

BRIDGE
BANCORP, INC.

RBC Investor Conference – New York City
March 8, 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 2014 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

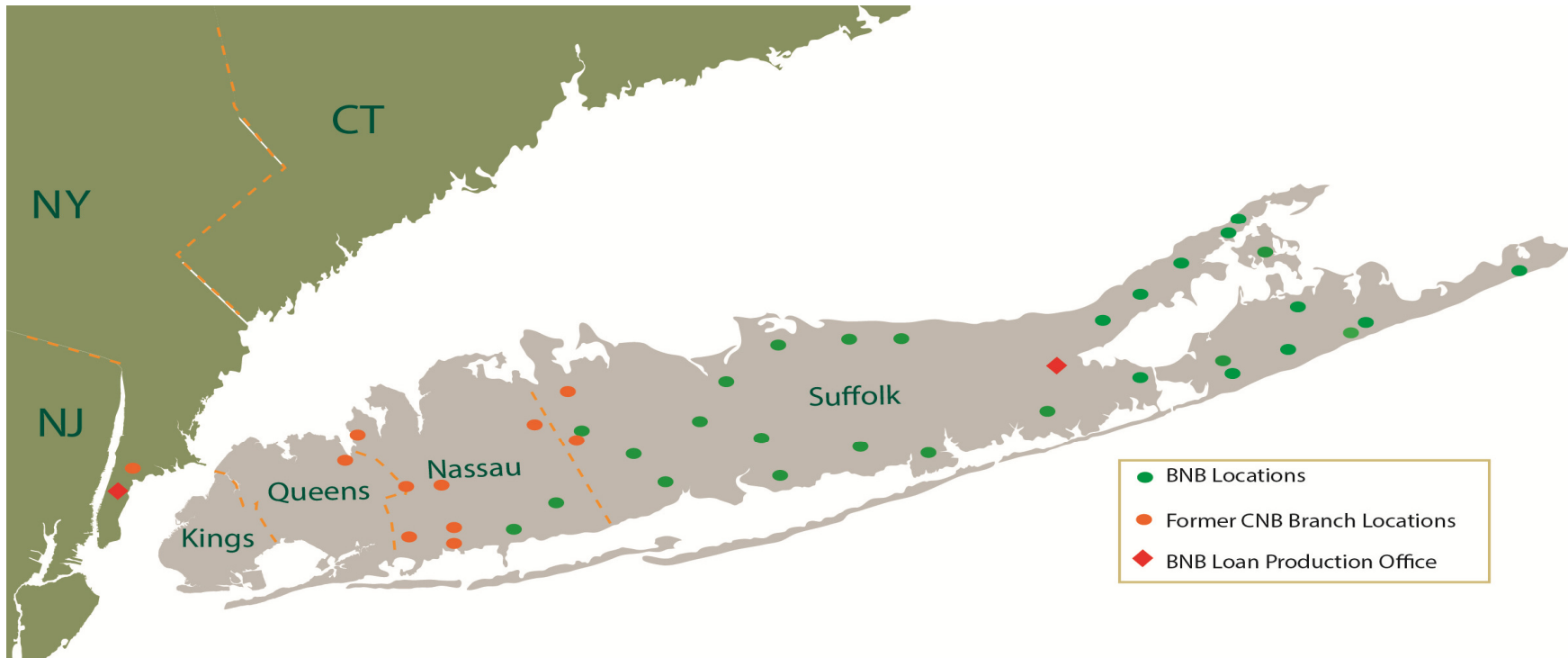
This presentation references non-GAAP financial measures including tangible book value per share, core return on average assets, core return on average equity, core earnings, core efficiency ratio and core expenses to average assets. These measures are commonly used by investors in evaluating financial 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

December 31, 2015

 **Headquarters:** Bridgehampton
 **Chartered:** 1910
 **FT Employees:** 436
 **Branches:** 40
 **Nasdaq/Russell 2000** BDGE

 **Assets:** \$3.8 billion
 **Loans:** \$2.4 billion
 **Deposits:** \$2.8 billion
 **Market Cap:** \$500 million⁽¹⁾



⁽¹⁾ As of March 1, 2016 Stock Price of \$28.59/share and 17,448,527 common shares outstanding.

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 \$2.4 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*

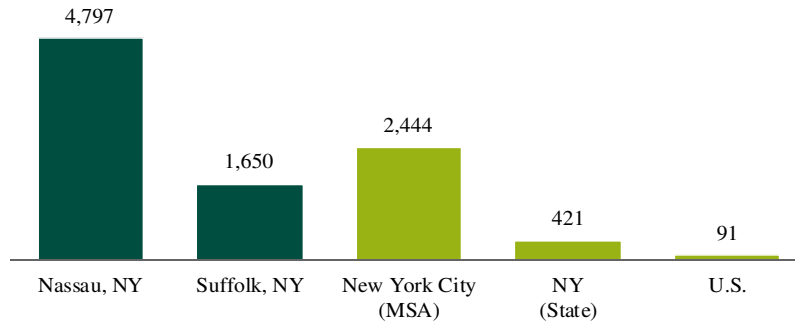
Each with Over 25 Years of Financial Services Experience

Continue to hire Experienced Professionals

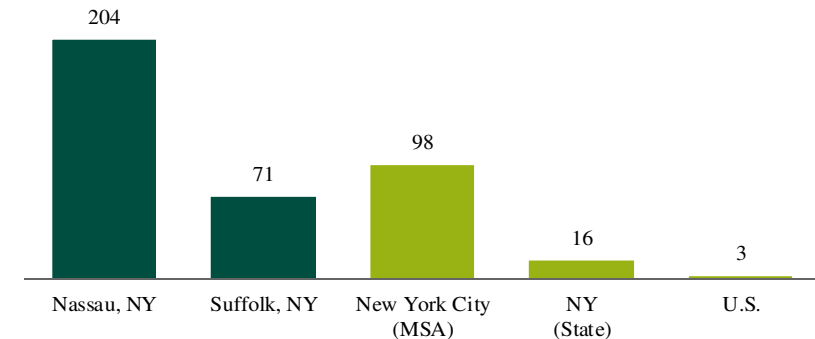
- *Revenue Producers, Compliance & Operational Positions*

Favorable Long Island Demographics

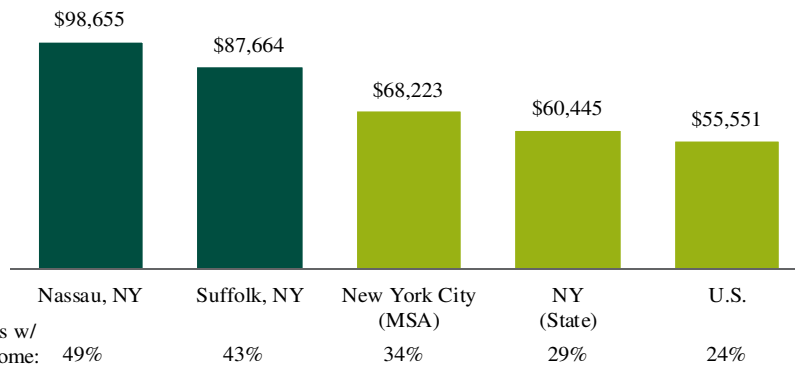
Population Density ¹



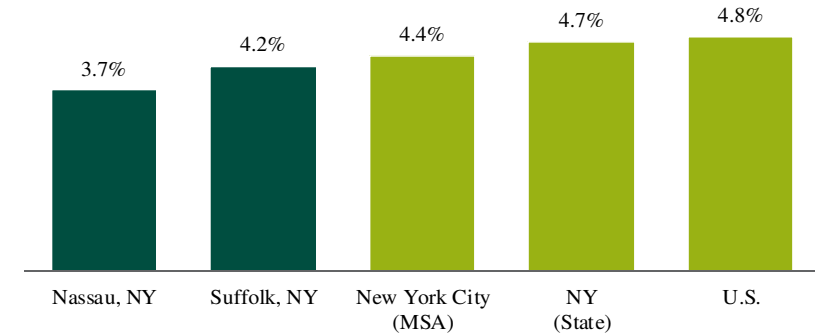
Businesses per Square Mile



Median Household Income



Unemployment Rate ²



Community National Bank (CNB) Update

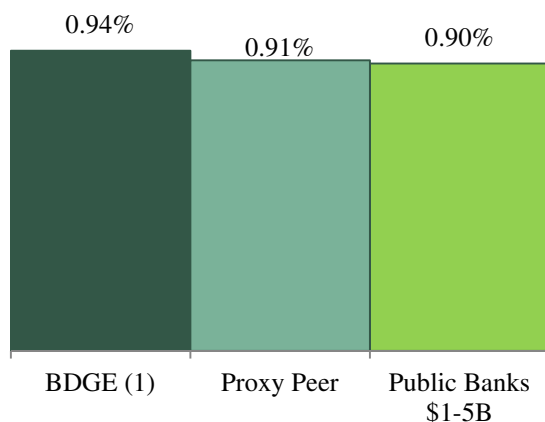
- **Closed and Converted Core Systems June 19, 2015**
- **Created #1 REAL Community Bank Headquartered on LI with \$3.8 billion in Assets**
 - *Top 5 deposit market share⁽¹⁾ with combined 40 branch network*
 - *Diversified \$750 million Loan Portfolio with \$800 million in Low Cost Deposit Base*
- **Continue Geographic Expansion into Highly Attractive Markets**
 - *Complementing organic push westward*
- **Increased Size and Scale, and Enhanced Operating Leverage & Profitability**
 - *Accretive to Earnings with Expected Cost Saves Achieved*
- **Excess Liquidity & Higher Lending Limits Provide Additional Growth Potential**
 - *Service Larger Customers & Expand Existing Relationships*

Strategies & Accomplishments – Q4 2015

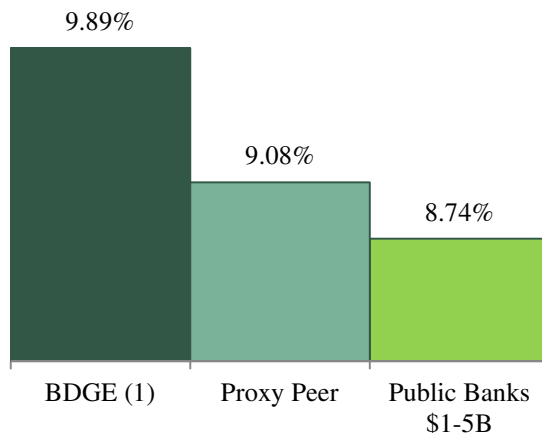
- 🚢 **Core Net Income of \$8.5 million or \$.49 Per Share**
 - *Core ROA .94%; Core ROE 9.89%; and Core ROTE 14.56%*
- 🚢 **Record Net Interest Income \$27.9 million**
 - *Net Interest Margin 3.39%*
- 🚢 **Loan Growth of \$1.1 billion**
 - *80% Higher Than a Year Ago (Organic growth of 31%)*
- 🚢 **Deposits of \$2.8 billion**
 - *55% Higher Than a Year Ago (Organic growth of 17%)*

December 2015 QTR Performance vs Peers

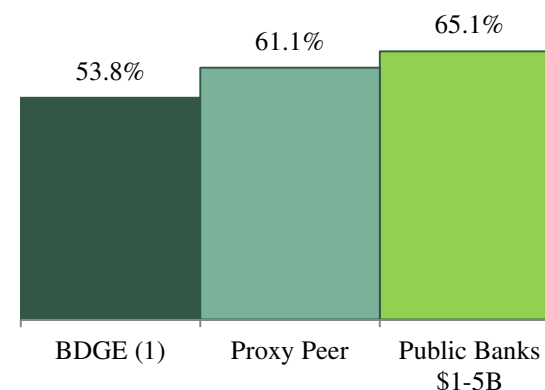
Return on Average Assets



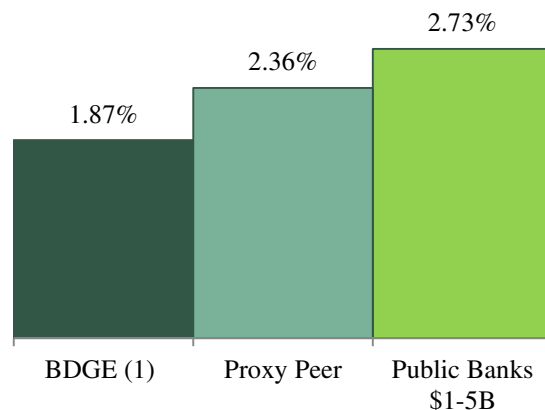
Return on Average Equity



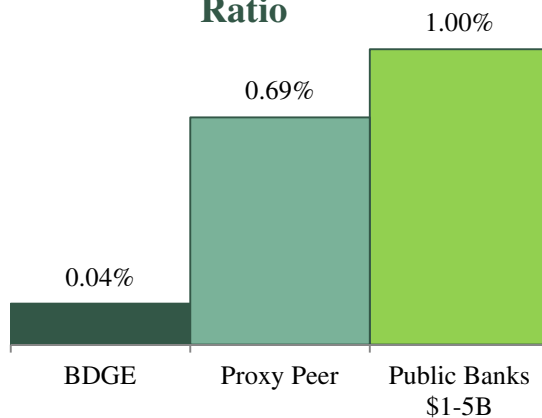
Efficiency Ratio



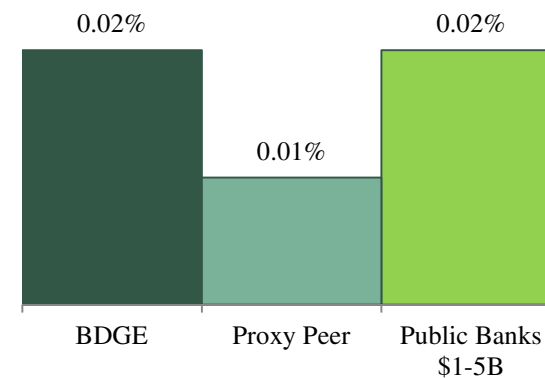
Expenses to Average Assets



Non Performing Assets Ratio



Net Charge Offs



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

- ④ **Hired Equipment Finance Team**
 - *Diversifies loan portfolio with higher yielding assets*
- ④ **Hired Experienced Wealth Management Executive**
 - *Expands reach into newly acquired markets*
- ④ **Expand SBA and Residential Lending Platforms**
 - *Leverage Branch Footprint*
- ④ **NYCB Acquisition of Astoria**
 - *Disruption in Long Island Markets – Customers & employees*
 - *Branch Closures anticipated in Overlapping Markets*
- ④ **Execute on “Believe in Beyond”**
- ④ **\$80 Million in Sub-Debt Positions Capital for Self-Sustaining Growth**

IRR Strategies for 2016

(\$ in 000's)	<u>2014</u>	<u>2015</u>
 Macro Swaps	\$75,000	\$125,000
 Loan Swaps	\$11,175	\$ 56,328
 O/N Borrowings as percent of assets	6.09%	5.52%
 Portfolio E-DUR (January 2016)	3.46 years	3.40 years

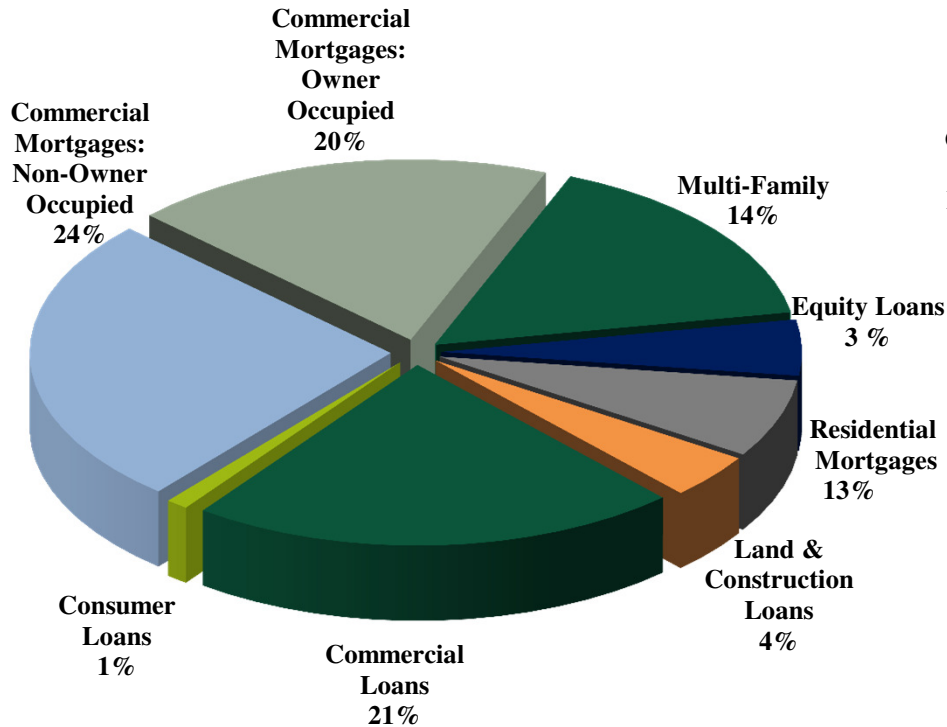
Summary

- 🏛️ **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**

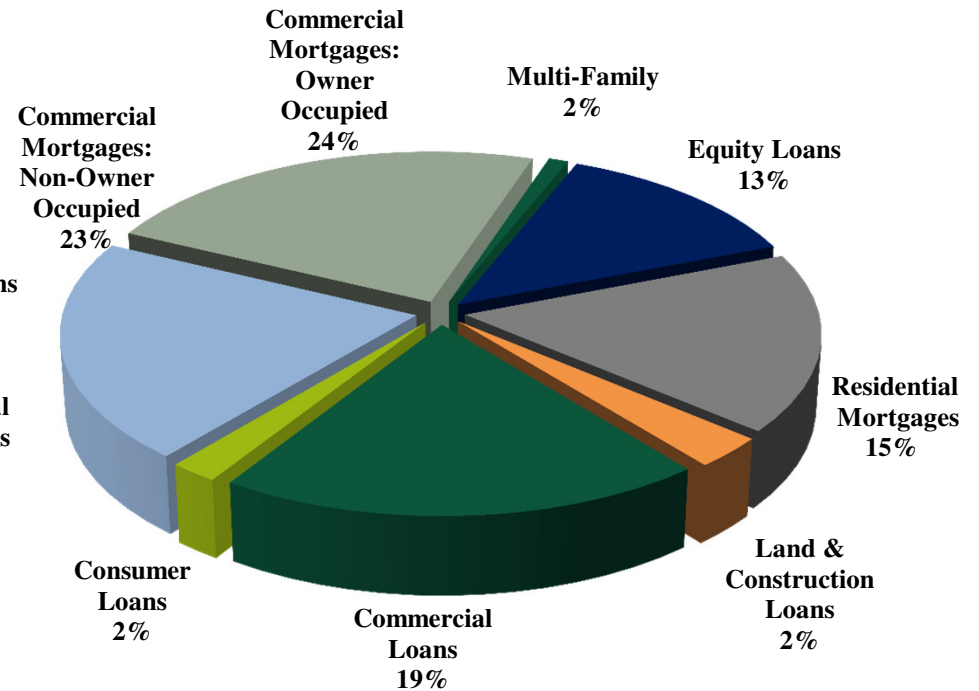
Appendix

Diversified Loan Composition

As of December 31, 2015



As of December 31, 2010



\$2.4 Billion in Total Loans as of December 31, 2015 with an Average Yield of 4.75%

Taxi Medallions

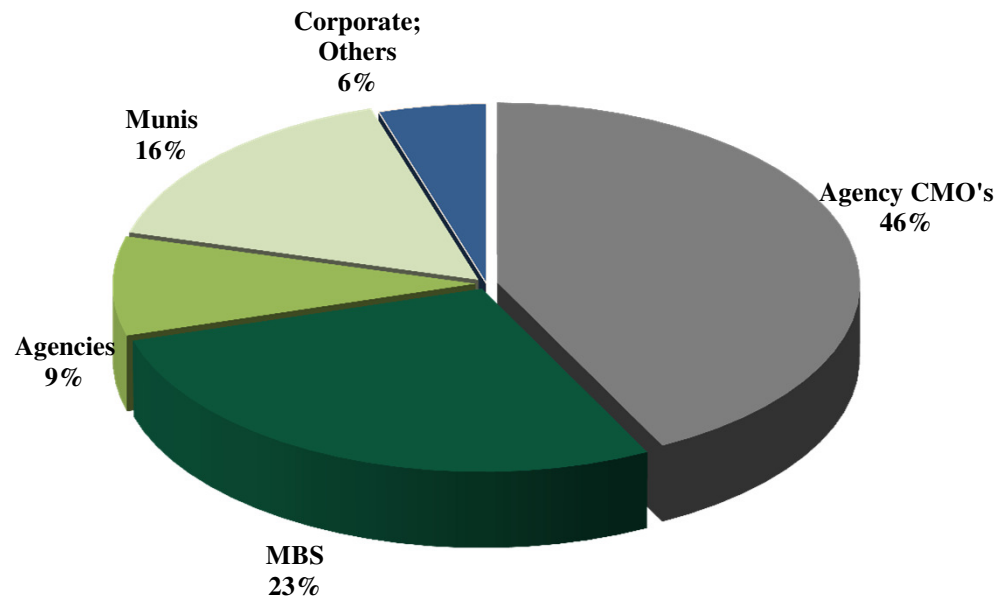
- **Total exposure of \$32 million is exclusively first lien direct obligations of Medallion Owners, with 99% Fleet Medallion Owners representing just 1.31% of total loans and 9.36% of Bank's Tier 2 capital.**
- **No new originations planned and we anticipate our exposure and concentration levels to 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 December 31, 2015, the Taxi Medallion portfolio is 100% current.**
- **The most recent transaction in December 2015 indicates a market value of \$805,000 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 63%.**
- **Approximately 26% 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%
<u>Current</u>				
12/31/2015	1.21%	0.04%	0.05%	2168%
<u>Proxy Peer Group Median</u>				
12/31/2015	0.95%	0.75%	0.04%	113%

Conservative Securities Portfolio

December 31, 2015



 **\$1,033 Million in Securities**

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

 **Effective Portfolio Duration is 3.40 Years ⁽¹⁾**

Exposure to Interest Rate Risk

Interest Rate Risk	<u>12/31/15</u>	<u>9/30/15</u>	<u>12/31/14</u>
--------------------	-----------------	----------------	-----------------

Earnings at Risk (Max.)

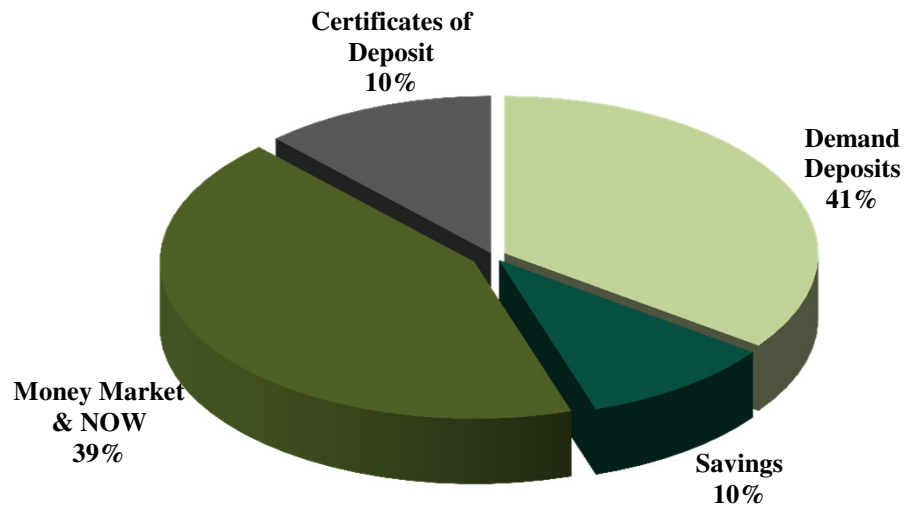
Pct (%) Change in Net Interest Income with
+200 bps ramp (12 Mths)

Year 1 NII (% Change from Year 1 – Base) Up 200 BP	-4.9%	-3.6%	-6.8%
---	-------	-------	-------

Year 2 NII (% Change from Year 1 – Base) Up 200 BP	-5.6%	-2.2%	-9.0%
---	-------	-------	-------

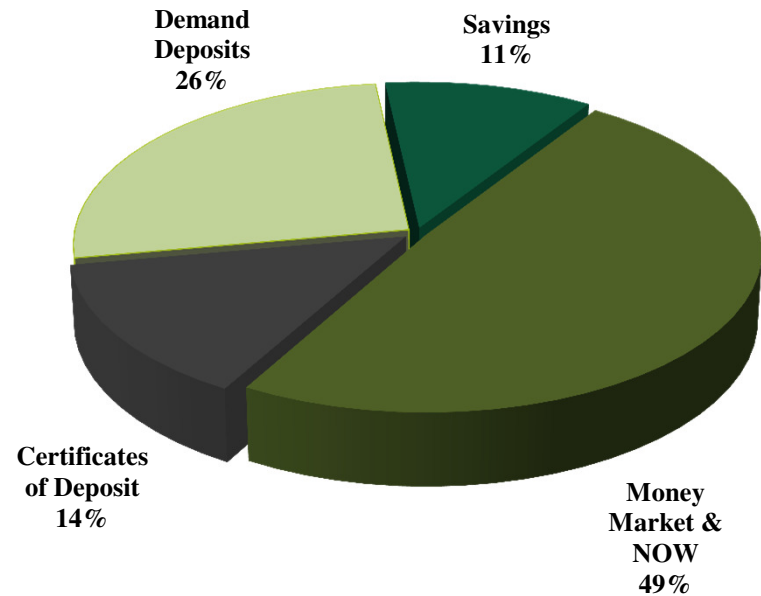
Deposit Profile

December 31, 2015



Cost of Funds
0.23%

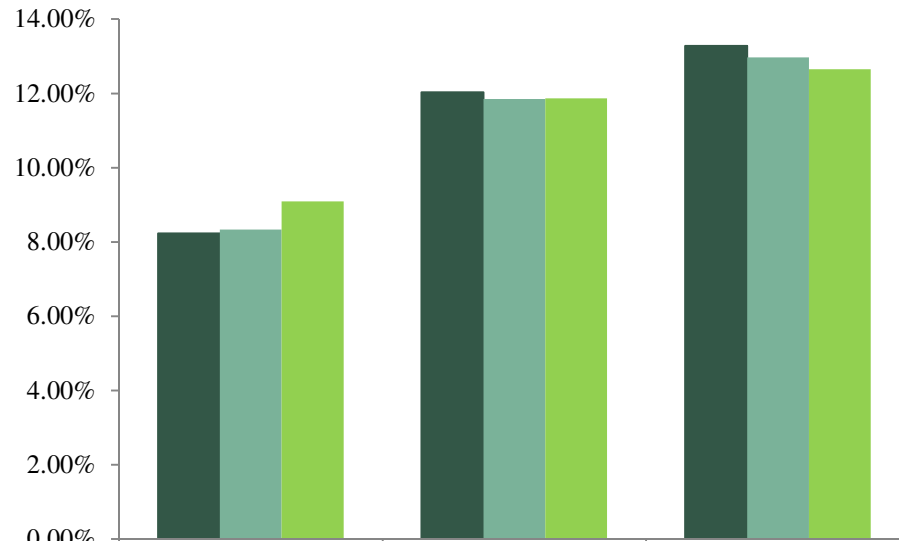
December 31, 2010



Cost of Funds
0.71%

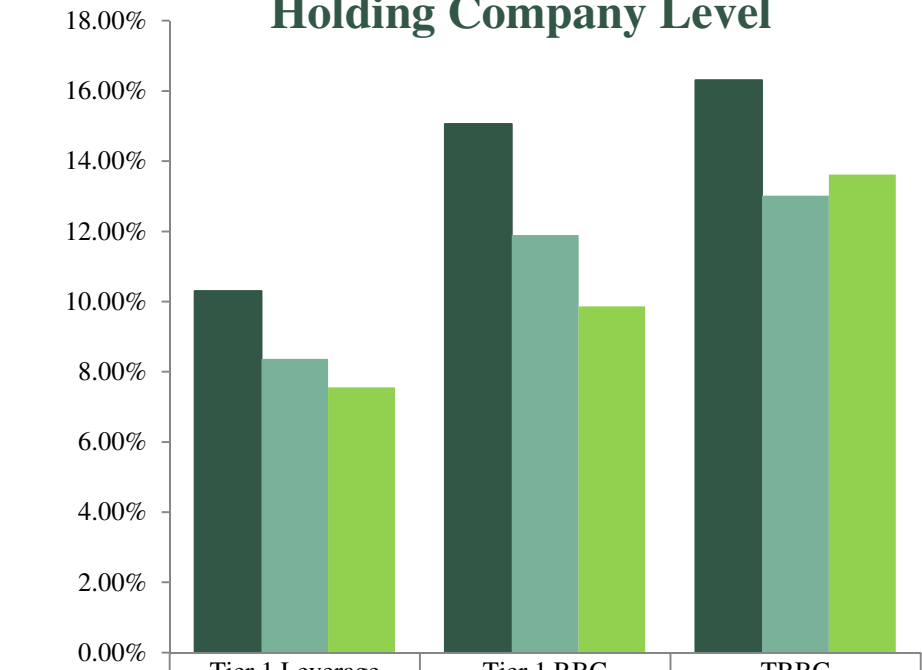
Capital Overview

Bank Level



	Tier 1 Leverage	Tier 1 RBC	TRBC
12/31/2013	8.23%	12.03%	13.28%
12/31/2014	8.33%	11.85%	12.97%
12/31/2015	9.09%	11.87%	12.65%

Holding Company Level



	Tier 1 Leverage	Tier 1 RBC	TRBC
12/31/2013	10.30%	15.06%	16.31%
12/31/2014	8.37%	11.90%	13.02%
12/31/2015	7.56%	9.86%	13.62%

- ***Tier 1 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				Year Ended			
	December 31,		December 31,		December 31,		December 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
Net Income/Diluted Earnings Per Share – As Reported	\$ 7,995	\$0.46	\$ 4,168	\$ 0.36	\$ 21,111	\$ 1.43	\$13,763	\$ 1.18
Adjustments:								
Acquisition Costs and Branch Restructuring, Net of Income Taxes	309	0.02	730	0.06	6,272	0.42	3,812	0.33
Non Compete Agreement, Net of Income Taxes	234	0.01	-	-	467	0.03	-	-
Net Securities (Gains) Losses, Net of Income Taxes	(1)	-	(18)	-	5	-	709	0.06
Tax Benefit Related to NYC Tax Law Change	-	-	-	-	(351)	(0.02)	-	-
(Gain)/loss on sale of loans	-	-	-	-	(179)	(0.01)	-	-
Core Net Income/Diluted Earnings Per Share	\$ 8,537	\$ 0.49	\$ 4,880	\$ 0.42	\$ 27,325	\$ 1.85	\$18,284	\$ 1.57

Reconciliation of GAAP to Core Results - ROA

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Return on Average Total Assets - As Reported	0.88%	0.73%	0.71%	0.64%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	0.03%	0.13%	0.21%	0.18%
Non Compete Agreement, Net of Income Taxes	0.03%	0.00%	0.02%	0.00%
Net Securities Losses, Net of Income Taxes	0.00%	(0.01%)	0.00%	0.03%
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	(0.01%)	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	0.00%	0.00%	(0.01%)	0.00%
Core Return on Average Total Assets	0.94%	0.85%	0.92%	0.85%

Reconciliation of GAAP to Core Results - ROE

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Return on Average Stockholders' Equity - As Reported	9.27%	9.16%	7.91%	7.76%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	0.35%	1.60%	2.35%	2.15%
Non-Compete Agreement, Net of Income Taxes	0.27%	0.00%	0.17%	0.00%
Net Securities (Gains) Losses, Net of Income Taxes	0.00%	(0.04%)	0.00%	0.40%
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	(0.13%)	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	0.00%	0.00%	(0.07%)	0.00%
Core Return on Average Stockholders' Equity	9.89%	10.72%	10.23%	10.31%

Reconciliation of GAAP to Core Results - ROTCE

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Return on Average Tangible Common Equity - As Reported	13.33%	9.78%	10.23%	8.25%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	0.51%	1.72%	3.04%	2.29%
Amortization of Other Intangible Assets, Net of Income Taxes	0.72%	0.07%	0.45%	0.12%
Net Securities (Gains) Losses, Net of Income Taxes	0.00%	(0.04%)	0.01%	0.42%
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	(0.17%)	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	0.00%	0.00%	(0.09%)	0.00%
Core Return on Average Tangible Common Equity	14.56%	11.53%	13.47%	11.08%

Reconciliation of GAAP to Core Results – Efficiency Ratio

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Efficiency Ratio - As Reported	<u>57.45%</u>	<u>64.37%</u>	<u>66.19%</u>	<u>68.38%</u>
Non Interest Expense	\$ 18,173	\$ 13,183	\$ 72,890	\$ 52,414
Less: Acquisition Costs and Branch Restructuring	483	770	9,766	5,504
Less: Amortization of Other Intangible Assets	<u>677</u>	<u>50</u>	<u>1,447</u>	<u>300</u>
Non Interest Expense excl. Adjustments	<u>\$ 17,013</u>	<u>\$ 12,363</u>	<u>\$ 61,677</u>	<u>\$ 46,610</u>
Net Interest Income (fully taxable equivalent)	28,222	17,969	97,459	68,480
Non Interest Income	3,411	2,510	12,668	8,166
Less: Net Securities Gains (Losses) and Net Gain on Sale of Loans	<u>2</u>	<u>29</u>	<u>271</u>	<u>(1,090)</u>
Total Revenues excl. Adjustments	<u>\$ 31,631</u>	<u>\$ 20,450</u>	<u>\$ 109,856</u>	<u>\$ 77,736</u>
Core Efficiency Ratio	<u>53.79%</u>	<u>60.45%</u>	<u>56.14%</u>	<u>59.96%</u>

Reconciliation of GAAP to Core Results – Operating Expense to Average Assets

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Operating Expense as a % of Average Assets - As Reported	2.00%	2.30%	2.46%	2.44%
Acquisition Costs and Branch Restructuring	(0.05%)	(0.13%)	(0.33%)	(0.26%)
Amortization of Other Intangible Assets	(0.08%)	(0.01%)	(0.05%)	(0.01%)
Core Operating Expense as a % of Average Assets	1.87%	2.16%	2.08%	2.17%