



BRIDGE  
BANCORP, INC.

*Boenning & Scattergood – Investor Presentation  
August 23, 2018*

# Forward Looking Statements

This presentation may contain statements relating to the future results of the Company (including certain projections and business trends) that are considered “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Such forward-looking statements, in addition to historical information, which involve risk and uncertainties, are based on the beliefs, assumptions and expectations of management of the Company. Words such as “expects,” “believes,” “should,” “plans,” “anticipates,” “will,” “potential,” “could,” “intend,” “may,” “outlook,” “predict,” “project,” “would,” “estimated,” “assumes,” “likely,” and variation of such similar expressions are intended to identify such forward-looking statements. Examples of forward looking statements include, but are not limited to, possible or assumed estimates with respect to the financial condition, expected or anticipated revenue, and results of operations and business of the Company, including earnings growth; revenue growth in retail banking, lending and other areas; origination volume in the consumer, commercial and other lending businesses; current and future capital management programs; non-interest income levels, including fees from the title abstract subsidiary and banking services as well as product sales; tangible capital generation; market share; expense levels; and other business operations and strategies. The Company claims the protection of the safe harbor for forward-looking statements contained in the PSLRA.

Factors that could cause future results to vary from current management expectations include, but are not limited to, changing economic conditions; legislative and regulatory changes, including increases in FDIC insurance rates; monetary and fiscal policies of the federal government; changes in tax policies; rates and regulations of federal, state and local tax authorities; changes in interest rates; deposit flows; the cost of funds; demand for loan products; demand for financial services; competition; the Company’s ability to successfully integrate acquired entities; changes in the quality and composition of the Bank’s loan and investment portfolios; changes in management’s business strategies; changes in accounting principles, policies or guidelines; changes in real estate values; expanded regulatory requirements as a result of the Dodd-Frank Act, which could adversely affect operating results; and other factors discussed under Item 1A., Risk Factors, and in quarterly and other reports filed by the Company with the Securities and Exchange Commission. The forward-looking statements of our Annual Report on Form 10-K, are made as of the date of this presentation, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

# Mission Statement

*To Be the Preeminent Community  
Bank in Our Markets, Providing  
Added Value and Superior  
Customer Service.*

# Investment Thesis/Rationale

## Unique Franchise in Attractive Markets

*\$4.4 billion community bank operating in 39 locations*

*\$1 trillion+ deposit marketplace with above-average household income*

*Established and growing C&I customer base*

## Strong Core Funding: 37% Demand Deposits

*14% Annualized Deposit Growth in Q2 2018*

*0.52% Cost of Funds*

*90% Loan-to-Deposit ratio*

## Well Positioned for Higher Rates

*Active Management of IRR*

*Improving Core Margin*

*Increasing Asset Sensitivity*

## Thoughtful Strategic Vision

*Strong Organic Growth + Disciplined M&A*

*Ongoing Balance Sheet Management*

## Careful Stewards of Capital

*9.6% Bank Leverage Ratio*

## Experienced Management Team

*SVP & Above with Average 20+ years of experience*

# Profile - Current Franchise

- **Assets:** \$4.4 billion
- **Loans:** \$3.2 billion
- **Deposits:** \$3.6 billion
- **Market Cap:** \$729 million<sup>(1)</sup>
- **Branches/Locations:** 39
- **FTE Employees:** 492



# 2018 Outlook

Measure	Target	Update	Comments
Loan Growth	9% - 11%	7% - 9%	<ul style="list-style-type: none"> <li>Q2 loan sale tied to strategic balance sheet restructuring</li> </ul>
Deposit Growth	13% - 15%	No change	<ul style="list-style-type: none"> <li>Grow Deposits ~\$470 million through organic DDA and MMA expansion as well as new deposit initiatives</li> </ul>
Loans to Deposits	90% - 95%	87% - 93%	<ul style="list-style-type: none"> <li>Balance growth of lending through deposit activity</li> <li>Consistently favorable loans to deposits ratio relative to peers</li> </ul>
Net Interest Margin	3.18% - 3.23%	3.22% - 3.27%	<ul style="list-style-type: none"> <li>Pickup in investment yields due to balance sheet restructuring</li> <li>Core loan yields increasing</li> </ul>
Non-Interest Income	5% - 7%	No change <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Led by continued growth of swap, gain on sale of SBA loans and title fee income</li> </ul>
Effective Tax Rate	23%	21%	<ul style="list-style-type: none"> <li>Result of net securities loss due to balance sheet restructuring</li> <li>Additional benefit from enactment of Tax Cuts and Jobs Act</li> </ul>
Non-Interest Expense	\$85 - \$88 million	\$88 - \$90 million	<ul style="list-style-type: none"> <li>Continued investment in revenue producing personnel</li> </ul>

# Q2 2018

 **Adjusted Net Income of \$12.9 million or \$.65 Per Share<sup>(1)</sup>**

*Adjusted ROA of 1.15% & Adjusted ROE of 11.43%<sup>(1)</sup>*

 **Net Interest Income \$33.9 million**

*Net Interest Margin 3.31%*

*Adjusted Net Interest Margin Expansion of 2 bps*

 **Loans of \$3.2 billion<sup>(2)</sup>**

*\$20 million or 2% Annualized Growth<sup>(2)</sup>*

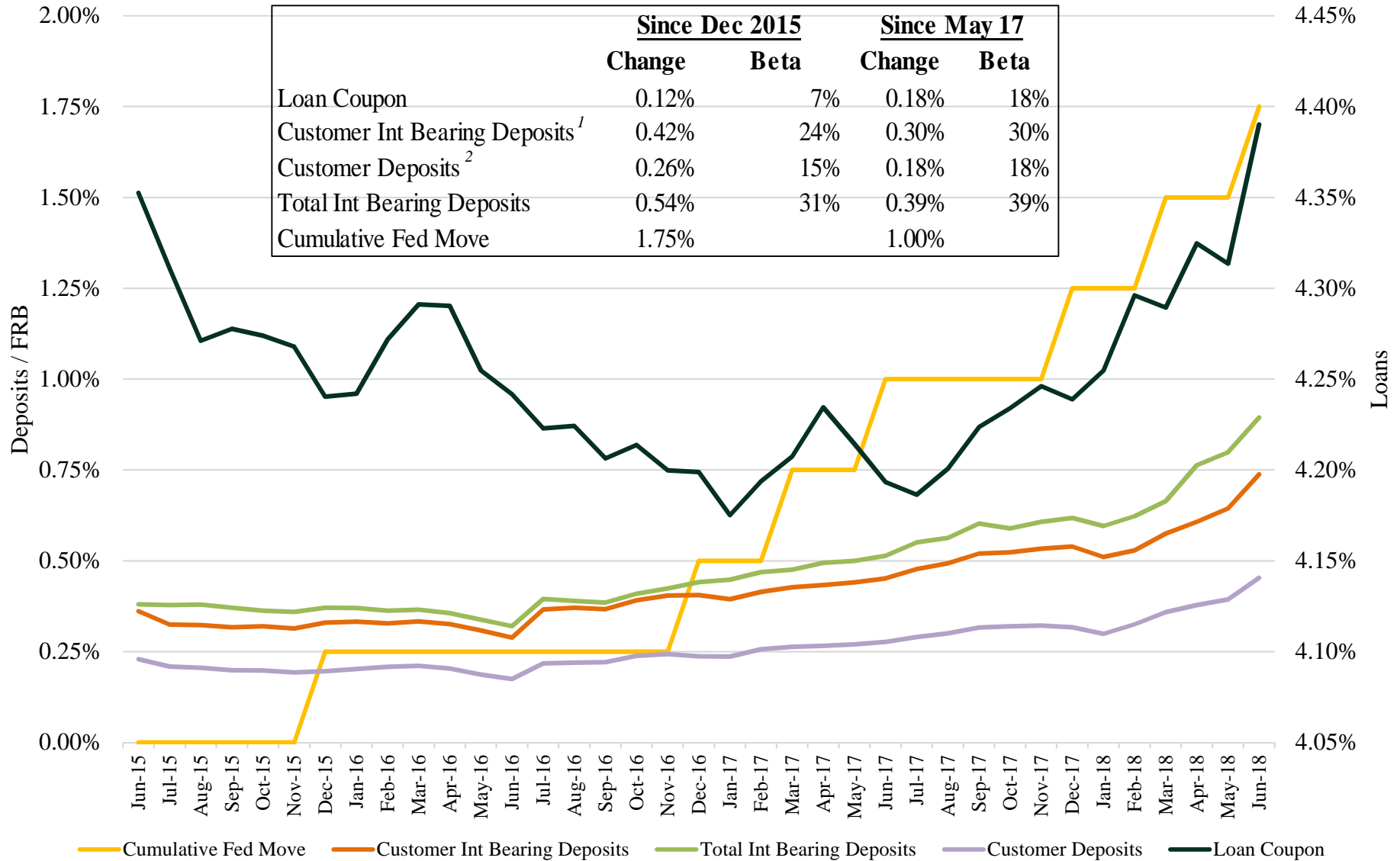
 **Deposits of \$3.6 billion**

*\$122 million or 14% Annualized Growth*

*\$83 million or 27% Annualized DDA Growth*

***“Continue to Deliver on the Mission to Our Customers and Shareholders”***

# Historical Portfolio Rates



<sup>(1)</sup> Customer Int Bearing Deposits represents total non-brokered interest bearing deposits

<sup>(2)</sup> Customer Deposits represents total non-brokered deposits



# Quarterly Balance Sheet Comparison

Balance Sheet \$(000)	Q1 2018	Q2 2018	Variances	Significant Events
Cash & Interest Earning Deposits	99,012	105,891	6,879	
Investment Securities	938,340	855,540	(82,800)	Includes Portfolio Restructure of \$40M
Gross Loans	3,201,897	3,187,013	(14,884)	Includes Loan Sale of \$40M
Reserve for Loan Losses	(32,812)	(31,652)	1,160	
Loans, Net	3,169,085	3,155,361	(13,724)	
Other Assets	294,187	297,993	3,806	
<b>Total Assets</b>	<b>4,500,624</b>	<b>4,414,785</b>	<b>(85,839)</b>	
IPC Deposits	2,570,079	2,743,346	173,267	\$83M Growth in DDA
Public Deposits	580,877	510,825	(70,052)	Seasonal Outflows
Brokered Deposits	280,289	299,026	18,737	
<b>Total Deposits</b>	<b>3,431,245</b>	<b>3,553,197</b>	<b>121,952</b>	
Borrowings	520,964	302,300	(218,664)	Reduction of Overnight Funds
Subordinated Debentures	78,676	78,711	35	
Other Liabilities	36,416	40,822	4,406	
Equity	433,323	439,755	6,432	
<b>Total Liabilities &amp; Equity</b>	<b>4,500,624</b>	<b>4,414,785</b>	<b>(85,839)</b>	

**\$290M Term Funding with Swaps**  
Weighted Average Yield 1.67%

# Exposure to Interest Rate Risk

Interest Rate Risk	<u>6/30/2018</u>	<u>3/31/2018</u>	<u>6/30/2017</u>
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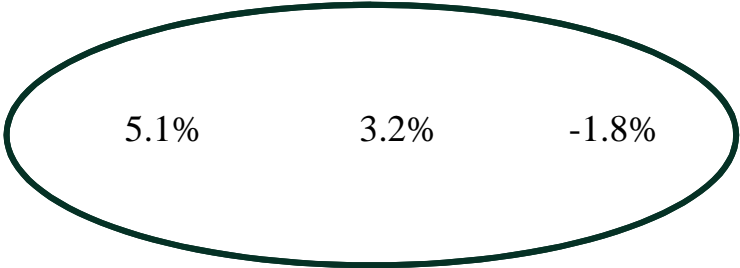
**Earnings at Risk (Max.)**

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

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

-2.4%                      -3.2%                      -5.2%

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



# C&I Customer Base

## Strong growth trend in C&I Relationships

*5 year relationship growth of 142% or 932 relationships from EOY 2012 – EOY 2017*

*2,800 loans across 1,600 unique relationships*

## Higher yielding

*Typically floating rate*

*Greater deposit generation potential*

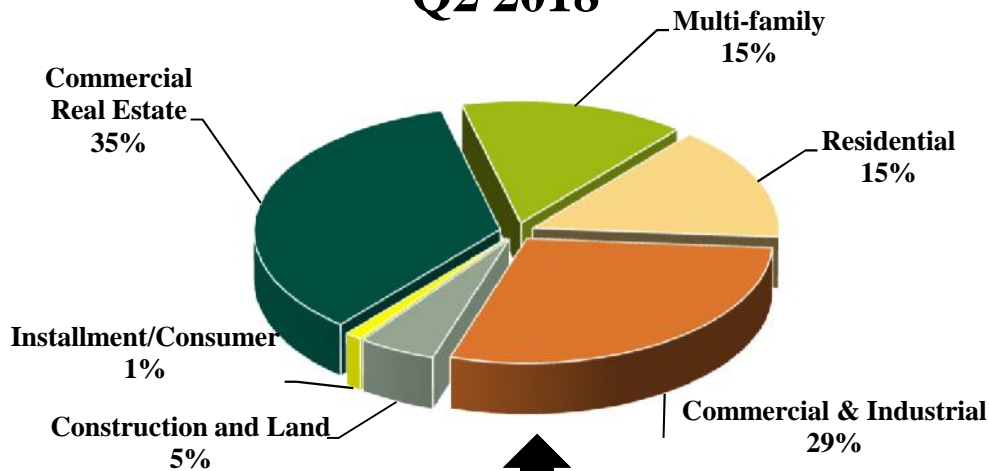
## Continue to build on strong C&I growth trend

*Major opportunity for continued C&I success in newer BNB Bank markets*

*Hiring seasoned, market-knowledgeable lenders to lead expansion*

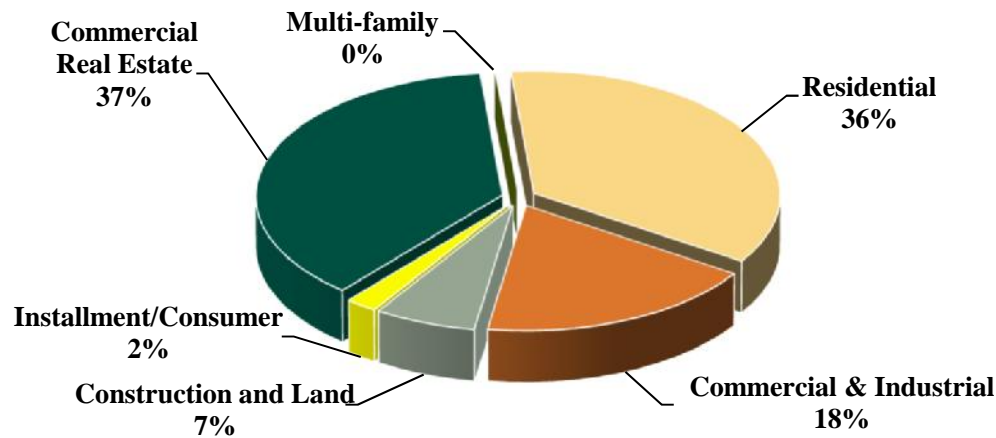
# Loan Profile

Q2 2018



Loan Exposure

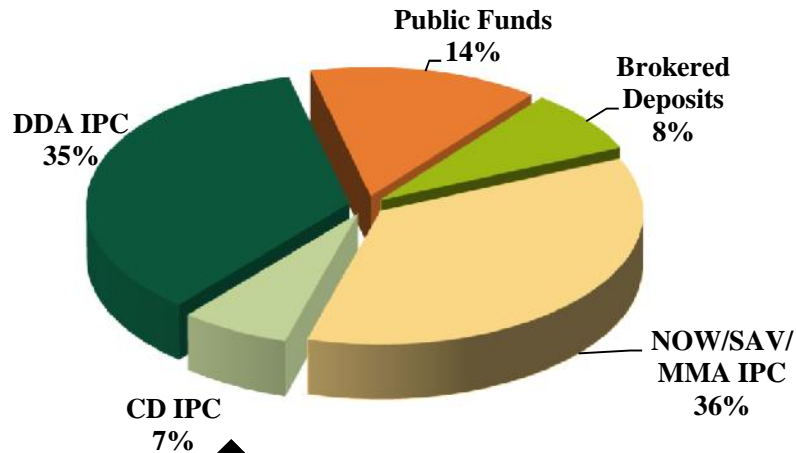
2008



- 🏠 \$3.2 billion in Loans, Average Yield of 4.52%
- 🏠 Loan Growth of \$2.3 billion over 5 years (Q2 2013- Q2 2018)
- 🏠 Maintenance of Credit Discipline & Culture
- 🏠 Consistent With Community Banking Model
- 🏠 Consistent Growth Across All Products and Markets
- 🏠 23% Floating rate loans (3 months or less)

# Deposit Profile

Q2 2018



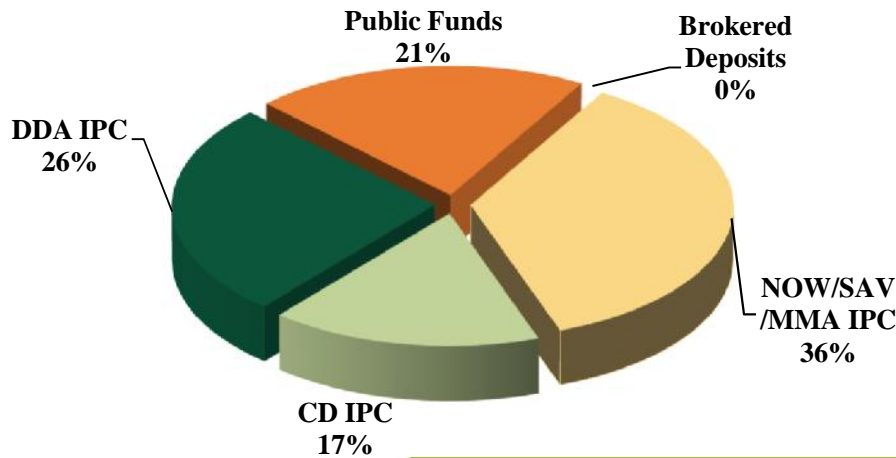
- 🚢 \$3.6 billion in Deposits, Average Cost of 52 bps
- 🚢 DDA IPC Deposit Growth of \$800 million over 5 years (Q2 2013- Q2 2018)
- 🚢 Branch Managers Well Known in the Community
- 🚢 Top 2 Market Share in 11 Markets
- 🚢 Lowest Cost of Funds of Peers

Market Share Source: S&P Global Market Intelligence as of June 30, 2017

Deposit Comparison



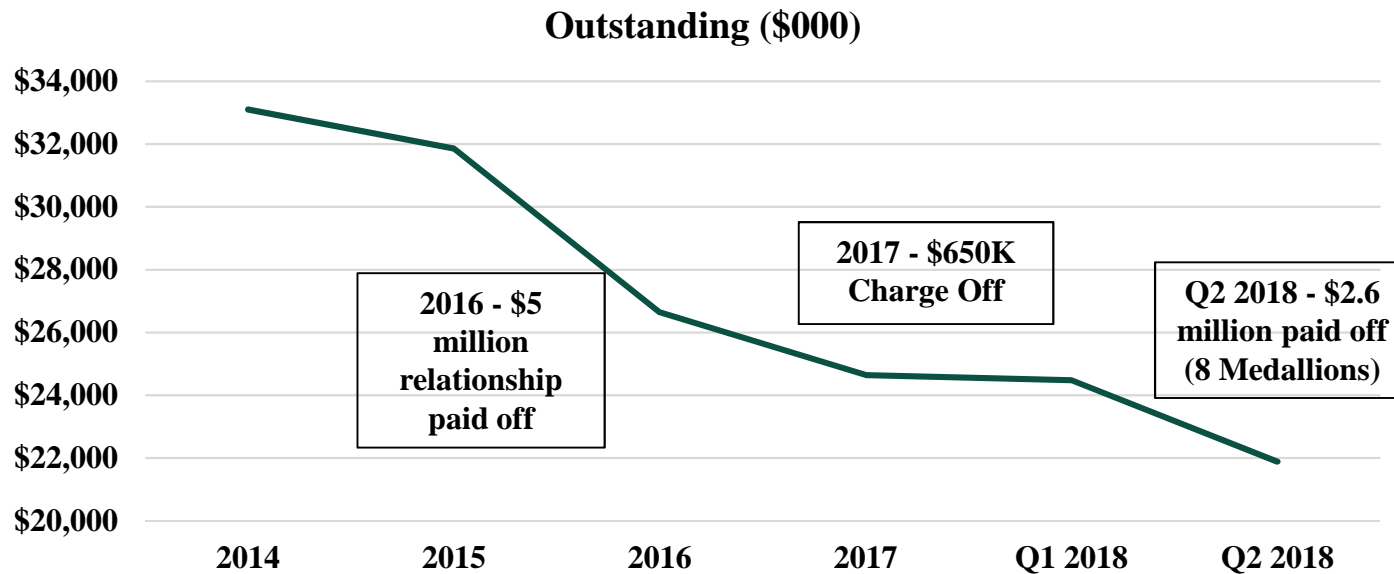
2008



# Asset Quality Ratios

	ALLL/Total Loans	Past Due & NPLs/Total Loans	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans*	ALLL/NPLs
<b>June 30, 2017</b>	<b>0.99%</b>	<b>0.36%</b>	<b>0.10%</b>	<b>0.01%</b>	<b>1029%</b>
<b>September 30, 2017</b>	<b>1.00%</b>	<b>0.47%</b>	<b>0.26%</b>	<b>0.01%</b>	<b>393%</b>
<b>December 31, 2017</b>	<b>1.02%</b>	<b>0.40%</b>	<b>0.22%</b>	<b>0.30%</b>	<b>456%</b>
<b>March 31, 2018</b>	<b>1.02%</b>	<b>0.41%</b>	<b>0.19%</b>	<b>-0.04%</b>	<b>525%</b>
<b>June 30, 2018</b>	<b>1.00%</b>	<b>0.22%</b>	<b>0.05%</b>	<b>0.08%</b>	<b>1980%</b>
<i>March 31, 2018</i>					
<i>Peer Group</i>	<i>0.81%</i>	<i>0.43%</i>	<i>0.50%</i>	<i>0.08%</i>	<i>156%</i>

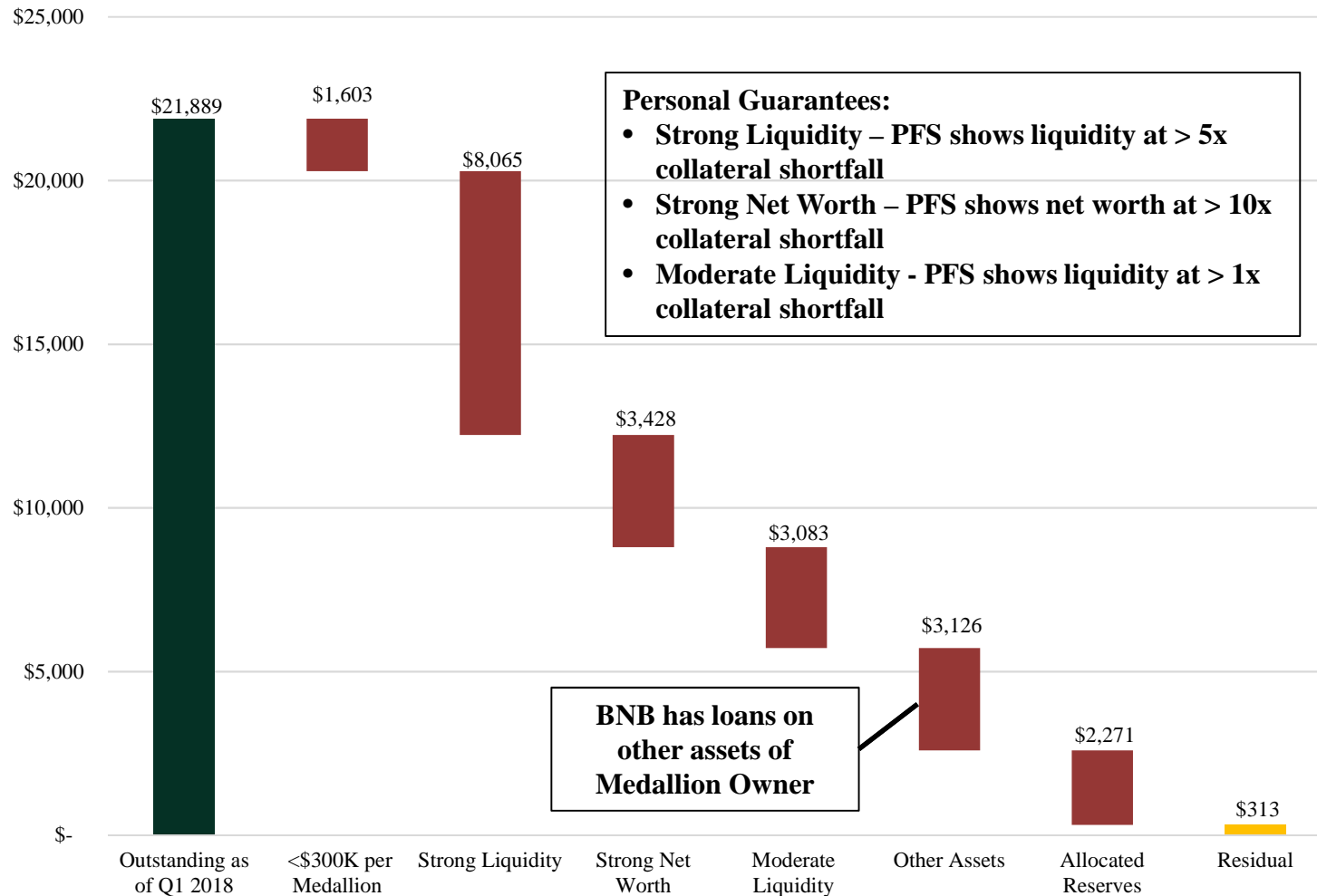
# Taxi Medallions



- 📊 Total of 44 Medallions; All loans amortizing; All paying as agreed except one
- 📊 Heightened monitoring of financial health of guarantors – Annual Personal Financial Statements (PFS)
- 📊 Only 1 individual owner/operator medallion - \$229K
- 📊 Paydowns of \$50K - \$300K made as loans renew – Designated as TDRs

# Taxi Medallions: Q2 2018

Alternate Sources of Repayment (\$000)





# SBA Business

- ④ Entered SBA Lending Space through Acquisition of Community National Bank (June 2015)
- ④ Approved PLP Status
- ④ Product Integrated Throughout Organization
- ④ 12% of Non-Interest Income
- ④ #1 Long Island Lender Based on Dollar Volume <sup>1</sup>
- ④ #3 NY District Lender Based on Dollar Volume <sup>1</sup>

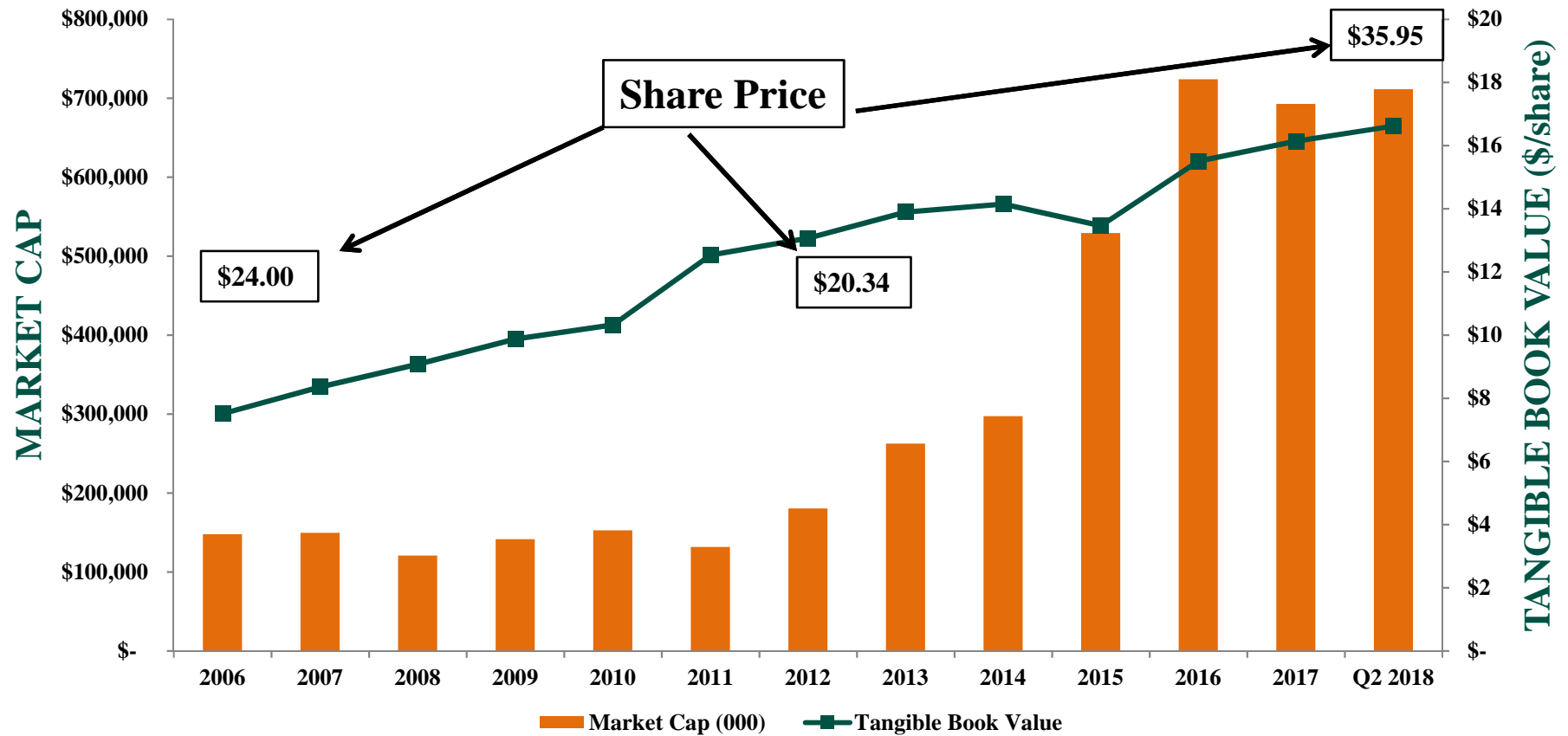
**\$1.4 Million  
Average Loan Size**

# 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**

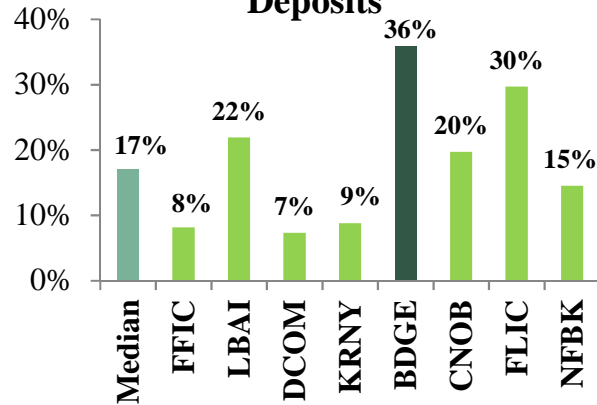
# Appendix

# BIDGE Market Cap & Liquidity

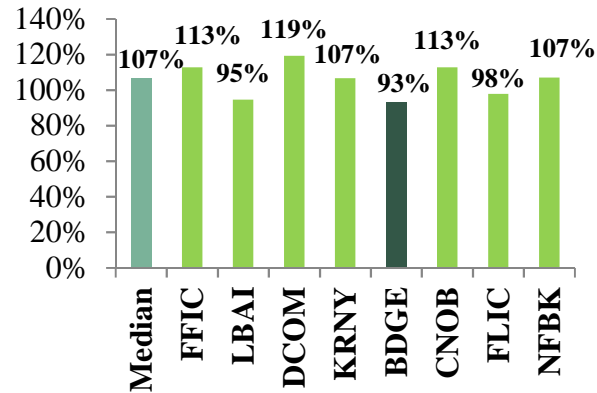


# NYC MSA Deposit Analysis

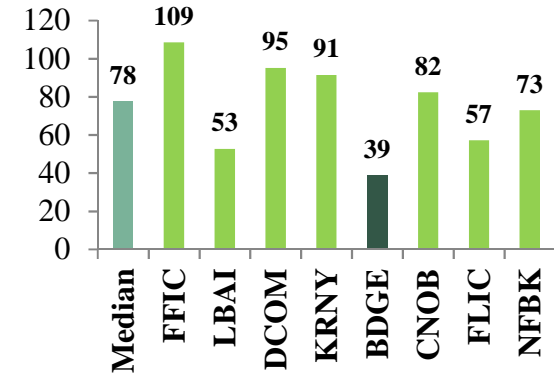
**Noninterest Demand/ Deposits**



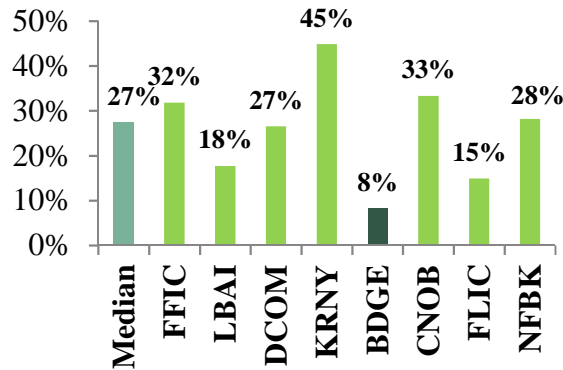
**Loans/ Deposits**



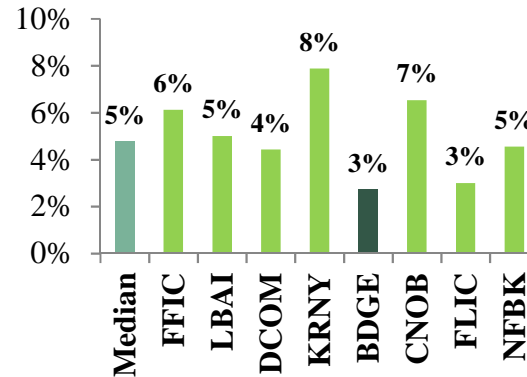
**Cost of Deposits (bps)**



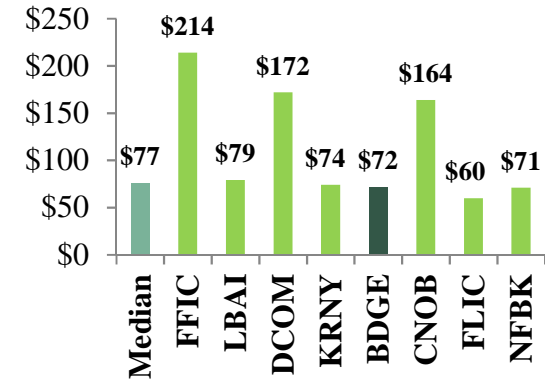
**CDs/ Deposits**



**Jumbo CDs/ Deposits (%)**



**Avg Branch Size\***



\*Branch data as of Q2 2017



Source: S&P Global Market Intelligence . Data as of Q1 2018 unless otherwise specified





**KEY**

FFIC - Flushing Financial Corporation  
 LBAI - Lakeland Bancorp, Inc.  
 DCOM - Dime Community Bancshares

KRNY - Kearny Financial Corp.  
 BDGE - Bridge Bancorp, Inc.  
 CNOB - ConnectOne Bancorp, Inc.

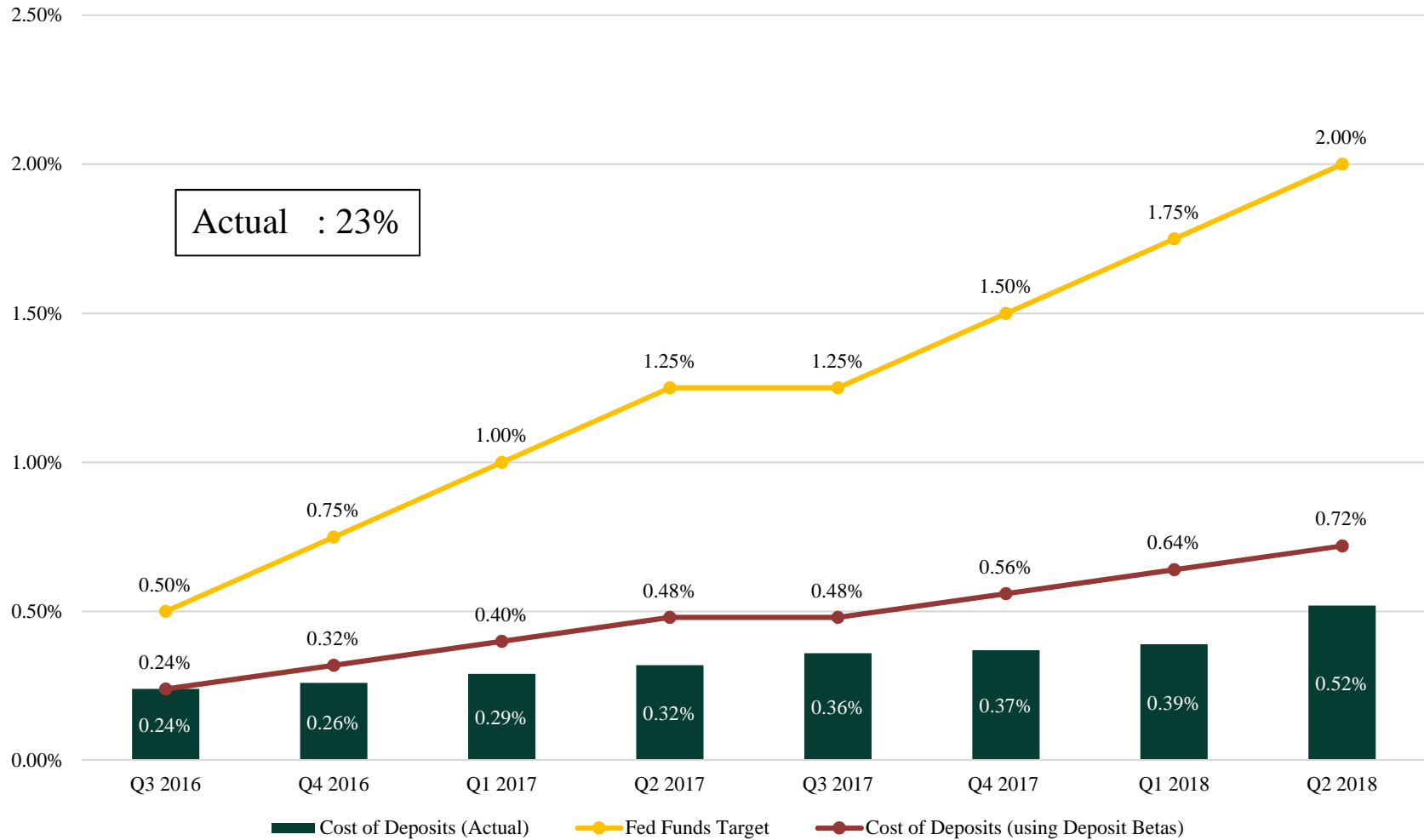
FLIC - First of Long Island Corporation  
 NFBK - Northfield Bancorp, Inc.

# IRR Strategies

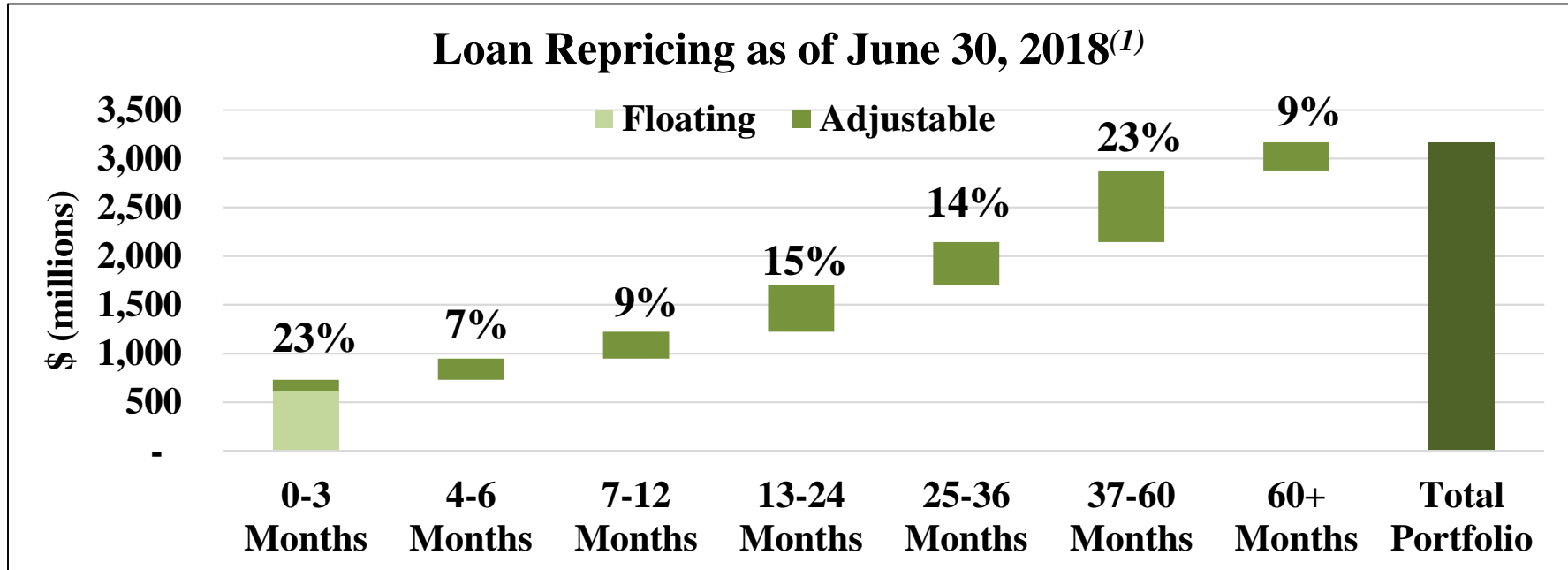
(\$ in 000's)	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Q2 2018</u>
 <b>Macro Swaps</b>	\$125,000	\$175,000	\$290,000	\$290,000
 <b>Loan Swaps</b>	\$ 56,328	\$ 62,472	\$147,967	\$174,997
 <b>O/N Borrowings as percent of assets (avg.)</b>	5.52%	6.85%	6.65%	1.73%
 <b>Portfolio E-DUR</b>	4.45 years	3.73 years	3.23 years	3.55 years

# Conservative Deposit Pricing Model

Funding Beta Analysis ( )



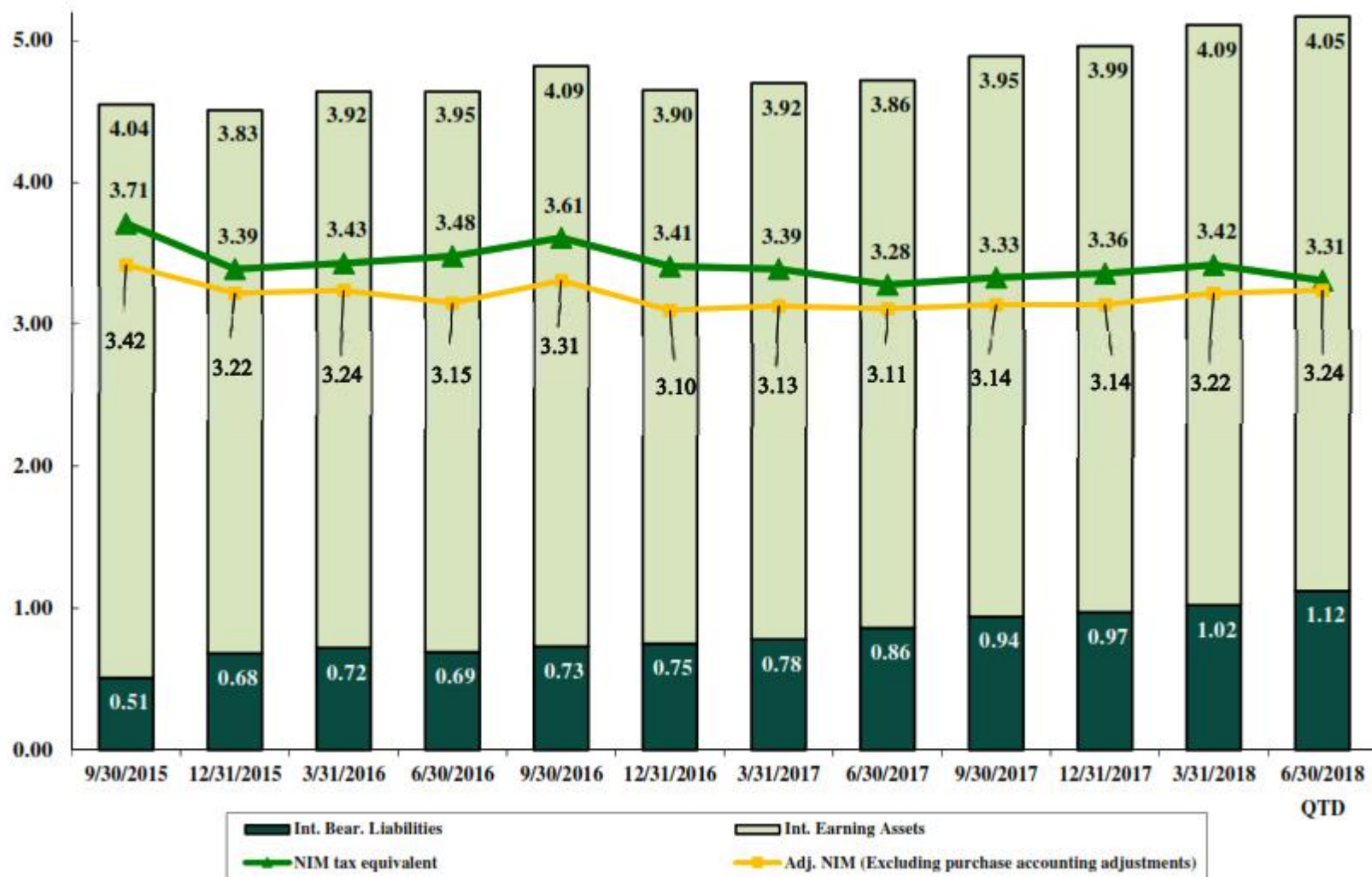
# Loan Repricing Schedule



- 🏠 Approximately \$600M loans reprice daily.
- 🏠 39% of the portfolio reprices within 12 months.
- 🏠 Through 2021, \$220M multifamily loans yielding approximately 3.35% are set to reprice.
- 🏠 Over the last 2 years, approximately \$250M of loans have moved above their contractual floor rates leading to increased interest income with each additional rate hike.
- 🏠 Experienced a loan beta of 30% in 2018.

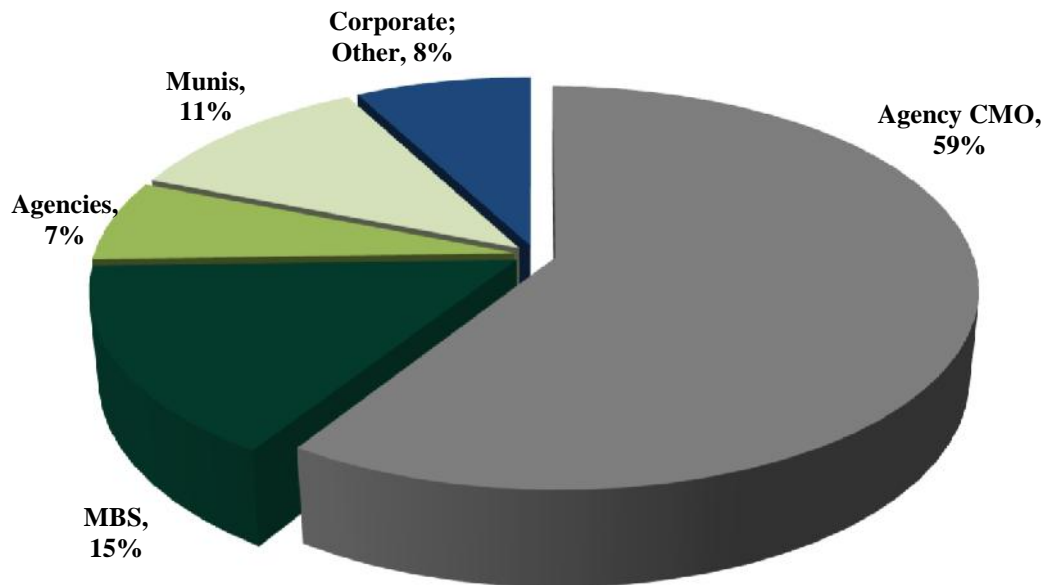


# Quarterly Net Interest Margin




# Conservative Securities Portfolio

June 30, 2018



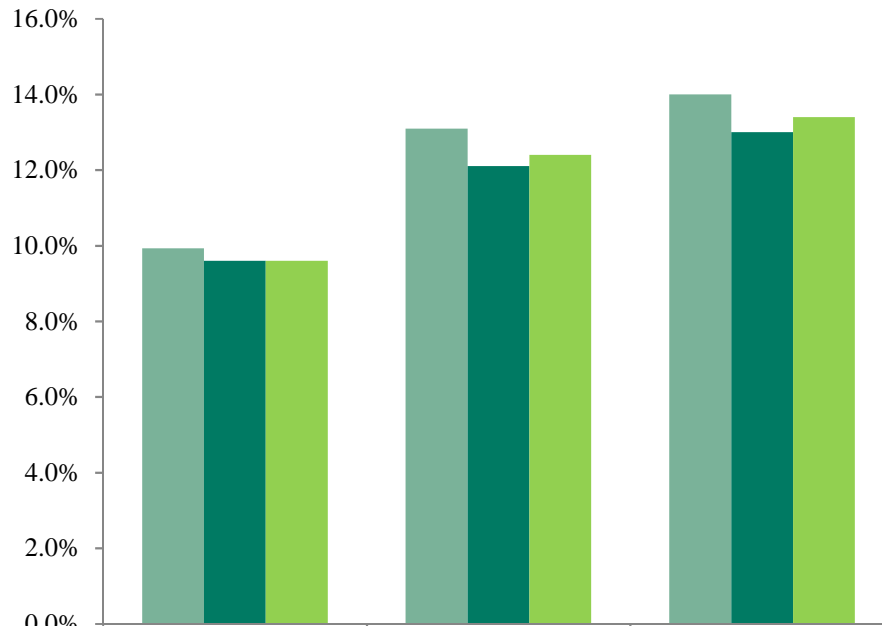
 **\$829 Million in Securities**

 **Exceptional Credit Quality with 84% Guaranteed by the U.S. Government**

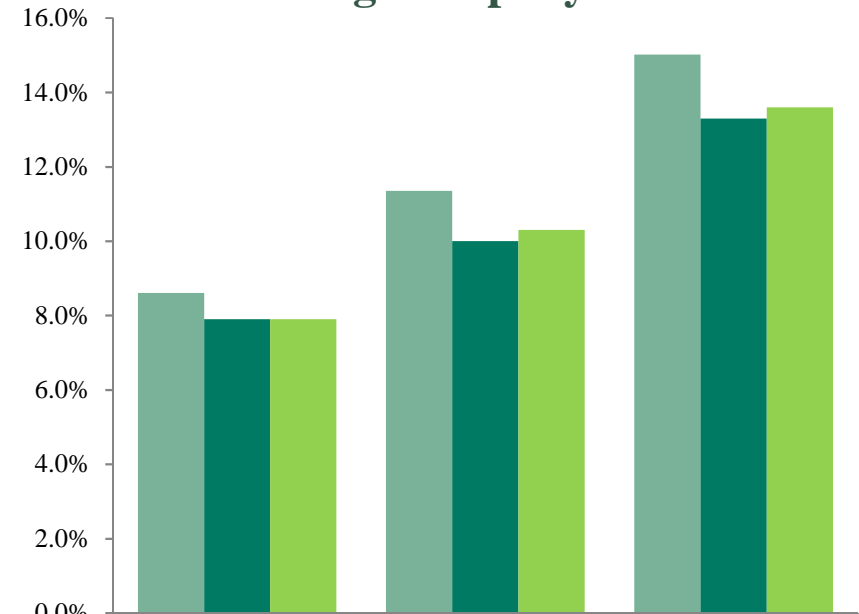
 **Effective Portfolio Duration is 3.55 Years**

# Capital Overview

## Bank Level



## Holding Company Level



	Tier 1 Leverage	Tier 1 RBC	TRBC
12/31/2016	9.9%	13.1%	14.0%
12/31/2017	9.6%	12.1%	13.0%
6/30/2018	9.6%	12.4%	13.4%

	Tier 1 Leverage	Tier 1 RBC	TRBC
12/31/2016	8.6%	11.4%	15.0%
12/31/2017	7.9%	10.0%	13.3%
6/30/2018	7.9%	10.3%	13.6%

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

# Reconciliation of GAAP to Non-GAAP Adjustment – ROA & ROE

## BRIDGEBANCORP, INC. AND SUBSIDIARIES

### Non-GAAP Financial Measures (unaudited)

#### Reconciliation of as reported (GAAP) and non-GAAP financial measures

The following tables below provide a reconciliation of generally accepted accounting principles ("GAAP") (as reported) and non-GAAP 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 GAAP in the United States. 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 important than financial results determined in accordance with GAAP.

The following non-GAAP financial measures exclude certain net securities losses associated with the Company's strategic plan to restructure its balance sheet during the second quarter of 2018.

	<b>Three Months Ended</b>		
	<b>June 30, 2018</b>	Mar. 31, 2018	June 30, 2017
<b>Return on average total assets - as reported</b>	<b>0.60%</b>	1.09%	0.85%
Net securities losses	<b>0.71%</b>	0.00%	0.00%
Income tax effect of adjustment above	<b>(0.16)%</b>	0.00%	0.00%
<b>Adjusted return on average total assets (non-GAAP)</b>	<b>1.15%</b>	1.09%	0.85%
<b>Return on average stockholders' equity - as reported</b>	<b>5.96%</b>	10.86%	8.07%
Net securities losses	<b>7.01%</b>	0.00%	0.00%
Income tax effect of adjustment above	<b>(1.54)%</b>	0.00%	0.00%
<b>Adjusted return on average stockholders' equity (non-GAAP)</b>	<b>11.43%</b>	10.86%	8.07%

# Reconciliation of GAAP to Non-GAAP Adjustment – Net Income

## BRIDGE BANCORP, INC. AND SUBSIDIARIES

### Non-GAAP Financial Measures (unaudited)

The following table presents a reconciliation of net income and diluted earnings per share (as reported) to adjusted net income and adjusted diluted earnings per share excluding net securities losses associated with the Company's strategic plan to restructure its balance sheet during the second quarter of 2018:

	<b>Three Months Ended</b>		
	<b>June 30, 2018</b>	Mar. 31, 2018	June 30, 2017
<i>(Dollars in thousands, except per share amounts)</i>			
<b>Net income - as reported</b>	<b>\$ 6,743</b>	\$ 12,073	\$ 8,841
Adjustments:			
Net securities losses	<b>7,921</b>	-	-
Income tax effect of adjustment above	<b>(1,742)</b>	-	-
<b>Adjusted net income (non-GAAP)</b>	<b>\$ 12,922</b>	\$ 12,073	\$ 8,841
<b>Diluted earnings per share - as reported</b>	<b>\$ 0.34</b>	\$ 0.61	\$ 0.45
Adjustments:			
Net securities losses	<b>0.40</b>	-	-
Income tax effect of adjustment above	<b>(0.09)</b>	-	-
<b>Adjusted diluted earnings per share (non-GAAP)</b>	<b>\$ 0.65</b>	\$ 0.61	\$ 0.45

# Reconciliation of GAAP to Non-GAAP Adjustment - NIM

## BRIDGEBANCORP, INC. AND SUBSIDIARIES

### Non-GAAP Financial Measures (unaudited)

The following table reconciles net interest margin (as reported) to adjusted net interest margin on a tax equivalent basis, excluding accretion income and average purchase accounting adjustments on acquired loans (non-GAAP) :

(Dollars in thousands)	Three Months Ended		
	June 30, 2018	Mar. 31, 2018	June 30, 2017
Net interest income - as reported	\$ 33,929	\$ 34,539	\$ 30,793
Tax equivalent adjustment	156	166	348
Net interest income, tax-equivalent basis (non-GAAP)	\$ 34,085	\$ 34,705	\$ 31,141
Adjustment:			
Less: Accretion income on acquired loans	(625)	(1,959)	(1,510)
Adjusted net interest income, tax-equivalent basis (non-GAAP)	\$ 33,460	\$ 32,746	\$ 29,631
Average interest earning assets - as reported	\$ 4,129,817	\$ 4,120,300	\$ 3,804,316
Adjustment:			
Average purchase accounting adjustments on acquired loans	6,758	9,131	17,425
Adjusted average interest earning assets (non-GAAP)	\$ 4,136,575	\$ 4,129,431	\$ 3,821,741
Net interest margin - as reported (1)	3.30%	3.40%	3.25%
Tax equivalent adjustment	0.01%	0.02%	0.03%
Net interest margin, tax-equivalent basis (non-GAAP) (2)	3.31%	3.42%	3.28%
Adjustment:			
Purchase accounting adjustments on acquired loans	(0.07)%	(0.20)%	(0.17)%
Adjusted net interest margin (non-GAAP) (3)	3.24%	3.22%	3.11%

(1) Net interest margin represents net interest income divided by average interest earning assets.

(2) Net interest margin, tax equivalent basis represents net interest income on a tax equivalent basis divided by average interest earning assets.

(3) Adjusted net interest margin represents adjusted net interest income, tax equivalent basis divided by adjusted average interest earning assets.