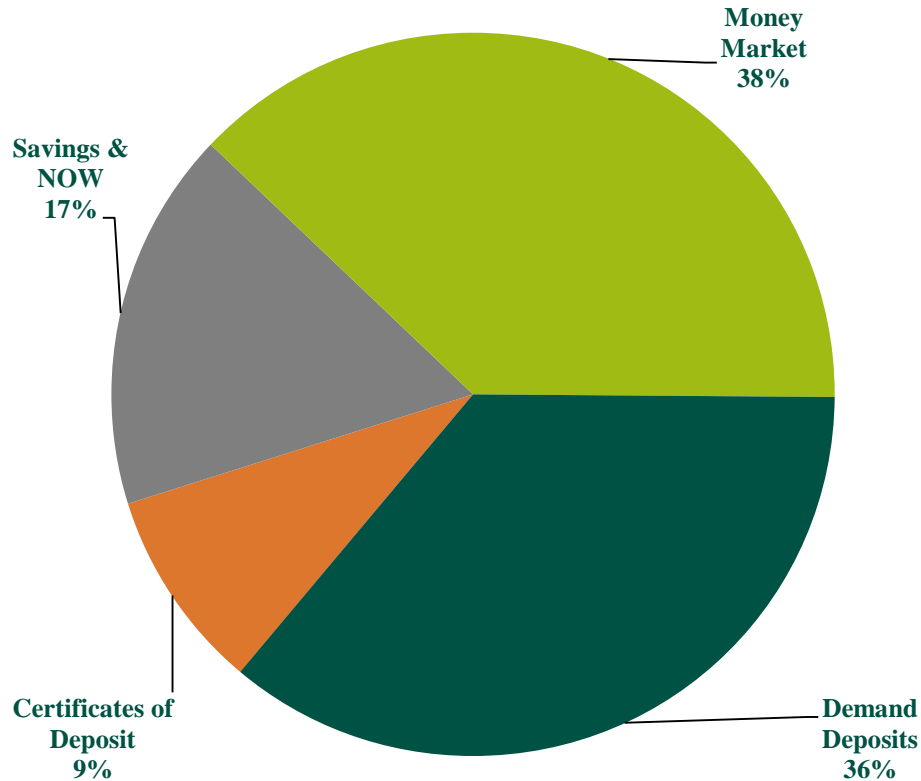
-4.9%

Year 2 NII (% Change from Year 1 – Base)
Up 200 BP

-5.3%

-5.6%

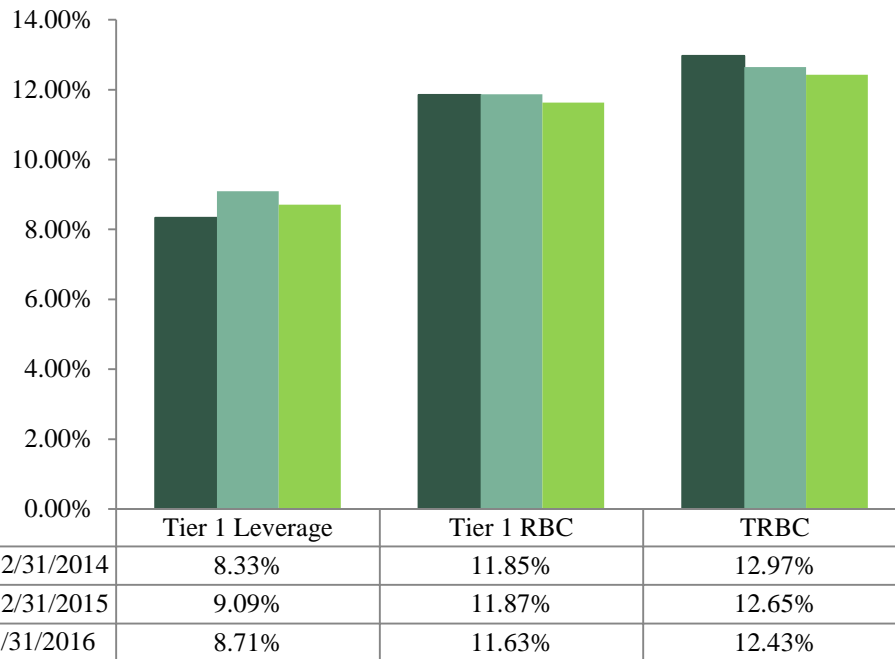
Financial Results - Deposit Profile



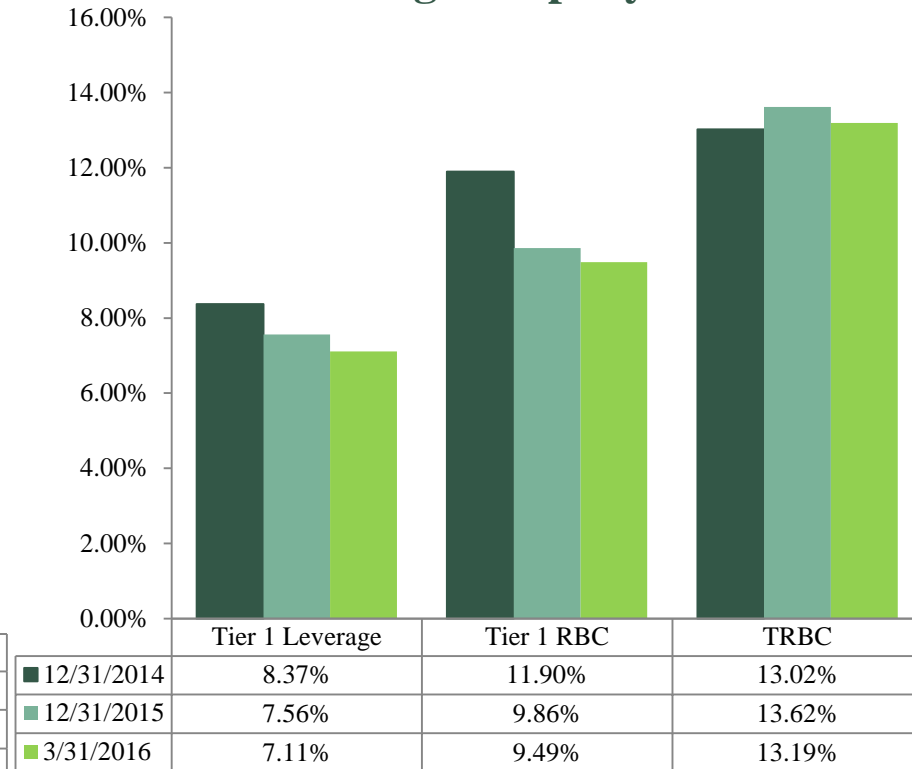
- 🏦 \$2.9 billion in Deposits, Average Cost of 23 Basis Points
- 🏦 5 Year Annualized Growth of 25% (20% Over 10 Years)
- 🏦 Seasoned Branch Managers Well Known in the Community
- 🏦 Branches Still Matter

Capital Overview

Bank Level



Holding Company Level



- ***Tier1 Leverage ratio at the Bank reflects \$50 million of the \$80 million in sub-debt contributed to the Bank.***
- ***Above Board adopted minimum standards & well-capitalized regulatory capital standards***

Proxy Peer Group

<u>Company Name</u>	<u>Ticker</u>	<u>Location</u>	<u>Total Assets 12/31/15</u>
TowneBank	TOWN	Portsmouth, VA	6,296,574
Eagle Bancorp Inc.	EGBN	Bethesda, MD	6,076,649
Brookline Bancorp Inc.	BRKL	Boston, MA	6,042,338
Flushing Financial Corp.	FFIC	Uniondale, NY	5,704,634
WSFS Financial Corp.	WSFS	Wilmington, DE	5,585,962
Dime Community Bancshares Inc.	DCOM	Brooklyn, NY	5,032,872
Sandy Spring Bancorp Inc.	SASR	Olney, MD	4,655,380
Cardinal Financial Corp.	CFNL	McLean, VA	4,029,921
Century Bancorp Inc.	CNBKA	Medford, MA	4,016,721
ConnectOne Bancorp, Inc.	CNOB	Englewood Cliffs, NJ	3,947,441
Lakeland Bancorp	LBAI	Oak Ridge, NJ	3,869,550
Washington Trust Bancorp Inc.	WASH	Westerly, RI	3,771,604
Meridian Bancorp Inc.	EBSB	Peabody, MA	3,524,509
Oritani Financial Corp.	ORIT	Township of Washington, NJ	3,512,991
Peapack-Gladstone Financial	PGC	Bedminster, NJ	3,364,659
First of Long Island Corp.	FLIC	Glen Head, NY	3,130,343
Bryn Mawr Bank Corp.	BMTC	Bryn Mawr, PA	3,030,997
Univest Corp. of Pennsylvania	UVSP	Souderton, PA	2,879,451
OceanFirst Financial Corp.	OCFC	Toms River, NJ	2,593,068
Enterprise Bancorp Inc.	EBTC	Lowell, MA	2,285,531
Suffolk Bancorp	SCNB	Riverhead, NY	2,168,592
Hingham Instit. for Savings	HIFS	Hingham, MA	1,768,528

Reconciliation of GAAP to Core Results

The following tables provide a reconciliation of GAAP (As Reported) and non-GAAP (Core) financial measures. A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes or includes amounts that are required to be disclosed in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). The Company’s management believes the presentation of non-GAAP financial measures provide investors with a greater understanding of the Company’s operating results in addition to the results measured in accordance with GAAP. While management uses these non-GAAP measures in its analysis of the Company’s performance, this information should not be viewed as a substitute for financial results determined in accordance with GAAP or considered to be more information than financial results determined in accordance with GAAP.

Reconciliation of GAAP to Core Results

– Net Income and EPS

	Three Months Ended			
	March 31,			
	2016		2015	
Net Income/Diluted Earnings Per Share – As Reported	\$8,626	\$0.49	\$4,763	\$0.41
Adjustments:				
Acquisition Costs, Net of Income Taxes	(175)	(0.01)	124	0.01
Non-Compete Agreement, Net of Income Taxes	237	0.02	-	-
Measurement Period Fixed Asset Adjustment ⁽¹⁾	(201)	(0.01)	-	-
Core Net Income/Diluted Earnings Per Share	\$8,487	\$0.49	\$4,887	\$0.42

Reconciliation of GAAP to Core Results - ROA

	Three Months Ended March 31,	
	2016	2015
Return on Average Total Assets - As Reported	0.91%	0.85%
Acquisition Costs, Net of Income Taxes	(0.02%)	0.03%
Non-Compete Agreement, Net of Income Taxes	0.03%	-
Measurement Period Fixed Asset Adjustment ⁽¹⁾	(0.02%)	-
Core Return on Average Total Assets	0.90%	0.88%

Reconciliation of GAAP to Core Results - ROE

	Three Months Ended March 31,	
	2016	2015
Return on Average Stockholders' Equity – As Reported	9.99%	10.74%
Acquisition Costs, Net of Income Taxes	(0.20%)	0.28%
Non-Compete Agreement, Net of Income Taxes	0.27%	-
Measurement Period Fixed Asset Adjustment ⁽¹⁾	(0.23%)	-
Core Return on Average Stockholders' Equity	9.83%	11.02%

Reconciliation of GAAP to Core Results - ROTCE

	Three Months Ended March 31,	
	2016	2015
Return on Average Tangible Common Equity – As Reported	14.43%	11.40%
Acquisition Costs, Net of Income Taxes	(0.29%)	0.30%
Amortization of Other Intangible Assets, Net of Income Taxes	0.74%	0.07%
Measurement Period Fixed Asset Adjustment (1)	(0.34%)	-
Core Return on Average Tangible Common Equity	14.54%	11.77%

Reconciliation of GAAP to Core Results

– Efficiency Ratio

	Three Months Ended March 31,	
	2016	2015
Efficiency Ratio - As Reported	<u>56.03%</u>	<u>61.25%</u>
Non Interest Expense	<u>\$18,907</u>	\$ 13,310
Less: Acquisition Costs	(270)	175
Less: Amortization of Other Intangible Assets	676	48
Less: Measurement Period Fixed Asset Adjustment ⁽¹⁾	<u>(309)</u>	-
Non Interest Expense excl. Adjustments	<u>\$18,810</u>	\$ 13,087
Net Interest Income (fully taxable equivalent)	<u>\$29,750</u>	\$ 18,926
Non Interest Income	3,995	2,804
Less: Net Securities Gains (Losses)	<u>66</u>	<u>(10)</u>
Total Revenues excl. Adjustments	<u>\$33,679</u>	<u>\$ 21,740</u>
Core Efficiency Ratio	<u>55.85%</u>	60.20%

Reconciliation of GAAP to Core Results

– Operating Expense to Average Assets

	<u>Three Months</u> <u>Ended</u> <u>March 31,</u>	
	<u>2016</u>	<u>2015</u>
Operating Expense as a % of Average Assets - As Reported	2.00%	2.38%
Acquisition Costs	0.03%	(0.03%)
Amortization of Other Intangible Assets		
Measurement Period Fixed Asset	(0.07%)	(0.01%)
Adjustment ⁽¹⁾	0.03%	-
Core Operating Expense as a % of Average Assets	1.99%	2.34%